

The Assembly met at 10 a.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Mr. Speaker, I have a petition to present on behalf of residents of Saskatchewan. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action to ensure that the required level of service in radiology is maintained in the North Central Health District and the priorities of its board be adjusted accordingly.

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

Mr. Speaker, the signatures on this petition come from the communities of Gronlid, Tisdale, Ridgedale, and Melfort. I so present.

**Mr. D'Autremont:** — Mr. Speaker, I also have petitions to present today. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action to ensure that the required level of service in radiology is maintained in the North Central Health District and the priorities of its board be adjusted accordingly.

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

These petitions come from the Melfort, Naicam, St. Brieux, and Tisdale areas. Mr. Speaker, I so present.

**Mr. Toth:** — Thank you, Mr. Speaker, as well to present petitions, reading the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action to ensure that the required level of service in radiology is maintained in the North Central Health District and the priorities of its board be adjusted accordingly.

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

And, Mr. Speaker, the petition I present this morning is signed by individuals from the communities of Melfort, Bjorkdale, Kinistino, and Love. I so present.

**Mr. Bjornerud:** — Thank you, Mr. Speaker. I also have petitions to present this morning. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take immediate action to ensure the required level of service in radiology is maintained in North Central Health District

and the priorities of its board be adjusted accordingly.

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

The community of Melfort, Mr. Speaker, are where the signatures are from.

**Mr. Heppner:** — Thank you, Mr. Speaker. I too rise to present petitions and these are signed by the people from the community of Rosetown and I read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to cancel any severance payments to Jack Messer and to immediately call an independent public inquiry to find all the facts surrounding that fiasco.

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

I so present.

**Mr. Gantfoer:** — Thank you, Mr. Speaker. I too rise on behalf of citizens in the north-east concerned about the provision of radiology services in the north-east. People on this petition, Mr. Speaker, that have signed it are from the communities of Tisdale, Ridgedale, Nipawin, and Crooked River, Mr. Speaker. I so present.

**Ms. Draude:** — Mr. Speaker, I also have a petition to present today:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take an immediate action to ensure the required level of service in radiology is maintained in the North Central Health District and the priorities of its board be adjusted accordingly.

As in duty bound, your petitioners will ever pray.

Everyone that has signed this petition is from Melfort.

**Mr. Boyd:** — Thank you, Mr. Speaker. I have a petition to present to the Assembly this morning as well, regarding the North Central Health District and the level of service that people are concerned about in that district, Mr. Speaker.

This petition comes from the Mistatim area of the province of Saskatchewan and I'm pleased to present on their behalf.

**Mr. McLane:** — Thank you, Mr. Speaker. I'm glad to rise again today on behalf of people of Saskatchewan to present a petition. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and providing adequate funding to the Regina District Health Board so that the essential services provided at the Plains may be continued.

Mr. Speaker, this petition has signatures on from the

communities of Assiniboia, Coronach, and Killdeer. I so present.

**Mr. Belanger:** — Thank you, Mr. Speaker. I also rise to present a petition this morning, and the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to address the issue of reducing the high cost of power rates in northern Saskatchewan.

And the people that have signed the petition, Mr. Speaker, are from Uranium City as well as Stony Rapids, and I so present. And I might add, Mr. Speaker, that we have petitions signed from all throughout the land.

**Mr. Hillson:** — Thank you, Mr. Speaker. I rise this morning to present petitions on behalf of residents of the north-west concerned about the confusing and dangerous traffic situation at the entrance to North Battleford. And the petition reads as follows:

Your petitioners humbly pray that your Hon. Assembly may be pleased to relocate Highway 40 to east of the David Laird Campground in order to alleviate the congestion at the entrance to the city of North Battleford.

Your petitioners this morning come from Maymont, Cando, Loon Lake, and North Battleford.

**Mr. McPherson:** — Thank you, Mr. Speaker. I join with my colleagues today in bringing forward petitions. These ones are from people throughout the province in their efforts to stop the closure of the Plains hospital. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

Mr. Speaker, the people that have signed these petitions are all from the community of Swift Current. I so present.

**Mr. Aldridge:** — Thank you, Mr. Speaker. I too rise to present petitions on behalf of the citizens concerned about the closure of the Plains Health Centre. The prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to save the Plains Health Centre by enacting legislation to prevent the closure, and by providing adequate funding to the Regina Health District so that the essential services provided at the Plains may be continued.

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

Those who've signed these petitions, Mr. Speaker, are from the community of Fort Qu'Appelle and the city of Regina. I so present.

**Mr. Goohsen:** — Good morning, Mr. Speaker. I'm happy today to present petitions on behalf of the folks from across the province. I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to reach the necessary agreements with other levels of government to fund the twinning of the Trans-Canada Highway in Saskatchewan so that work can begin in 1998, and to set out a time frame for the ultimate completion of the project with or without federal assistance.

As in duty bound, your petitioners will ever pray, Mr. Speaker.

These folks come from Tompkins, Maple Creek, Regina, Medicine Hat, Shaunavon, Gull Lake, Cabri, Swift Current, Portreeve, and Hazlet, and all throughout the land.

### READING AND RECEIVING PETITIONS

**Clerk:** — According to order the following petitions have been reviewed, and pursuant to rule 12(7) are hereby read and received.

Of citizens of the province petitioning the Assembly on the following matters: to twin the Trans-Canada Highway; to save the Plains Health Centre; to call an independent public inquiry into Channel Lake; to have Workers' Compensation Board reinstate pensions; to relocate Highway 40 to alleviate congestion at North Battleford; to allow Steven and Kimberley Walchuk to remain in the custody of grandparents; to reduce the high cost of power rates in the North; to cause the government to take immediate action to ensure survival of the Carrot River Hospital; to ensure required level of service in radiology in the North Central Health District.

### INTRODUCTION OF GUESTS

**Mr. Krawetz:** — Thank you very much, Mr. Speaker. Mr. Speaker, it is indeed a pleasure to introduce a group of young students from the community of Theodore to you and to members in the Assembly. Visiting the legislature this morning, Mr. Speaker, are a group of grade 5 and 6 students from the community of Theodore — 18 in total. And I'd like to introduce their teacher, Valerie Jeske; and accompanying this group is a group of fine parents — Wendy Maleschuk, Barb Medvid, Dick Onslow, Shelley Kramer, and Cheryl Spezowka.

I'm very pleased that you're able to make it here so early this morning and I know you've had the opportunity to see some of the things in the Legislative Building. And I'm looking forward to meeting them shortly, at about 10:30.

I ask all members to welcome them.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. There are 24 grade 8 students from Wildwood School in your gallery and I'd like to introduce them to you and to all members of the Assembly this morning. Their teachers are Ms. Shannon Miko

and a good friend of mine, Honya Olson. And their chaperon today is Mrs. Elaine Wilkinson.

Ms. Olson has brought many, many students to the Legislative Assembly and they're always quite prepared when they come. I'd like everyone to give them a warm welcome today please.

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

**Ms. Draude:** — Thank you, Mr. Speaker. I also have the privilege of having a school group in today. They travelled all the way from Porcupine Plain so that means they got up very early this morning.

There's 24 grade 8 students here sitting in the east gallery, with their teacher Mr. Anderson. I look forward to probably the very good questions they've been waiting to ask me, so I will talk to you later in room 255. Welcome everyone.

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

#### STATEMENTS BY MEMBERS

##### Health Care Requirements

**Mr. McLane:** — Thank you, Mr. Speaker. Mr. Speaker, I'm concerned about several events that have happened in the past few weeks. Last week a trio of tornadoes swept through southern Alberta. Two weeks ago a string of severe thunderstorms produced at least four tornadoes from Gravelbourg to Vanguard. Luckily, Mr. Speaker, there were few injuries and minor damage.

Unfortunately, the people of Spencer, South Dakota were not so lucky. Only a few days ago a tornado destroyed 90 per cent of the town of 300. It killed 6 people, injured 150, and 18 of the 41 people treated at hospitals had to be admitted.

Why does this concern me? Because if five stabbings on any given weekend overwhelm the health care system in Regina, what would happen if a natural disaster were to occur?

Mr. Speaker, it is not unreasonable to believe this could happen in Regina. A city of Regina emergency planner said tornadoes and summer storms threaten people in Regina more than anything else. The last severe tornado in Regina in 1912 brought devastation. The tornado's impact proved to be dramatic. It caused over a million dollars in damages, claimed 28 lives, injured hundreds, and rendered almost 3,000 homeless.

Mr. Speaker, we have given dozens of examples this session of what long waiting-lists and bed shortages have done to people in Regina and Saskatchewan. The health care system is in crisis without a natural disaster happening. The solution is simple. The people at the Save the Plains rallies understand the problem. Simply put, we need more beds.

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

##### Saskatchewan's Economy

**Mr. Thomson:** — Well thank you, Mr. Speaker. It's always a pleasure to follow the Liberals who in themselves are a bit of a

natural disaster these days. But I'd like to share with you some good news.

For the past 61 days members on the government side have been true to form in terms of promoting the benefits of our strong economy for Saskatchewan people. The strength of the Saskatchewan economy is not limited to our major cities and in fact we see throughout the province good news — even in opposition ridings.

Taking a look at the Shaunavon *Standard*, there's a headline that says, "Southwest Saskatchewan turning into a little Hollywood." Not surprising given that the member from Wood River is quite a stunt man in himself, often leaping before he looks.

Mr. Speaker, we see this around the province — this kind of good news. And I have other good news for the opposition. Post-Secondary Education has recently put out a new book called the *Job Search Handbook* which will actually come in, I think, quite handy for opposition members as they prepare for their new life after the next election. Thank you, Mr. Speaker.

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

**The Speaker:** — The hon. member for Regina South will recognize of course that he's using the document that he has as an exhibit and I'll ask that the pages remove it from the Chamber.

##### Museum Month

**Mr. Hillson:** — Mr. Speaker, June is Museum Month in Saskatchewan and I'm pleased to rise to pay tribute to those who work to preserve our heritage. I want to pay tribute in Museum Month to those who work to preserve our heritage and to bring it to life for our residents, especially for the young people of Saskatchewan.

However, this year could have been a very bad year for museums and art galleries in Saskatchewan. In January of this year, the Minister of Finance announced a new tax grab whereby donations of art to museums and art galleries would become taxable, and people who've made gifts of art to our art galleries for public enjoyment would have to pay the PST (provincial sales tax) on them. This would have been devastating to our museums and art galleries and would have guaranteed that donations to our museums and art galleries would dry up.

I congratulate those who work in our museums and art galleries, the work they do to keep our heritage alive. And I also say with some relief that — it was with great relief — that the Minister of Finance thought better of this cheap tax grab and reversed it and cancelled it. And we are all grateful for that in keeping our museums and art galleries alive in Saskatchewan.

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

##### Building Independence Call Centre

**Ms. Murray:** — Thank you, Mr. Speaker. Today I'm delighted to tell you about the success of the Building Independence call

centre. This call centre handles inquiries related to the "Building Independence — Investing in Families" programs for low-income families with children in this province: programs such as the Saskatchewan Child Benefit, the Saskatchewan employment supplement, family health benefits and the provincial training allowance.

The call centre is open from 7 a.m. to 7 p.m. on weekdays, and on weekends from 8 a.m. to 5 p.m.

In the first three months since this call centre was opened, from late March until the end of May, it received more than 5,000 calls. But that's not all, Mr. Speaker. Since the centre began accepting applications for the Saskatchewan employment supplement on Monday, June 1 — just four days ago — it has received more than 2,971 calls. And I'm sure that number is higher even now, Mr. Speaker.

And in that short time, more than 1,000 adult applicants, representing more than 2,000 children in this province, have registered for the employment supplement. This supplement will play an important role in providing assistance for children in low-income families by helping families stay in the workforce and in assisting families to become independent.

Mr. Speaker, we are pleased with the public interest in these programs. All of the Building Independence initiatives are extremely significant for this province. Through these programs, Saskatchewan . . .

**The Speaker:** — Order. The hon. member's time has expired.

#### **Young Hockey Players from Northern Saskatchewan**

**Mr. Belanger:** — Thank you, Mr. Speaker. I rise in tribute to great hockey players of northern Saskatchewan. These hockey players include John Young of Buffalo Narrows, Abe Apeis of Patuanak, Louis Gardiner of Ile-a-la-Crosse, and John Corrigan of Canoe Lake.

And now we have a new star a rising star. A. J. Gardiner of Ile-a-la-Crosse is a 10-year-old hockey player and he has a great summer to look forward to. A. J. has made the line-up for the Triple A Hockey Club based out of Edmonton, Alberta. He'll be playing with 14 other novice-age hockey players. The team is called AAA Western Canada Native Selects. A. J. plays right wing and his favourite NHL team is the Montreal Canadiens.

A.J. was asked to a try-out camp at the Western Hockey League tournament, which is an annual event, held in Saskatoon for minor hockey players. The next stage was to attend the try-outs which were held in Hobbema, Alberta. He made that team but it was not easy, as there was 40 other boys who were all invited to compete for positions. Players come to try out from as far away west as Vancouver, B.C. (British Columbia) and The Pas, Manitoba. Players also come from the eastern provinces.

It will be a busy, exciting summer for A.J. and his family attending practices, exhibition games, and tournaments in Calgary, Edmonton, and Red Deer, just to name a few.

All of A.J.'s family, especially his parents, his grandparents, are all helping out with the fund-raising. The whole community of

Ile-a-la-Crosse has supported this fund-raising effort. We know A.J. will enjoy himself and will try very hard, and it will be a learning experience that will last him a lifetime.

The family of Robbie Sr. and Joyce Gardiner wish to thank . . .

**The Chair:** — Order. The hon. member's time has expired.

#### **Michael Zerr Memorial Golf Tournament**

**Hon. Mr. Sonntag:** — Thank you, Mr. Speaker. I'm pleased to inform my colleagues of a very worthy fund-raising event, which took place on the weekend.

The third annual Michael Zerr Memorial Golf Tournament was held this past Saturday, May 30, at the Emerald Park Golf Course. The event is organized and hosted every year by Mr. Zerr's friends and former colleagues at the Liquor and Gaming Authority.

Mr. Zerr passed away suddenly in 1995 at the age of 40. He had worked for the Liquor and Gaming Authority for 15 years, filling the positions of planning analyst, properties manager, distribution manager, and as a regional manager for liquor stores and franchises.

In 1996 the friends of Mr. Zerr started the Michael Zerr Memorial Golf Tournament. All proceeds from the tournament are placed in a scholarship fund in Mr. Zerr's name at Campion College at the University of Regina. This year the 96 golfers involved in the tournament raised approximately \$3,500 for the fund, bringing the three-year total to over \$6,000.

Scholarships are handed out to students with both academic achievement and financial need. The decision on the granting of the scholarships is made by Michael's wife, Cecilia, in consultation with the Campion College staff.

In addition, this year the Michael Zerr Memorial Golf Tournament had the opportunity to host a national hero, former Toronto Maple Leaf captain, Mr. Dave Keon. Dave Keon was my all-time hockey hero, Mr. Speaker, and fortunately for me I got to golf with him all day. So to all those hockey fans out there I'm now able to say that I played on the same team as Dave Keon.

I'd like to congratulate all involved. Thank you, Mr. Speaker.

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

#### **Prairie Fire Rugby Team**

**Hon. Mr. Nilson:** — Mr. Speaker, there are two kinds of scrum. Both of them mind-numbing in their own way.

The one involves being surrounded by the media with cameras, lights, and microphones. But there is another kind of scrum — more invigorating, more entertaining, more intellectually challenging, and more relaxing for me because all I have to do is watch.

The second scrum of course is associated with the game of rugby. And because of the efforts of Mr. Karl Fix of Fix

Building Products, and several other rugby enthusiasts in Regina, we now can all see scrums, drop kicks, mauls, line outs, rucks, and even touch downs.

Big time rugby has come to Regina. Tomorrow at 6:30 p.m. at Regina Rugby Park, in my constituency, I urge you to attend the third game of the season for the Prairie Fire, our undefeated entry in the Rugby Canada Super League.

All members, but especially the member from Meadow Lake, will be interested to know that one of the stars of the Prairie Fire is joltin' John Law, the president of SPMC (Saskatchewan Property Management Corporation). John is also the Chair of the management committee, which also includes my brother Ralph as vice-Chair.

Mr. Speaker, the Prairie Fire is a welcome edition to the entertainment offerings of our city, and I wish all players, coaches, and management well as they move towards the national championships. Thank you.

### ORAL QUESTIONS

#### Crown Construction Tendering Agreement

**Mr. Boyd:** — Thank you, Mr. Speaker. Mr. Speaker, my questions this morning are for the Minister of Labour. Mr. Minister, last night in Labour estimates you indicated that your government is very close to getting rid of your union preference tendering policy — the CCTA (Crown Construction Tendering Agreement). I'm glad to see that you're finally adopting one of the policies of the Saskatchewan Party. Of course it's three years too late, but better late than never I guess.

Saskatchewan contractors have already suffered tremendous damage to their businesses as a result of this unfair policy, and taxpayers are out millions of dollars to pay off your union leader friends.

Mr. Minister, are you getting ready to adopt one of the Saskatchewan Party policies — scrapping the union tendering preference policy and replace it with a fair and open Crown tendering policy? Will you admit to the Assembly today and to the people of Saskatchewan that your union preference tendering policy has been an absolute failure?

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

**Hon. Mr. Mitchell:** — Mr. Speaker, I will admit no such thing. What the member fails to say in his lengthy question was the fact that the Devine government, his predecessors, had created a situation in the construction industry that had led the whole industry to the point of chaos, and a practical collapse of the whole collective bargaining system.

And if they thought that this government was going to sit by and see the building trade unions in this province get crushed underfoot, they're badly mistaken.

The CCTA was the kind of lifeline they needed in order just to sustain existence, their existence, until the situation could be improved. And indeed some of the unions, some of the trade unions in the building trades failed to survive — failed to

survive, Mr. Speaker, in spite of the CCTA, in spite of all the efforts that were made to keep them going.

That government, that party's predecessor, the Conservative government, created the situation; the CCTA helped to preserve it until we can get to better times. And those times are just around the corner.

**Mr. Boyd:** — Mr. Speaker, Mr. Minister, last night you admitted the reason that you brought in this unfair policy was to throw a lifeline to the unions in Saskatchewan. You may have threw them a lifeline, but you threw everyone else an anchor, Mr. Minister.

You threw an anchor to the contractors, you threw an anchor to the workers, and worst of all, you threw an anchor to every Saskatchewan taxpayer in this province who was forced to pay millions of dollars in increased utility rates to pay for your policy. And for what? So the NDP (New Democratic Party) could pay off a few union leader friends.

Mr. Minister, now that you've finally come to your senses and admitted this policy was an abject failure, can you tell us, how much did this policy cost, how much this unfair policy cost the taxpayers of this province?

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

**Hon. Mr. Mitchell:** — This is a question where my learned friend has no idea what the answer is, and we have no idea what the answer is because there's no way of knowing this; there's no way of knowing this.

We've heard the party opposite make the wildest accusations about it. The person that just laughed the loudest is the member from Kelvington or wherever she's from — laughed the loudest. She herself has said — in press statements — wild accusations about the cost of this particular program.

So far as we have been able to determine, it has not been a costly agreement at all. We are not able to identify any circumstance in which the cost to the taxpayer is greater than it otherwise would be. And that is the fact of the matter.

Now all of this was necessary, and I want to repeat this because it's so important, because the predecessor of that party, the Conservative government of Grant Devine, allowed spin-off companies to exist in this province for years and years. And it completely destroyed effective collective bargaining in the construction industry.

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

#### Kenosee Youth Camp

**Mr. D'Autremont:** — Thank you, Mr. Speaker. My question is to the Minister of Social Services. Mr. Minister, your young offenders' facility at Kenosee is out of control. In the past two weeks, seven escapes and two car thefts, and a high-speed chase that resulted in \$10,000 of damage to two police cruisers and a stolen car.

Mr. Minister, Kenosee area residents are afraid. They don't see

you doing anything about it. No wonder people call it Camp Walk-A-Way. Mr. Minister, what are you doing to beef up security at your Kenosee young offenders' facility?

**Hon. Mr. Calvert:** — Mr. Speaker, we would hardly describe the circumstances out of control. We are very concerned, we are very concerned, Mr. Speaker, about the recent runaways from the Kenosee Youth Camp. We are extremely concerned about this and we are again reviewing all of the security arrangements at Kenosee.

I can report to the House, Mr. Speaker, and report to that member that significant measures have been taken in the Kenosee circumstance to strengthen security, and folks in the community of Kenosee know this. We have added staff to night-time supervision. We have put new alarm systems into the camp. We have developed a community protocol now to telephone loop with the community and with the RCMP (Royal Canadian Mounted Police).

I also want to reassure the member that those youths who have escaped are now in secure custody and they will have to face the consequences of their actions.

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

**Mr. D'Autremont:** — Thank you, Mr. Speaker. If seven escapes in two weeks isn't out of control, I would hate to see the situation get out of control.

Mr. Minister, this is just one more example of how ridiculous the entire concept of open custody is. These kids are in the facility because they broke the law and nothing is done to actually keep them in custody.

Mr. Minister, we all agree with the goal of rehabilitation but your first priority has to be protection of the public. And what are you doing about it? Nothing.

I see one of the young offenders is writing an apology. He should be writing an IOU for \$10,000 for the damage that he caused. He should be doing community service and providing restitution until he pays it off.

Mr. Minister, when are you going to start taking this issue seriously? What specific plans do you have to improve the security in the young offenders' facilities?

**Hon. Mr. Calvert:** — Mr. Speaker, I have spoken to the member about some of the changes that have happened to improve security in open-custody facilities. To remind the member again, and all members, that a youth who is placed in open custody is placed there by the courts, having been judged by the courts to not present a risk to the community.

In open custody the young people are involved in education, they're involved in training, they're involved in counselling, they're involved in rehabilitation, and in some cases they're involved in some very physical activities.

Mr. Speaker, what are we doing about the young offenders in Saskatchewan? We're doing a number of things, a host of things. We have lobbied the federal government, and we're

pleased to see changes coming to the Young Offenders Act. We are building a community justice system . . .

**The Speaker:** — Order, order, order. Now I've not been having a difficulty hearing the questions but I'm having some consistent difficulty being able to hear the answers being provided and I'll ask . . . order, order . . . and I'll ask for the cooperation of all the members to enable the minister's answer to be heard clearly.

**Hon. Mr. Calvert:** — Mr. Speaker, we are building a community justice system which seeks to make youth more accountable to their victims and more accountable to their communities . . . in their community, Mr. Speaker.

Now I want again to re-emphasize in this House that when we speak of young offenders in our province we are speaking of a small minority of the young people of Saskatchewan — 94,000 Saskatchewan young people fit the ages covered by the Young Offenders Act. We have approximately 400 in custody, Mr. Speaker. That's less than 1 per cent. Let's keep in mind that the vast, vast majority of Saskatchewan young people are good kids.

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

#### Hiring of Additional Nurses

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, my question today is for the Minister of Health. Mr. Minister, last month we learned the NDP's plan for making up with thousands of angry, overworked nurses was to buy off their union president. Unfortunately, Mr. Speaker, that hasn't worked. So the NDP decided to take another crack at buying off nurses by announcing 200 new nursing positions. Well, Mr. Speaker and Mr. Minister, that hasn't worked either because most nurses in this province don't believe you.

Mr. Speaker, the NDP's health reforms have resulted in a massive exodus of nurses from Saskatchewan because there are no full-time jobs. Mr. Minister, you are asking nurses to work on a casual basis — no set schedule, no set hours, no opportunity to plan for holidays, family events, no stability. And now suddenly we are asked to believe the NDP has suddenly seen the light.

Mr. Minister, where are all the new full-time nursing positions you promised? How many new, permanent, full-time nurses have you hired since you made your announcement two weeks ago?

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

**Hon. Mr. Calvert:** — Well, Mr. Speaker, on behalf of the Minister of Health, as a member of this legislature — as I have talked to members of the nursing profession in my community and across the province — they are, and the citizens of Saskatchewan are, absolutely delighted to see the injection of 200 new front-line nurses in Saskatchewan.

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

**Hon. Mr. Calvert:** — I tell you, Mr. Speaker . . . I tell you, Mr.

Speaker, what they're not delighted with. It's the position of that party identified by its leader in his bid to lead that Conservative Party when he said, when he said, Mr. Speaker, to the people of Saskatchewan — his cure for any health care ailments in Saskatchewan would be to reduce the services covered by medicare, to drop elective surgeries.

Now, Mr. Speaker, I'd like that leader some day to come before the press and explain just exactly which procedures if he were government — which will be a long time from today — if he were government, which procedures would he drop?

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

**Mr. Toth:** — Mr. Speaker. Thank you, Mr. Speaker. Mr. Minister, the truth is that even if the NDP promise of 200 nurses is not just a smoke and mirrors promise to help win the Saskatoon Eastview by-election, there are very few nurses left in Saskatchewan to hire. And that's what we're being told on a daily basis. Your NDP health reforms have chased most of our nurses out of the province.

Mr. Minister, two weeks ago you promised 200 new nurses. My question is simple. How many new, full-time, permanent nurses have been hired? Mr. Minister, will you now admit that health districts are being forced to ask their existing nursing staff to work overtime and to offer casual nursing staff more hours? Will you admit that very few, if any, new full-time nursing positions have been hired and that your promises of 200 new nurses is pure fiction?

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

**Hon. Mr. Calvert:** — Mr. Speaker, the purest fiction is — if anyone thinks that the party that put this province \$15 billion in debt — has any credibility in public policy.

Mr. Speaker, 200 new health worker positions are being established. As we meet this morning, districts across the province are assessing where those positions are best going to be utilized.

It has been stated regularly by the Minister of Health: he and this government has recognized the pressure on the front-line workers. We recognize also the need to train and encourage more people into the nursing profession so the Department of Health, the SRNA (Saskatchewan Registered Nurses' Association), SUN (Saskatchewan Union of Nurses), and Post-Secondary Education are working together to create educational opportunities to graduate more nurses.

Mr. Speaker, we are providing that service to the people of Saskatchewan because this government and this party is firmly — firmly, firmly — convinced of the benefits of medicare.

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

#### Health Care in Saskatchewan

**Mr. McLane:** — Mr. Speaker, six weeks ago I told this Assembly how Margaret Bintner had become a victim of the health care system. Mrs. Bintner waited six months to remove blood clots from her leg. She finally underwent surgery but only

four days later was released from hospital to make room for another patient. Only three hours after being released, she suffered a stroke.

I can now tell the House that after Mrs. Bintner was moved to the Wascana Rehabilitation Centre she fell and broke her hip, her condition deteriorated, and only days ago, she passed away.

My question is to the Minister of Health: Mr. Minister, what do you have to say to Margaret Bintner's daughter who joins us today in the Legislative Assembly here and feels that her mother was abandoned by the health care system?

**Hon. Mr. Calvert:** — Mr. Speaker, with every member in this House we would extend our deepest sympathy to the Bintner family — of course that's what we do. Mr. Speaker, I can't make any specific comment on any specific medical practice or issue that is not in my purview, it would not be in the purview of the Minister of Health.

What I can assure that member and I can assure all the members and the people of Saskatchewan — this government is 100 per cent committed to building the best publicly funded, publicly accessible medicare system and health care system not only in Canada but on the continent.

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

**Mr. McLane:** — Mr. Speaker, Meryl Bintner won't tell you that the health care system killed her mother, but she will tell you that the system certainly contributed to her death. She feels the 6-month wait for surgery was unacceptable. The pressure physicians were under to make her mother's hospital bed available for the next patient was unacceptable. And the lack of proper staffing during her mother's stay in hospital was also unacceptable.

It's one thing for a senior to pass away when their time is up; it's quite another though when the process is speeded up because the system has failed.

Mr. Minister, are you finally going to accept some responsibility, or are we once again going to hear you blame someone else.

**Hon. Mr. Calvert:** — Mr. Speaker, this government takes very seriously its responsibility for the provision of health care for the people of Saskatchewan. That responsibility is twofold, Mr. Speaker, it is to provide the fiscal and financial resources. In this year's budget, more resources are being provided to health than ever before in the history of the province, Mr. Speaker.

We have — as we have just discussed — very recently provided 200 new front-line positions. Mr. Speaker, I read in recent press coverage, the Saskatchewan Medical Association, the doctor in charge saying that we've gone a long ways, we're going a long ways to meet Saskatchewan's doctor shortages, particularly in rural Saskatchewan. That's one side of our responsibility.

The other side of the responsibility of the Department of Health is to work with our health districts, to work with our health professionals, our doctors, our nurses, our LPNs (licensed practical nurse), our people at the very front lines. To work with

them as best we can to ensure the highest quality medical practices are available in this province and that they're supported and we work with them.

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

**Mr. McLane:** — Well, Mr. Speaker, we hear the minister and the government doing a lot of talking but we see very little action. And that's the reason that Meryl Bintner has joined us today to try and convince you that changes have to be made.

There must be something done to address the fact that people are waiting too long on waiting-lists. People are being rushed out of hospital too soon, and our nurses are being run off their feet trying to care for too many patients.

Mr. Minister, will you make a commitment to address these issues, or are you going to continue to sit by and watch as Saskatchewan people become victims of the health care system? And will you at least listen to Meryl Bintner's concerns and suggestions after question period.

**Hon. Mr. Calvert:** — Mr. Speaker, I'm not sure if I'm the only MLA (Member of the Legislative Assembly), but I happen once in awhile to watch *Pamela Wallin Live*. Some weeks ago Ms. Wallin interviewed three nurses from three jurisdictions in Canada. They each told a similar story about the pressures at the front line — not just in Saskatchewan, but in British Columbia, in Newfoundland, in Ontario.

Mr. Speaker, as I watched that program, do you know what it told me? It told me that we have a nation with a federal government that is stepping away from its responsibility for the provision of health care. You can see that — they have taken \$7 billion.

Mr. Speaker, since we've come to government, we've had to almost on an annual basis, back-fill precious health care dollars that have been ripped from this province and every province by the federal Liberal government.

We've had to do that and at the same time, reform and restructure our system so that it best preserves medicare and is best suited for the 21st century.

Mr. Speaker, we have a national government that has abandoned, abandoned its responsibility to medicare in Canada.

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

#### **Dangerous Goods Route near Moose Jaw**

**Mr. Aldridge:** — Mr. Speaker, Saskatchewan residents have voiced a great deal of concern about the deteriorating condition of our rural road system. In fact the Minister of Highways confirmed yesterday that her department has received hundreds of damage claims from people whose vehicles have been damaged. But you know the situation is really bad when a dangerous goods route becomes a dangerous route itself.

Madam Minister, you've just received a photo of the dangerous goods route just west of Moose Jaw. This photo shows a semi-trailer unit which is stuck in the mud and had to be pulled

out by a front-end loader because this section isn't paved. Madam Minister, you tell me: is this acceptable?

**Hon. Ms. Bradley:** — Thank you, Mr. Speaker. First of all, I want to say again . . . what we have recognized is that we have put together a strategy for Highways and Transportation that was released last year which involved a number of issues. Part of that was of course more money being spent — \$2.5 billion. Additional money was put in last year's budget — \$30 million, and additional money in this year's budget — \$20 million. And we are working throughout this province with local governments, with stakeholders, and so on, on the many challenges that the transportation system is having to face.

But the one player that is missing in this whole scenario — the delinquent player — is the federal government.

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

**Mr. Aldridge:** — Mr. Speaker, with the emphasis necessary, again I'll say: this is the dangerous goods route west of Moose Jaw — it's not paved, and when it rains, it turns into a mud bog.

As a result, this route becomes hazardous for any dangerous goods carrier, emergency vehicle, or school bus, which travels this section of road on a regular basis. What we have now is a recipe for disaster, and like it or not it's only a matter of time before there's a real serious incident on this road.

Madam Minister, what commitment will you provide today to pave this section of road so the dangerous goods route is not a danger to travel?

**Hon. Mr. Romanow:** — Mr. Speaker, thank you, I want to take this question on behalf of the government. I want to take the question on behalf of the government because I want the legislature and the journalists and the public to clearly see what's happening here.

The member from Arm River of the Liberal Party gets up and says spend more money in health care. Notwithstanding the fact that there's an over 5 per cent increase in this year's budget for health care — the highest health care expenditure in health care in the history of the province of Saskatchewan. Up gets the member from Thunder Creek and the member from Thunder Creek says, spend more money on highways.

What is his leader doing out in the Saskatoon Eastview by-election? Spend more money on health care, spend more money on highways, reduce taxes, do not have a deficit, lower the debt; and anybody who can do that and credibly and responsibly take that view, I've got a bridge that I can sell them in Regina, in Saskatoon, pretty cheaply.

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

#### **Special Care Facility in Humboldt**

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, St. Mary's Villa, a special care facility in Humboldt, has been forced to halt level 4 admissions — those physically and mentally incapacitated persons who require the most care. And why, Mr. Speaker? Because they are wrestling with a \$79,000 deficit.



This year the district provided St. Mary's with a 1.96 per cent funding increase, which is far from what is needed to cover, increased costs and a 1 per cent wage increase for employees and registered nurses.

My question is for the Minister of Health. Here is another example of how some of those most in need of special care are not getting it. What is your assessment, Mr. Minister, of why health districts such as Central Plains are facing deficits and forced to turn away those citizens who need help so desperately?

**Hon. Mr. Calvert:** — Mr. Speaker, again on behalf of the minister, I'm unable to comment on the specifics of the Humboldt nursing home or the Central Plains budget. I do know this, that each district in our province this year received new funding dollars.

Is there enough, is there enough, is there ever enough, Mr. Speaker? As the Premier just pointed out, the demands of the public treasury from the public, from the members of the opposition are enormous. Is there enough? There would be more, there would be more if we weren't paying \$2 million a day in interest — 2 million a day every day in interest payments — on the debt that that party put onto the province of Saskatchewan. There would be more if we had a federal government that participated more fully both in a national roads program and in health care funding.

Mr. Speaker, I will say to the member in terms of the specific issue in the Humboldt community, I'll pass this inquiry to the Minister of Health, and he will provide, I'm sure, more detail.

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

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, the mere 1.96 per cent in funding increases to St. Mary's Villa was discussed by the administrator of the villa who stated, that this small increase doesn't cover inflationary cost and the 1 per cent wage increase to staff and nurses. She also states that according to the special care home guidelines, they are understaffed by nine full-time positions. The budgeted deficit will have to include plans to expand staff by two, four-hour positions. Because these positions are a priority, they simply provide for basic services such as feeding patients.

Mr. Minister, do you agree with the assessment of the administrator that the inadequate funding for these individuals in greatest need can only result in one of two options — placing them in acute care hospital beds or forcing them into privately paid for care homes?

**Hon. Mr. Calvert:** — Mr. Speaker, since coming to government in 1991 we have faced two challenges generally in health care. One is to renew and restore and reform a system of health care that's going to suit us well into the 21st century. A part of that has been recognizing that the demographics of our province are changing that we have an ageing population.

We have therefore in this province built, Mr. Speaker, — I think which is the pride of Canada — a home care network unlike any other. That reserves, therefore, to the more intensive care for those who need heavy level care, the institutional

settings. Again there's been change in the institutional settings where there have been new beds created, new institutional beds created across this province for long-term care.

The other thing we've had to do is to accomplish all of this with a diminishing source of federal funding. And so every year from Liberals we've received less and less and less and we've had to find more and more and more from our own budget process and from the people of Saskatchewan. Again I say to the member in regards to the specifics of the Humboldt circumstance, I'll pass this information to the Minister of Health and the department.

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

**The Speaker:** — Why is the member on his feet?

**Mr. McLane:** — Mr. Speaker, with leave to introduce guests.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. McLane:** — Thank you very much, Speaker. If you notice in the east gallery there's a group of very bright, enthusiastic-looking students sitting up there. These folks are in today from Schell School in Holdfast.

We have the grade 5's and 6's, Mr. Speaker, along with their teacher Lynn Ledingham. Lynn, would you stand please. Now Lynn is famous not because she's a teacher in Holdfast — but maybe because of that too — but because her sister sits opposite us here today as in the Minister of Highways and Transportation.

So later on when I meet with the students, Mr. Speaker, I'll be inviting the minister to join us, and hopefully that she won't say anything too wrong or too out of sorts that I'll have to correct, but I'll invite her down anyways.

Along with the students today and Lynn are some chaperons. We have Brent McLellan. Brent, would you stand please; Ron Harms — Ron; Loretta Lowe; we have Joanne Measner; we also have Louise Schroeder; and we have Jackie Bradley.

Oh, and the member from North Battleford, Mr. Speaker, just indicated to me that of course I should have known that, that Mr. McLellan, Brent, is a cousin to the member of North Battleford, so maybe I'll invite him to the gathering too. Mr. Speaker, maybe you'd care to come. Maybe everybody wants to go.

But anyway, Mr. Speaker, I'd ask that the Assembly give them a nice warm welcome here today.

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

**Hon. Ms. Bradley:** — Yes, Mr. Speaker, with leave to introduce guests.

Leave granted.

**Hon. Ms. Bradley:** — Thank you. I too want to introduce to the

Assembly, and to clarify a few facts in my introduction, my older sister from Holdfast from Schell School and the students that are come here today. And I just wish them a very warm welcome and certainly I hope I can get to join them for a quick visit but I know that I'm also up for estimates but I wish you a warm welcome.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

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

**The Chair:** — I would ask the minister to introduce her officials please.

**Hon. Ms. Bradley:** — Thank you, Mr. Chair. Presently attending with me then, my official is Bernie Churko, just to the left of me, executive director of logistics, planning and compliance. Other officials will be joining me shortly.

#### Subvote (HI01)

**Mr. Bjornerud:** — Thank you, Mr. Chair. Madam Minister, I notice today in QP (question period) again you referred back to your \$2.5 billion commitment, and you've done that a number of times in this House. And it's been brought to your attention that within the first two years you're \$80 million short of what you had said you were going to put.

By you referring to that again today, I'm beginning to think that you must plan on catching up that money very shortly. And it just crossed my mind that with the election year probably being 1999, can we expect you to put that extra \$80 million into highways which would see the budget next year be \$330 million? Can we look forward to that because you keep referring to that number, Madam Minister?

**Hon. Ms. Bradley:** — Thank you. Mr. Chair, the number is \$2.5 billion over 10 years and we will certainly be living up to that commitment. As of last year we added \$30 million; this year we added \$20 million. We're doing a gradual wrapping up of our budget, and when we go through our budget processes, the Treasury Board processes again, we will expect more dollars being put into Highways and Transportation.

But I cannot tell you exactly what dollars will be there next year. But at the end of a 10-year period there will be an average — add it all up, divide by 10 — it will average out to \$250 million per year. It will meet the commitment of \$2.5 billion.

**Mr. Bjornerud:** — Well, Madam Minister, once again then what that's going to do is leave you in the last year of the 10 years probably with putting about \$500 million into highways.

Number one, I don't believe that your government will be around at that time because that will be about eight years from

now, you'll be long gone. It's just another one of your announcements, such as hiring of the nurses, that is great when you announce it but you never back it up with funding and actually hire the nurses or put the money into highways. And it's too bad because our highway system is in drastic need of these extra dollars.

Madam Minister, as the lady from Estevan was in here last week or a couple of weeks ago, and was in again last Wednesday, I would like to read you a part of The Highways and Transportation Act. And I'm sure you're well aware of this, but I'm just going to read part of it and then we're going to get into what you agreed and didn't agree to do with these people. And part of the Act says:

9(1) The minister shall maintain the roadway of all provincial highways in a state of repair commensurate with:

(a) the type and amount of traffic that the particular roadway may reasonably be expected to accommodate; and

(b) the maintenance that is reasonably possible for the type of roadway and for the extent of improvement existing on the roadway.

And it goes on and on. But then it goes on, Madam Minister, to say:

(3) The minister may, before or after the commencement of an action in a court of competent jurisdiction for the recovery of damages, agree to pay to any person an amount that may be recoverable by that person pursuant to subsection (2).

And I guess what I'm asking, Madam Minister . . . because on two different occasions you said you would meet with these people and you did and gave them the impression that you were going to try and work with them and come to some agreement that would be satisfactory to all.

And I believe what has happened now is that these people are very unhappy because it's falling once again through the cracks of our no-fault instead of going under your responsibility which is Department of Highways, where I believe the Act says very clearly that you are responsible. No-fault should not be coming into the picture at all here. The Department of Highways and you, Madam Minister, are responsible — do you not agree?

**Hon. Ms. Bradley:** — Mr. Chair, I'd just like to introduce that my deputy minister. Brian King, has now joined me, sitting to my right.

Okay, a couple of comments on the questions that were just raised to me — when we talk about the dollars that we're putting first into the Highways and Transportation system, I think we've definitely identified that more dollars are needed and good planning is needed. Certainly you could put more dollars in faster and have most of those dollars eaten up by inflation.

Even in talking to road builders, talking to local governments that was one concern, is that you want to build it up gradually,

know that it's sustainable, and know that . . . and you won't be changing the course in which you're going.

Second on a more specific issue — that claim is being handled. It's being handled through our officials; we take these things very, very seriously. Again, there are different options there but working through SGI (Saskatchewan Government Insurance) is one of the ways in which that claim can be handled especially when there's an injury involved.

(1100)

**Mr. Bjornerud:** — Well Madam Minister, Mr. Chair. Madam Minister, the people that were involved — Brenda Bod being the lady that was injured with a 10-pound piece of flying pavement that may have come off one of our highways and went through her windshield is not very happy with what is happening.

And I believe they're in the process right now of starting or looking into starting legal action and I was hoping that this could be probably solved without going that route to the satisfaction of everyone concerned. But evidently that's not going to happen.

Madam Minister, I have something that's actually out of SGI but because we are not going to get the opportunity to question about it — it's about farm plates and farmers using our roads and our highways. And it was somewhat surprising to me to find out that as a farmer gets a number of farm plates on his farm, that there is a point where you will be charged an extra premium to have that many.

And that seems totally ridiculous in this day and age when farms are becoming bigger and bigger and we have water trucks, fuel trucks, the list goes on, we have half-tons; there's just no end of it. We have welders on service trucks. Some of our bigger farmers may end up with 10 vehicles with farm plates on.

Now I realize, Madam Minister, this is partly not under your portfolio. But we are not going to get the chance to ask this question probably anywhere else and I wonder if you could explain to us why there is a maximum set on this when farms are increasing in size constantly.

**Hon. Ms. Bradley:** — Mr. Chair, as the question was put forward it isn't under our department, but we will take notice of this and get information to you on it.

**Mr. Heppner:** — Good morning, Madam Minister. Had the misfortune this weekend as I do most weekends, to have to drive on 312. So I have a couple of questions relating to 312. The first one is, what exactly is in the plans for keeping 312 from falling apart, for this year?

**Hon. Ms. Bradley:** — Mr. Chair, on the stretch of highway that you're talking about on Highway No. 312, the dollars that are putting forward on that piece is to go towards intensive preservation. My understanding that there is, you know, a stretch that needs some work on it. That's being identified and certainly work will be done on it.

**Mr. Heppner:** — Okay, you mention there were some dollars set aside for that. How many dollars are going into the repair on that for this summer?

**Hon. Ms. Bradley:** — Mr. Chair, on the kilometres there, again it will depend — we don't have the specific numbers — but it will be somewhere between 5,000 to \$20,000 per kilometre on the area that needs the intensive work. And so again, depending on just what is involved in that particular repair, that's the amount of dollars that would be spent.

**Mr. Heppner:** — Thank you. One of the comments that came from the floor while you were looking for that answer was, is repair possible. And I think when we look at the stretch on the west end of 312, let's say from the Laird corner where that joins up with Highway 12, that's an excellent stretch. But this other stretch has gone to the point that repair is more just a very bare patch job at best.

And I'm wondering what is the date that your department has in mind to do that stretch up properly and have it the same quality as the part from the Laird corner through to Highway 12.

**Hon. Ms. Bradley:** — Okay, Mr. Chair, any time something that is identified for intensive preservation, this can mean some major reconstruction there. It depends again on what will be done on that particular piece, but it's significant work that will be done.

**Mr. Heppner:** — Thank you, but that wasn't the question that I asked. I know to do anything on that highway . . . and there's some bad pieces and some terrible pieces. I think you're addressing the terrible pieces and that'll take significant work to get those even passable.

But my question is: what is the time that you have in place, what year, that that stretch all the way from the Laird corner probably through to Wakaw, — but I would say from the Laird corner through to Highway 11 — is all going to be done to the same quality as the rest of it is, which is good.

**Hon. Ms. Bradley:** — Okay to be more specific then on that particular part of your question is again that will be budget related. They will be looking again at volumes, the kind of traffic in the area. Also part of that area planning — setting the priorities and all of that — will come into that if that piece is identified then as high on the priority list to be worked on.

And so at this time I wouldn't be able to, I guess, give you information on when that will be done.

**The Chair:** — Why is the member on her feet?

**Ms. Murray:** — With leave to introduce guests, Mr. Deputy Speaker.

Leave granted.

#### INTRODUCTION OF GUESTS

**Ms. Murray:** — Mr. Deputy Speaker, my thanks to the minister and the member from Rosthern for this courtesy.

It's always a pleasure to have young people visiting our Assembly here, Mr. Speaker, and it's a particular pleasure when they come from a neighbouring province. So I am very delighted to introduce to you and to my colleagues, seated in your gallery, 10 students from Swan River, Manitoba.

They come here from Riverdale School. They are in grades 7 to 9. They are accompanied by their teacher, Mr. Pat Barkman, and chaperons Lowell and Rita Koehn — I hope I'm pronouncing these names correctly, my apologies if I'm not — and Dale and Rhonda Wolgemuth, and Andy and Connie Miller.

They will be visiting with us in the gallery for a while and I ask all members to join me in extending a warm welcome.

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

## COMMITTEE OF FINANCE

### General Revenue Fund Highways and Transportation Vote 16

#### Subvote (HI01)

**Mr. McPherson:** — Thank you, Mr. Chair. Madam Minister, thanks for coming here today.

Now we have I guess a brief that was presented to you and your department from the Frenchman Valley Rural Development Co-operative. And that's one of the things I'd like to go through here today, Madam Minister. And really there's quite a number of municipalities and towns that have been involved in the south-west in bringing forward this brief.

And I guess before we get into their points of view on the brief, I'd like to perhaps have you bring us up to date as to your response to this brief.

**Hon. Ms. Bradley:** — Mr. Chair, yes, I had an opportunity of course to meet with the Frenchman Valley development co-operative when they came into the legislature here. And then since that time, from that meeting, the one thing that we had committed to was that we would have further meetings with them. So officials have met with them on, my understanding is May 27, and again talked about the process which we're working on and priorities identified in that area. We are also working with the south-west transportation planning committee so all of that area is being involved in understanding how the department is doing the process, but also to get their input. What has been decided at that time also is that we would continue to meet on an annual basis, certainly looking at the input that they were giving on the priorities for the area.

**Mr. McPherson:** — Madam Minister, can you tell us today what your department is prepared to do. Now I know you're talking priorities and such, but really if you take a drive into the south-west, and you've been down there recently. I don't think one has to really sit back and say we now have to prioritize the roads or rate them or anything. In fact they all need a great deal of work. And so I'd like to know from you so I could pass it on to this group, exactly what you're prepared to do, what funds

you're prepared to commit, before we start talking about what you're going to prioritize.

**Hon. Ms. Bradley:** — Mr. Chair, part of what was going on also with the meeting is that . . . I mean the budget has been set. The dollars being spent in that area, there are significant dollars. We don't have the exact number for that specific whole south-west area, but what we've done in meeting with them is talked about the dollars that are being put into the system and also getting their feedback on how they would see some of those dollars being spent.

Now there are a lot of dollars going into intensive preservation and other road work in that area. I can get back to you though on the specific dollars and projects. I don't have them all here at this time.

(1115)

**Mr. McPherson:** — Well, Madam Minister, have you and your department received a number of calls say on the mess of Highway 13. Would you be able to tell us exactly — you know that stretch of highway that I raised in question period a week or two ago — there was a stretch of highway where in fact people were getting their vehicles wrecked. I think we sent pictures across to you of a vehicle that was pulled into . . . you can't even call it a pothole because this thing covered ditch to ditch and about 25, 30 feet in length and it was, oh I guess about 8 inches deep. That's not a pothole.

You know what are you doing with that stretch of highway? I know it's about 12 miles of highway and you know the problem with that stretch of highway, it was Department of Highways vehicles that did the damage. They're restocking I guess gravel pits or piles and instead of doing it when the roadbed was frozen, they did it when the frost is out and they've done all this damage when no one else is being allowed to drive on these roads.

So shouldn't that be a priority? And shouldn't some proper amount of money and effort be put into fixing that stretch of road?

**Hon. Ms. Bradley:** — Mr. Chair, on the highway that's been identified here, Highway No. 13, we have I guess recognized some significant problems there. We have certainly identified I think around 29 kilometres that will receive intensive preservation. And so dollars will be being spent there, that has been identified, and there will be work done on that stretch.

**Mr. McPherson:** — Well, Madam Minister, on your '98-99 construction projects, now you recognize that that stretch of highway is in seriously bad condition, but nowhere in here do I see Highway 13 as a priority of your department.

Am I to assume that these construction projects are worse than that stretch of highway you know, whatever it was, 30 kilometres that you talked of? And could there possibly be worse stretches of highway?

**Hon. Ms. Bradley:** — Well, Mr. Chair, the 29 kilometres is identified under what we, on our part, called intensive preservation. And that has been identified for significant work

on 29 kilometres of that piece. Now it's not a piece of highway that is having reconstruction or an upgrading say to a different level of highway. But this piece of highway is identified as one of the major pieces of work that is being done under intensive preservation projects.

**Mr. McPherson:** — Perhaps, Madam Minister, you would like to tell us exactly what that means to have your intensive preservation. What all does that include?

**Hon. Ms. Bradley:** — Mr. Chair, intensive preservation, as I've identified before, can be anywhere in the amount of spending between 5,000 to \$21,000 per kilometre. But what that will mean will be different for different pieces of road. But it can mean a reconstruction if there's total failure on a piece of road that that piece can be totally reconstructed in short sections. It's more than just going out and say fixing a more minor repair than what we would call ordinary maintenance. This is intensive work to repair the road up to a good level of service.

**Mr. McPherson:** — Madam Minister, shouldn't this then — the preservation resurfacing — shouldn't Highway 13 have shown up in your own document if you're going to be somewhat intensive?

**Hon. Ms. Bradley:** — Mr. Chair, there's two lists of how we'd go about spending the dollars, and one is under capital construction which is where you are upgrading a road to a different level of service — major work, or a new road is being built. This, under intensive preservation, is bringing back the road to the same level or to a condition that the road would be acceptable at — it's bringing it back to its level of service. So that reconstruction and paving can still happen but that happens under intensive preservation. You're not changing the level of road to a new level of service.

**Mr. McPherson:** — Madam Minister, have you travelled Highway 13 from say, Assiniboia to Shaunavon, prior to this damage being done by your own department vehicles?

**Hon. Ms. Bradley:** — Mr. Chair, I have travelled the road, I travelled the road right across to Eastend fairly early this spring.

**Mr. McPherson:** — Then, Madam Minister, you feel that's adequate for the people of south-west Saskatchewan . . . to travel that road. If you've gone across that road — and I assume you did; you didn't fly down, you drove down 13. And you're saying that you're prepared your department's prepared, to fix that road up to the condition it was before this other damage. And you drove that road — you had to have known that it was already a terrible disaster.

We have ruts in the highways down there that if you put a level across it; you're going to see six, seven inches where the truck tires have been going. And you're saying well that's adequate and we're going to put it back to that state.

**Hon. Ms. Bradley:** — Mr. Chair, I think as I've said previously that this has been identified for intensive work and it will be brought back to a very safe, very acceptable condition, and that we have committed to on a number of kilometres there in our Highways budget.

**Mr. McPherson:** — Well in your Highways budget, would it not be showing up if you're going to do 13 without being pushed into it, without the people writing letters that I've been sending to you recently of chunks of pavement going through grills and windshields and ripping off gas tanks. I mean wouldn't it have shown up in this construction project document and preservation resurfacing list?

**Hon. Ms. Bradley:** — Mr. Speaker, as I had stated before, is that intensive preservation is work that is done, and if it's a secondary highway, it will be work that will be done, to bring it back to a level of good, acceptable driving and road conditions at that level.

Other kinds of projects that you're talking about on surfacing and . . . those are upgrading projects or projects in which you're either adding — like in twinning projects — you're adding new stretches of kilometres or you're doing a major upgrade of the highway or road system in that area.

Intensive preservation is bringing back the road system to an acceptable level — the kind of service that that road has been designated for — and this is a secondary highway and that's the type of work that will be done.

Now intensive preservation though can involve some resurfacing, can involve rebuilding depending on the work that's required for the piece of highway.

**Mr. McPherson:** — Are you unable to give me the specifics then of what is going to be done on that stretch of highway? Because what your department, what you have done in the past, is dump gravel into the holes and people are finding this unacceptable.

It's one thing to have, you know, 10-pound chunks of pavement ripping off gas tanks or going through windshields, but beyond that, you know people are continuously getting windshields knocked right out of the vehicle. Is your department paying for those?

I mean you can't . . . Madam Minister, it's unacceptable to the people of this province, and especially south-west Saskatchewan, when you say you're going to bring it back to a certain level when that level was so unacceptable before and you were getting briefs and letters and bills in the mail. Surely you've got to see the point.

You're from the southern half of this province as well, and I know you and I have discussed this some years ago when one of your former . . . or one of your colleagues was going to gravel a lot of the highways in south-west Saskatchewan. And I know you were as upset at the time as was I.

But for you to say well basically what we're going to do is just do patching with more gravel and somehow people will find that acceptable — well they won't, nor should they.

That, Madam Minister, is why you see so many municipalities and towns — let's have a look — there must be 40 — 40 jurisdictions that are saying they find this unacceptable. And really when you take a look at, you know, your government saying we're going to do so much in economic development

and there's value-added processing. I mean, ask the minister that's sitting behind you. What chance is there really of having value-added processing in agriculture if you're going to leave the highways in the state they are?

Ask another minister who's in charge of Tourism. What chance is there that the horseshoe region and all tourism projects that are being worked on in the south-west can flourish if in fact all you're going to do is more gravel?

You don't even . . . your government doesn't even have nerve enough, as the member from Rosetown who used to be the Highways minister — at least he said we're going to gravel stretches of, I don't know, 60, 70 miles at a time. You're doing it in chunks of 50 feet at a time. How would you find that acceptable?

**Hon. Ms. Bradley:** — Mr. Chair, first of all, I think there's still a misunderstanding of what I have said. Regular maintenance on a road would be somewhere around the \$1,000 per kilometre mark on a . . . especially these thinner surfaced highways and some of our secondary highways in our system.

When we talk about intensive preservation, we're talking about bringing the surface and the road back to a condition which it was like when it would be new — into good condition. It's not to bring it back into bad condition. We're going to spend significant dollars from anywhere between \$5,000 to \$21,000 a kilometre to bring that surface, that road back to good condition. This is not some minor work that's being done.

And so I just want to make that very clear. Once it's identified for intensive preservation there'd be work done. It might be on short sections of reconstruction. That's to bring it back to good condition not back to a bad condition, as has been stated.

And there may be places in this province too — on some of this when we're doing road reconstruction and some patches that have been bad — that have been put into gravel for a short period of time. Some of that's for stabilization and then it can be finally resurfaced in time.

And so again to the member opposite, that major work is being done on those kilometres that he has identified.

**Mr. McPherson:** — Madam Minister, well we wait with bated breath I guess for you to get that machinery out there and start. Could you tell us what the cost is per kilometre to go onto a highway, such as what we have between Assiniboia and Shaunavon on 13 for resurfacing? Or in fact if you're going to rebuild and resurface, do you have a list of those costs?

(1130)

**Hon. Ms. Bradley:** — Mr. Speaker, I hope I have this answer or the question clear. If we're talking about reconstruction into up to say a higher level of highway or road — the example being the one at Avonlea which qualified through some CAIP (Canada/Saskatchewan Agri-Infrastructure Program) funding for major upgrading — that upgrading would cost somewhere between \$100,000 to \$150,000 per kilometre. Again that will vary somewhat depending on the road conditions, the soil conditions, things like that in each area.

I am just going to want to notify the Chair and members opposite, that I was wanting to take just 10 minutes — but I'll have another minister sit in — that I will be saying hello to a school group and then I will be back again to complete my estimates. But another minister will sit in for those few questions and it will be the Hon. Minister of Agriculture and Food.

**Mr. McPherson:** — Should we just wrap it up sooner? I see we have another minister here and perhaps he's more willing to help do something on the highways in the south-west. We have to assume he will.

Mr. Minister, we have some other highways, and I guess it's most appropriate that you're filling in for a few minutes because when we take a look at some of these agriculture producing areas in the province — let's take Val Marie, very intensive, you know, for cattle operations, for farming operations. And not only that, but we have the Grasslands National Park. And if you've been down to Val Marie in the last few years, you'll know what I'm talking about when I say this stretch of highway is every bit as bad as 13 if not worse — it's unbelievable.

And I'm not sure how far along your government is in the trade corridors that are being proposed or talked about, but Highway No. 4 coming up through Monchy straight up to Swift Current is one of these trade corridors, north-south trade corridors that's being talked of. And on average, I'm told, there's as many as 58 semi-trailer units a day going up this highway. And I was down there just recently for a meeting in Val Marie and it was absolutely unbelievable the condition of that highway.

And yet when I look at these construction projects, I don't see that highway anywhere on the 1998-99 construction projects. So perhaps, as with Highway 13, there is something that you're going to announce here today that isn't on the list.

**Hon. Mr. Upshall:** — Mr. Chairman, I want to respond just briefly on behalf of the Minister of Highways while she steps out.

But the member's questions are very good questions in terms of the specifics of what we can do. And as you know, the Department of Highways, with the number of highways that we have in this province, is doing a fantastic job really of keeping the highways, the volume, in the shape that they are. There are some highways of course that need work and you're identifying that.

But I guess what I want to ask you — question is are you saying that the amount of dollars that we're spending on highways is not adequate? I mean is that what you're saying through the questioning?

**Mr. McPherson:** — Obviously, Mr. Minister, that's what it comes down to.

Now I know earlier today that the Premier who is sitting here listening today was saying you know the Liberals want to spend more on health care and they want to spend more on highways. Well, yes, we do. You know, the truth of the matter is we do because what's out there today is unacceptable.

That's not saying that we're saying bankrupt this province the way these Tories did for a number of years. What we're saying is perhaps we don't go ahead with the \$300,000 Jack Messer severance, or you don't go ahead with the \$62 million in New Zealand with the SaskTel venture, or 30-some million in Guyana, or the projects you have in Europe, you know. So you don't let on to this House that you're hands are tied. They're not as tied as what you have the people believe.

But start looking at what the people within the borders, the boundaries of Saskatchewan need and deserve. And I'm sure you must get as many calls as we do from people asking you to prioritize whether or not you should be doing projects within Saskatchewan versus around the world.

And you know we take a look at some of these stretches of road, and you're asking me do I think money should be spent on Highway 4. My answer is I don't think you have an option, I think you must spend more.

You know, your government is . . . well you're blowing a lot of smoke about what you really are doing about branch-line abandonment. It's absolutely ridiculous, I agree that these branch lines, especially in the south-west where we don't have any highways, should be abandoned. They shouldn't be. They shouldn't be.

And myself and the member from Thunder Creek a couple years ago before it was sort of the issue to be hammering on, we were meeting with federal ministers to try and prevent this. I don't see that kind of action from your own government. It's not there. There's a lot of smoke about what you're doing. But what do the people see? They still see the branch lines going.

You're saying as a provincial government you didn't have enough power, you don't have the ability to take some action, but although the branch lines are going so goes the highways? Well that can't be of course. Highway No. 4 — more money spent on it.

How would you ever be able to look the business people of this world in the eye and say sure, we've got north-south corridors? You come up from the States, it's a very good highway system — and you hit the border crossing in Monchy, south of Val Marie. And you're saying we're serious about doing business in the world and you're going to go on a chunk of highway like that? That's impossible.

You know you've got to take a lot of other things into consideration. You went out there, your government went out there, and you've continuously closed hospitals. Well if you're going to not give the services, whether it's bussing and hospitals or schools, then at least you've got to give people a highway system so that they themselves can get the services, go somewhere and receive the services.

Of course you should spend more money. It's absolutely ridiculous.

I would invite each and every one of the cabinet ministers, take a trip, and it would be so great if you would come down — 37 south of Gull Lake would be a great place to start. And that's where a fellow had told me he put a level . . . he actually had a

board and a level taped to it, and he laid it across the tracks that are being created in the road. And there were 7 inches. That means on Highway 37, south of Gull Lake, you can bottom your vehicle out — rip gas tanks off and such.

Turn and head down 13 for a ways and you'll go across the 30 kilometres of road that were completely demolished by highway trucks. And the one for which I've sent pictures across to the government where the holes were 8 inches deep and it was my truck parked in the hole. It was absolutely unbelievable.

And then turn at Cadillac and head south down Highway No. 4. I really encourage you to do this and just see for yourself if in fact you could ever, ever admit that this is a north-south corridor route. Would you do that?

**Hon. Mr. Upshall:** — Well, Mr. Chairman, there's nobody that's going to disagree with the member opposite about the need to have all the roads in top shape. But if the member opposite doesn't feel that the \$219 million that we've allocated in our budget for highways is adequate, then my question to him would be how do you feel about the adequacy of the federal government allowing the rail lines to be abandoned. Putting even more pressure on our roads at the same time they give us zero money for national highways programs — and we'll get about \$6 million this year out of the CAIP program.

In turn, how do you feel about the adequacy of the federal government when you're talking about the north-south corridors, north-south corridors, where the U.S. (United States) government is going to put about 90 per cent into their corridors, federally, and they're going to put a \$200-and-some billion operation into their highways.

My question to you, sir, is that if you don't think that the \$219 million that we're putting in is adequate, then what do you think we should do? You and I as a group for Saskatchewan people, with the federal government who are putting in zero in a national infrastructure — the only G-7 country that doesn't have a national infrastructure program — what are you prepared to do?

Are you prepared to sign a letter, are you prepared . . . or table your correspondence with the federal government to put pressure on Ottawa to come forward with a national highways program so that we might meet the needs of the people that you talk about down in your area.

Now you can sit here all you want and criticize the government but in terms of spending a billion, seven on health care, a billion on education, which is almost 60 per cent of our budget, besides putting 219 million into highways, I'm not sure how your solution of spending more and keeping the books balanced and providing services is going to work in Saskatchewan without the national assistance of the federal government.

And it just isn't for Saskatchewan. It's for every province in Canada so that we can develop our economy similar to the way the U.S. is with a national infrastructure program.

So my question to you is if you don't think 219 is adequate from Saskatchewan, do you believe that the federal participation — maybe you should listen — do you believe — I

want an answer to this — that federal participation in the highways in Canada and in Saskatchewan in particular is adequate?

**Mr. McPherson:** — Mr. Minister, on several occasions, on several occasions, I've stood in the House as the critic of Highways — behind me, the member from Thunder Creek — and we publicly stated that yes, once the federal government have their debt problems in control and the same breathing space that the people of this province allowed your government to have, yes, they should be putting in a more fair share of monies into our highway system. I agree with that.

But now let's talk about you and your government because you're saying 219 million . . . well what was it a year and a half ago? It was really 162 million — 39 per cent of what you collect in fuel tax and licence revenues, 39 per cent was returned back into our highway system.

Now you bumped that up a little because of the campaign of the Liberal caucus to get some twinning of the highways done in this province because we just don't find deaths on our Saskatchewan highways acceptable. And you've put in a small amount of money. It was a start, and we publicly congratulated your government for that small start, wishing it was more but realizing that there are some constraints.

But to sit in here and stand in here as you are and say 219 million is very significant . . . Have you made it publicly known that you're pulling in about half a billion dollars in fuel tax revenue and motor vehicle licensing fees?

So what have you . . . I don't think you're, even though you've thrown in — what? — Another 20 million bucks, I don't think you're any more than the 39 per cent, 40 per cent of the budget.

So the question back to you, sir. Do you feel it's fair — with the sorry state of Saskatchewan highways today — that 40 per cent is an adequate amount? And I would further by saying, is it better to take the extra monies — say 62 million spent on providing cable TV in New Zealand — do you think it's better spent in New Zealand or on Saskatchewan highways?

**Hon. Mr. Upshall:** — Well, Mr. Chairman, the member stands in his place and talks about . . . he says yes, well I agree the federal government should be putting more money in. But the fact of the matter is, this member is a Liberal member of a Liberal caucus for the Liberal government in Canada. This Liberal government . . . And he just said that when the books are balanced in Ottawa . . .

Well it is public knowledge that they had to hide a couple billion dollars in the millennium fund because they had money left over.

It's public knowledge that the Liberal government in Ottawa put a 1.5 per cent tax on fuel as a debt reduction tax. Federally, right across Canada, with our Minister of Highways and Transportation and other ones — they've called for that money to be put into a national highways program. You know how much money that would put in? Five hundred million dollars — it would mean \$30 million to Saskatchewan.

Now I mean the member can stand in his place and criticize, and I understand that's his job. But I'll tell you; the federal government has balanced their budget. The federal government has a cent and a half debt reduction tax on fuel that they've still collecting even though they've hidden 2 billion in the millennium fund.

So you can stand there and criticize us all you want. All I'm saying is, if you ever had the opportunity to be transformed back into the real life of government, which I know that you won't have, you would understand and you do understand — you do understand, I know you do — that the money that we're putting in is being used very well.

I travel roads all the time in this province as you do. I can remember clearly last year . . . a number highway, a No. 52, from Ituna to Yorkton in the spring, it wasn't in very good shape and everybody would agree to that; there was holes in the road. But you know what? The program went ahead, the highway was repaired, and when they got the construction units in there the highway was in good shape at the end of the year.

(1145)

But you can't stand in your place and just say, well you guys are doing it all wrong, and without one scintilla of evidence on the paper that you've written — I challenge you. You come into the estimates, surely you have the letter prepared because you must be aware that we were going to ask you the question. Read it out, okay. And then read the answer to the letter . . . and then read the answer to the letter that you sent to the federal government.

You see it's easy to criticize. But you know the Highways and Transportation department have done a fantastic job of maintaining the roads with the dollars that we can afford to give them. We have \$350 million roughly of tax coming in from fuel. We put 60 per cent of that back in.

And you can go to your numbers of the licensing and other . . . (inaudible interjection) . . . Yes, you can play the numbers game. I'm sorry. You can play the numbers game but the fact of the matter is, that Ottawa takes in about \$4 billion a year of fuel tax across Canada and they don't put anything back in.

Now all I'm saying is, you can stand here all day and tell us how bad the roads are. You know, we know there are some roads that aren't good. Are they being worked on? Absolutely. Is there a plan in place to do the best we can for the roads that need the most work? Absolutely. Are we spending money frivolously by having . . . in fact the road builders say don't throw money too fast to this problem because you're not going to get the roads built as efficiently as possible.

So all I'm saying is you read the letter you sent to Ottawa, then read the response you got back from Ottawa, and then sit down and maybe afterwards you can step outside and tell the world, the press, that the real problem — is not in Saskatchewan or Manitoba or Alberta or B.C. or any other province — the real problem is that there's no national highways program.

**Mr. McPherson:** — Mr. Minister, I will . . . I see it's Madam Minister now, now that he's gotten you into some trouble. I will



respond to what we have done as a caucus and the minister has asked what have we done? Well there have been thousands of signatures on petitions that went around this province asking for twinning projects, asking for money for highways.

I see the minister now is stepping out because he doesn't want to hear the truth, but the fact of the matter is these petitions that we have brought forward on numerous occasions into this House, did not say we are asking the provincial Government of Saskatchewan alone to do anything about the twinning of highways. In fact they state that we want governments at all levels, there's other petitions calling on provincial and federal governments to cost share, and we have been . . . we have headed up that petition drive.

So to say that we have done nothing, that's most unfortunate. In fact your government likes to do nothing more than play politics with the issue. And that's what you're doing, because we have called on our federal government in more than one way and on more than one occasion to be part of our national highway program.

But you know to further this one more step you, yourself . . . It's not like we're calling on the federal government to help put Highway 13 or Highway 4 or Highway 37 into proper shape. No, we've always talked about a national highway — Highway No 1, Highway 16, all right. And you are — you are getting a response from the federal government. I don't know where that's at right now and I'm sure that you would like to share that with us.

But the fact of the matter is in your jurisdiction . . . And the minister before you made mention that 60 per cent of the fuel tax money that you collect in this province goes back into the highway system. Well take a little drive around this province and see if you would find anybody that's going to believe that.

It is 39 per cent of the monies that go back, and that study was done by, I believe, by the university right here in Regina for the Saskatchewan automobile association. And if we're going to put those figures up against your political figures, I think we'll believe the Saskatchewan automobile association each and every time.

Because, Madam Minister, because one doesn't have to sit back and wonder who's telling the truth. All you have to do is take an hour out of your busy schedule, anyone in this province, and take a drive any direction and I think the answer is clear. You're doing nothing. You're letting this highway system fall around your ankles in this province — you're doing nothing. It's about time you got a hold of your department; go into that cabinet . . . go into cabinet and fight for what should happen, something for rural Saskatchewan. Do something with these highways.

You talk about the projects that are going to happen and yet none of them are on your list. South-west Saskatchewan was completely shut out . . . South-west Saskatchewan was completely shut out of your construction project list. And now you stand in here and say, oh yes, well we're doing intensive work. Intensive is right. You're doing intensive politics to avoid the issue.

So I guess it comes back to what I asked of you the other day in

the rotunda, and we both were doing press on this issue. If you're not going to put money into the highway system, if you refuse to do that, if you allow the highway system to go into complete ruin, will you at least stop the ridiculous advertising that your Crowns are doing, your monopolies are doing?

It's not like people have an option where they're going to get some of these services. Quit that advertising and place a real ad in the newspaper with a phone number or an address where people can send their bills when they get 10- and 15-pound chunks of pavement flying through their vehicles. And you should ask them to send their bills in — provide them with a phone number or an address where they can send their bills.

**An Hon. Member:** — Wouldn't it be cheaper to just fix the roads, Glen?

**Mr. McPherson:** — Well I think the member from North Battleford is right. Shouldn't we just fix the roads? This is a safety issue. Don't you feel you have an obligation to the people of this province to do what's right? They sure feel you do.

You know we're not even asking for some of the roads such as Highway 18. I mean we've really come up with different levels of highways here haven't we; 13 is a major highway route across this province and you can't get that one fixed; or the trade corridor highways like No. 4 or 37 or wherever that's going to go.

I know you were recently in the South-west and you made I guess what you thought was significant announcements of work being done on — the member from Cypress Hills would know — what is that, Highway 18?

**An Hon. Member:** — Yes, correct.

**Mr. McPherson:** — Highway 18, Frontier-Claydon area, and he's raised it with me different times and we've talked about the highways in the South-west. And you were mentioning a few thousand dollars to fix up miles of road. And the people that brought forward this brief that we talked of earlier — the Frenchman Valley Rural Development Co-operative brief — they're sitting back saying, you know those kind of numbers you're throwing out there, that's maybe the money required to mow the ditches not fix the highways.

Madam Minister, I think you've got a lot to answer for. And each and every day, like I say, we're getting letters, we're getting bills. Will you at least accept all of the bills? I see it was on the news last night that the claims are going down. You know why the claims are going down; because not everyone knows to bring their bills forward to a MLA (Member of the Legislative Assembly) and have it raised in question period and embarrass you and your government into paying these bills.

But look at some of the letters that are coming into our office all the time, you know, the bills. And you should just automatically, through shame, stand up and accept those things. What are you going to do with it?

**Hon. Ms. Bradley:** — Thank you, Mr. Chair. As I have said previously, we have put a plan together, a transportation

strategy together. We've also put dollars to that strategy. We have said 2.5 billion over the 10 years, we've added dollars last year, and we've added dollars this year.

And you know we've got everybody in this province working with us on that through area planning, the stakeholders, and the municipal governments. Because there are many challenges. And the challenges that we're facing in this province, which I am not ashamed of, but the opposition should be ashamed of — of the kind of question that they ask — is where is the Liberal government, the federal Liberal government and what they have done to this.

The delinquent player has been the federal government. But they've not been totally delinquent because most of the impact that we have felt has been the responsibility of the federal government.

Right now we talk about the rural system, the member opposite talks about the rural system. Well to me — highways and roads — we don't spend a lot of dollars in our major urbans on those. That whole system is in rural Saskatchewan. And the importance of this system is certainly met with the economic development and the tourism industry throughout this province, and we're working on all of those pieces.

But I would call upon the member opposite, when you talk about petitions that have come in, talk about pressure. I haven't seen those petitions being delivered to the federal minister that's responsible here in the province, the only federal minister that we have in the federal government, to Ralph Goodale.

We have seen with the deregulation of the system of transportation . . . We are seeing branch lines being pulled out when there's a major grain transportation review going on. We have seen \$400 million with the Crow benefit annually gone out of this province. We're seeing \$240 million of a fuel tax being taken out of this province by the federal government.

The dollars that we have put back in has been close to somewhere around the 70 per cent dollar mark — 70 per cent of the kind of road tax that we've taken in through fuel tax in this province.

As a provincial government we've put a plan together that has planning in it, it has more dollars in it. But like I'd say again, is that we need the federal Liberals, the federal government, which is responsible for a tremendous amount of the challenges are that we're facing — branch lines being pulled out — and again no dollars coming back to a national highways' program as was said earlier.

All the provinces met . . . federal provinces . . . federal-provincial territorial meeting where they identified 1.5 cents on a litre to come back for \$500 million. Add \$300 million, that gives us \$800 million being matched by the provincial governments — \$1.6 billion to go into a national highway system.

If those dollars could get targeted back to help build the national highways in this province, we'd have more resources to build the rural infrastructure on the secondary highways.

When we look at vehicle damage claims, certainly we have been responsible for some of those and those have been paid. But we have to consider there's over 700,000 registered vehicles in this province, over 7 billion vehicle kilometres travelled. So I do believe we want to reduce the number of claims, but we certainly are headed in the right direction.

**Mr. McPherson:** — Madam Minister, the people in rural Saskatchewan don't think you're headed in any direction but an election loss over the neglect that you've given to everyone, whether it be in health care or highways.

I'll read a letter that . . . I hope that you have received a copy of this letter because these people are asking for a response

In June of 1997, my mother (Shirley Murchie) and my two young children were travelling from Cypress Hills to Swift Current on #1 Highway. The section of highway near Piapot was under construction. There was no Department of Highways flag people working. Some sort of sweeper was being used which created a dust storm, reducing the visibility to nil. A semi-trailer truck stopped because he could not see anything. A van ran into the semi and my mom ran into the van.

Because my mom had slowed down, nobody was seriously hurt. We have never heard a word about why there were no flag people. My mom's caution, which saved lives, has been rewarded by an SGI deductible and now an increase in her driver's licence. The Department of Highways' lack of caution, which could have killed three members of my family, has never been held accountable.

I would (like) an explanation of this situation.

I'll send a copy of this letter over to the minister so she can respond to this family. But I think this is indicative of what's happening out there, is that people want to know, people would like to know why it is that their drivers' licences are going up, their deductibles are going up, and they're putting up with absolute misery on these highways.

Take some responsibility, Madam Minister. Next week I guess we'll deal with a few more of these. One of my colleagues has a question for you, but I would like to have a copy of that letter back if I may.

Thank you.

**Hon. Ms. Bradley:** — Thank you. Mr. Chair, we have just received this copy now. It was one that was just written on May 25, so we will certainly look into this, and we'll give an appropriate response. Thank you.

**Mr. McLane:** — Thank you, Mr. Chairman. Just one short question to the minister. Minister, yesterday in question period I raised an issue about a gentleman from Bladworth who had some damage sustained to his vehicle on Highway 44. Could you give me some indication as to whether you're going to be settling that claim with the gentleman or what have you done to date with that?

**Hon. Ms. Bradley:** — Mr. Chair, we will be looking at that

claim, as we do any that are brought to our attention, or when people have let our department know or our Highways people know.

**Mr. McLane:** — Mr. Chairman, Madam Minister, that accident occurred some time ago and I'm just wondering if you could give me some idea as to where that claim is. I mean have you looked at it? Have you addressed it? There were no flags; he has witnesses. To me it's a cut and dried case. I don't think the claim is that big, but it's big to this labourer in my constituency.

(1200)

**Hon. Ms. Bradley:** — Mr. Chair, I haven't seen it yet but I did ask my officials to look at that yesterday. So when it comes to my attention, I mean, it's certainly going to be reviewed.

**Mr. Bjornerud:** — Thank you, Mr. Chair. Madam Minister, I've just got a couple of quick questions. I'm just trying to verify some numbers that I believe you had stated, and you were talking about the minor claims and that you'd had 202. And correct me if I'm wrong, but you said that 94 had been paid out for \$31,000.

But then you went on and you were talking about major claims, and I wonder if you could give me the number of major claims we have on the go and could you give me a rough guesstimate of how many dollars we could be talking about?

**Hon. Ms. Bradley:** — Mr. Chair on that our department is saying that we've never had . . . somewhere in between maybe two to five maybe get dealt with in a year. And it hasn't been at any time . . . the financial amount has never been such a concern that we've had to have a contingent liability worked in through our budget process.

So it hasn't been a major factor, but there have been . . . there are sometimes legal suits that are against the department. They have ranged somewhere between two to five.

**Mr. Bjornerud:** — Thank you, Madam Minister. Well then maybe if you can't give me the exact amounts that are revolving out there, what would be, say, in the last couple years, what would be the highest major claim that you've had against the Highways?

**Hon. Ms. Bradley:** — These are very serious ones and very rare that do happen. And there was one settled I guess in about the last year, a year — that happened years ago — and we would have to get back to you on more of the specifics. That one, the pay-out was about half a million. But that was one that was resolved just now, then I said it happened years ago.

Right now, presently, we don't have any major ones that are being brought forward.

**Mr. McPherson:** — Thank you, Madam Minister. I don't need an answer to this because I'd just like you to bring back next week, when you are in estimates, some materials, perhaps the list of the claims that we've been asking for I guess in question period. But total number of claims . . . could they show which stretches of highway those claims are coming from and the total cost instead of us revisiting this in depth next week. Just — I

think you and your officials know where we're going with this. Bring that information by way of a sheet next week.

**Hon. Mr. Shillington:** — I move we report progress.

### General Revenue Fund Agriculture and Food Vote 1

**The Chair:** — Before we start I would ask the minister to introduce his officials please.

**Hon. Mr. Upshall:** — Mr. Chair, with me today to my left is Terry Scott, the deputy minister for Ag and Food; Ross Johnson behind him, budget officer, admin services; beside Ross is Sandi Kennedy, legislative assistant, admin services branch; and to my right is Stan Benjamin, executive director of planning and development for Saskatchewan Crop Insurance.

#### Subvote (AG01)

**Mr. Aldridge:** — Thank you Mr. Chair, and welcome to the minister and his officials here this morning or this afternoon now.

Would you be able to outline for us here this afternoon the extent of the damage caused by the recent frosts in the province? Have you got some figures that you can provide to us this afternoon in terms of types of crops damaged, number of acres, the areas? Also along with those sorts of estimates, if you can provide us with some dollar figures.

We're getting a lot of calls from people who feel that there's been some serious damage done to their crop certainly. Have your department officials and yourself attached some estimates to the total costs that these recent occurrences might have caused to farmers in the province?

**Hon. Mr. Upshall:** — Yes. We have 2,294 requests for adjustment . . . from about 2,294 contract holders. We don't . . . we won't know the number of acres until the weather warms up a bit and the plants start to get some vigour back in them from the heat. We really won't know; farmers won't know.

So while we have people ready to adjust, and there's some going on — there's some re-seeding going on — as far as the dollar figure, that is really . . . we are not able to determine that at this time.

I just might add, the 2,294 this year . . . in the last six years: '94 we had 2,283; '95 we had 2,910; '96, 1,118; '97, 1,622; and '98, 1,922, so it's not wildly out because every year we get frost in Saskatchewan in some areas and some people have to re-seed.

So while it is of real concern to us, it's not like double any year we've had or anything like that. So we're keeping track of it and we're certainly going to be monitoring it in the future.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair, and Mr. Minister. Although you say it's not considered more than what you'd usually have in the way of claims, was I to understand this was specifically frost-related claims when you said that, or

is that all claims by this point in time? Would you be able to just clarify that?

And was I also to understand that you can't at this point tell — that you've had claims from 2,294 contract holders — but you can't tell me a total number of acres that that actually would represent?

**Hon. Mr. Upshall:** — Yes, the 2,294 is . . . many farmers themselves at this point in time don't know for sure if they can put a claim in until the crop grows. If it's a severe condition and you've got, you know everything turns yellow or black, then it's pretty obvious.

But as you know from being a farmer, some fields, just the low spots got it, and you know you've got to determine whether you're going put a claim in, or whether it's worth putting a claim in, or just working the low spots up and planting barley or oats in it that can produce. There's a number of options that you have.

So the farmers don't know in many cases exactly if they're going to be in a claim position but they've put a claim in because they think they probably do. The extent of it, meaning the number of acres, will be determined within the next probably few days, I would say, if it turns warm.

**Mr. Aldridge:** — Mr. Deputy Chair, and Mr. Minister, certainly there will undoubtedly be a certain number of these acres that have been affected that perhaps won't require re-seeding; they'll re-grow certainly.

But there's going to be a significant set-back to these crops in terms of a delay in maturity. The way this weather has started out in terms of our growing season here, and as unpredictable as the weather can ever be in our province, have you got some contingency plans in mind in terms of what could be an eventual flood of insurance claims this fall? And at the other end of the growing season if we run out of growing room at the other end because of the delay in maturity?

I know there's been a significant problem in years gone by in terms of the time that people are required to wait until adjustments are done on crops that they've claimed for. It's caused significant problems in terms of the management of their operations. It certainly has eventually lead to cash flow problems as well.

I don't have to remind the minister that although you might not consider this an inordinate number of claims by this time of year, you have to put it in the context of the fact that farmers have just come off of a year where it hasn't been all that profitable for them. I think you probably could tell me the figures — you might have them at hand or your officials might have — in terms of the drop in disposable income to farmers in this past year, or net income. And maybe you might be able to provide that to us here just to further highlight what should be a very serious concern.

(1215)

**Hon. Mr. Upshall:** — We're not downplaying this issue at all. All I'm saying is that we believe that we have, because of the

numbers in other years, we have adjusters; we've got 150 adjusters available today. The adjusting process will not delay the farmer re-seeding. We can call in adjusters from Manitoba and Alberta if we have to. You can leave check strips. There's a number of things that we accommodate the producers for, ensuring that they can re-seed as soon as possible.

And I don't argue with you in terms of what the potential is. Yes, net farm income is projected to be lower. We know that. The prices are low, the futures are flat on the commodities side, out quite a ways — that's a separate issue, that's a serious issue — but a separate issue from what we're talking about . . . the claims for re-seeding.

Now, as you know, I can recall having a barley crop 8 inches high hailed out 100 per cent in the middle and it's probably the best barley crop I ever had. We've had a burn off of cereals. And these things are all worries to farmers. But what I'm saying is we can't jump the gun. We're on top of the situation as good as anybody could be, and the farmers certainly aren't going to be delayed in their re-seeding because of crop insurance's actions.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair, and to the minister. Some of your comments, of course, will be leading me on to what my next topic will be. But just before we leave this particular topic, I have to further emphasize that there are pockets of severe damage in the province — frost related. Certainly when people talk averages, you're not always, not always highlighting the significance to the individual producers that might be severely affected here. And also we have to recognize there's a lot of producers out there in this province that aren't insurance — crop insurance contract holders — and there's going to be a severe impact on them as well.

So certainly it's something that we have to have some contingency plans in mind for. But when you mentioned that you realize the net incomes of farms are projected to be dropping, it certainly does get into the whole aspect of farm input costs. The cost-price squeeze that we've talked about in years gone by has become quite severe, for the reasons you've outlined, with some of the grain prices taking a turn for the worst as they have.

Now I know we've had conversations in days gone by where . . . Well for one example, you took a trip to Quebec City, I believe it was about a year ago now. It was maintained to us that there was going to be an active discussion surrounding escalating farm input costs at that meeting. And subsequent to that that there would be some further actions perhaps involving all provincial ministers of Agriculture, and certainly in conjunction with the federal minister as well.

You know what our position has been on farm input costs in this province, that we feel that there could be an active role played by the provincial government and federal government as a watchdog, trying to use the power of your office to influence manufacturers of farm inputs to consider that it's not all necessarily coming up roses on the farm and that there's a necessity to try and curb any increases in farm input costs.

Certainly since, well since I've stood and spoke with you in the House — one glaring example of increase in farm input costs

could relate to the cost of farm equipment and equipment parts. There seems to be no end to the increases with respect to that sector.

I would just like to know what the minister has done and intends to do in the next while with respect to trying to use your influence to reduce farm input costs in this province.

**Hon. Mr. Upshall:** — Well thank you, Mr. Chair. I have the realized net farm income, '94, '97 here, which shows that 1997 realized net was \$680 million for Saskatchewan which was about in line . . . well almost double 1996, at 393. We had 701 million in '95 and 722 in '94, so the trend line is down.

The worst part of this is the projection for 1998 is only about 300 million, which is back down to where it was in 1996. So that is not good news. And we understand that, and we understand the concerns that you have and that the farmers have.

The federal government of course has been saying that they're not going to be involved in ad hoc programing. We went into the NISA (Net Income Stabilization Account) with crop insurance and NISA, and will continue to deal with them to make sure that we maintain our \$600 million fund from Ottawa for Canada, and that we retain our 35 to 33 per cent of that.

When you talk about input costs, I agree with you 100 per cent. And being in this position we try to do something about that, which is an issue which is very, very difficult to do anything about. What we've done, there's two lines. First of all, I took this issue to my first federal-provincial meeting. That was two and a half years ago. Since then, we've had two meetings; every year it's been on the agenda, and it's on the agenda again.

And where we are now? We're going to be getting a report from the working committee of deputies. Now I don't know what that report's going to say, but we're going to be discussing that in Ottawa . . . in Ontario this summer at our annual meeting.

Because my position is that an individual province can't do anything. We can monitor and chirp, but we really can't do anything as good as a national body — monitoring prices to see if there's any price fixing or gouging of that kind, just so the companies know that somebody's watching. Because we get the feeling, as I think you do, and farmers, that nobody's watching the store right now and prices can be charged — whatever the market will bear.

Now the reason it's difficult is because this is the free trade, free market system. You price your product, and, if people buy it, you may want to increase it to see if people still buy it; or if they don't buy any, they decrease it. So that report's in progress. It's slow, I admit that, but these things do work slowly on a federal-provincial basis.

The other thing that we're doing is doing what we can provincially. Historically we've broadened the exemption on the tax base, the E&H (education and health) base, to a point where the PST exemption on farm machinery, fertilizer, repairs, pesticides, etc., saves farmers \$127 million because they're exempt.

An exemption on fuel tax — diesel and gasoline rebate — another \$116 million that's a benefit to the producers. Now traditionally we don't talk about these things because they just have been going on for a long time. And I know myself as a producer, I don't think that government is doing anything for me . . . but in terms, that is the tax that they're exempted for, so it's a benefit to them.

The other thing that we're doing among some of the other tax exemptions, one of things that we did was to reduce the crop insurance premium by 33 per cent, because we had control of that. And we worked with the federal government because it's a Canada-Saskatchewan program, and saved the farmers of this province about \$35 million annually, year to year, year over year, in terms of their crop insurance. And that's a long-term sustained benefit. And I might say that that's probably the — as far as I can remember — the biggest reduction, sustainable reduction, in an input cost in this province.

So what we're doing is we're talking to the federal government to see what can we do to be the watchdog for the input costs. We're exempting fuel tax; we're exempting all the PST on farm machinery and farm inputs basically. So while the problem remains, it's not from a lack of exempting taxes.

The problem remains because there isn't enough margin to keep people on the land by farming the way we are today because of the prices. So we understand and we're trying to do what we can on our side.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair, and to the minister. You raise another point in terms of trying to keep people on the land. Have you've got some statistics here which would tell us just at what an exponential rate we're losing farmers in this province. Because I'm concerned, as all of my colleagues, when you open up newspapers in this province and you see probably a record number of farm auctions, probably unprecedented. Certainly the number of active farmers in this province must be dropping dramatically.

And when you mention certain exemptions, such as E&H and fuel tax exemptions, there hasn't been, and correct me if I'm wrong, but has there ever been an increase in that fuel tax exemption? And is there any active consideration being given to that, given that on a per unit basis now — although any exemption is welcome — it's not nearly as significant as it once was when farm units used to be quite a bit smaller. So is there any active consideration being given to increase that fuel exemption on a farm unit basis?

**Hon. Mr. Upshall:** — Mr. Chair, the decline in agriculture . . . I have the numbers here basically back to 1906. But just to put it in perspective. There's been . . . from 1936, we peaked at 142,000 producers. In 1996, because this is the '96 latest Ag stats book . . . we've had 56 . . . basically 57,000 producers.

But if you look at the trend since let's say 1990 . . . '71, that's about 25 years ago, the last 25 years, we've lost almost or just over 20,000 producers. And you know, every year it can average a thousand producers a year over the last 20 or so years — removed.

So the statistics show that and we see that in our rural areas.

And one of the things that we want to do to try to reverse that trend is — and what we're doing to reverse that trend is — to try to add value to the grain that we grow out there because we've had a grains mentality for many years. If we can do that successfully and I say we are, especially in the area as hogs for a good example — because of the dramatic increase, we're putting families back in.

In my area, the Watrous constituency, I think I can show you areas from Lanigan, Leroy up to Watson, back to Humboldt where there were farmhouses empty and town homes empty. And right now they're moving buildings in. Humboldt's got a housing building program, Leroy's got a program where they can build in . . . bring in mobile homes.

So that's why this government has taken the position of Ag 2000, which we put out just about 10 years ago now.

And it's working. I mean we've got a long way to go. We can do poultry industry, we can . . . I mean, the beef industry is also growing and will be growing much more because we can't pay a buck a bushel. Not to get political, but the federal Liberal government was forcing us to pay a dollar a bushel to haul our grain basically from main lines because the branch lines are shutting down.

So we saw this coming, we knew we couldn't reverse the trend, so then we said well what'll we do about it? And what we do about it is keep the population in rural Saskatchewan but have them in animal husbandry which is adding value to the grain. And if we can continue that process on, by having processing of those animals, we gain even more.

So that's the . . . that's how we're trying to keep the population up and reverse this 1,000 . . . minus 1,000 trend. Now the farmers will continue probably to decline, but the population will increase.

(1230)

**Mr. Aldridge:** — Mr. Deputy Chair, and to the minister, averages of course again don't always necessarily reflect what's happening, well certainly most recently. Over the last 20 years we're losing an average of a thousand farmers a year. But what have we lost for the years 1991 through to . . . well I guess if you add most recent statistics being 1996 — if I could have those.

Also, in fairness to the minister, I don't think he heard my additional question I tacked on there with respect to fuel tax exemption in the province: if there's any active consideration being given to increase that exemption?

Given that, as you say, probably the number of farmers or farm units is not increasing, you may have some additional employees working on particular farm units because of intensive livestock. But the fuel tax exemption as it exists today is certainly not as significant an exemption as it was at one time, given the size of these farm units and the fact that they are needing assistance regardless of the scale. Is there any consideration being given to that?

**Hon. Mr. Upshall:** — I can give you . . . just for the sake of

brevity, I was using general terms. I can give you exact numbers. And this is available in the stats book and you can look it up yourself.

But just for the record, in 1971 we had 76,970 farms. Five years later — I'm going to round these off — we had 71,000 farmers. That's about a 6,000-drop in that 5-year period. From '76 to '81, we went from 71 to sixty-seven three. That's another 6,000. So from '81 to '86, another five years, we've reduced the exodus to 4,000. From '86 to '91, again it was just about 3,000.

So the trend is the numbers . . . since we've taken over government in '91, I think because of the Ag 2000 and the value-added program, the exodus is decreasing a little bit — the number of farmers — because of the diversifications. Not just what government's done, but because the producers themselves are going into other grains, from spices to, you know, on the grain side, to exotic animals on the other side.

So the exodus has dropped. From '91 to '96 we were about the same. So that's more specific. It doesn't change the fact that people are leaving and we want to make sure they stay here, and I've explained to you what we're doing to have them stay.

As far as the fuel tax exemption, you were wondering if we would be increasing the fuel tax exemption. Well I don't think so.

The problem is this: if you add up the dollars that the government and basically the taxpayers contribute to agriculture, you can add it up to nearly \$400 million annually. It depends what you put in. But it's a large dollar.

And the fact of the matter is the margins aren't changing. The numbers, while there's some reduction in exodus, it's still not good enough simply because the margins aren't there. And what we have to do it as a farm community . . . because I've worked all my life, farm life, lobbying to get the margins bigger. I can admit to the world that I haven't been very successful, because if you look at the trends the input costs follow the price of the grains.

And so we don't need to argue about getting the grain up, we need to argue about getting the margin up. And I haven't been very successful nor have any of us really. So then if you're not being successful there, you don't quit, and you continue to try to get the margins increased by whatever method we can. But you also have to sit down and say okay, how do we farm within that margin?

And that's where Saskatchewan farmers have the challenge facing them today. How do they farm within the margin? Because you know we could give more fuel tax — we could broaden the exemption again. I think one of the things that isn't exempted is farm grain trucks. We could even broaden the tax exemption to include farm grain trucks or anything else that we could use on the farm.

But do you know what? The problem wouldn't change simply because it's not enough. The government can't exempt enough to keep farmers farming within the margin. So that's why we've got to work on input costs. That's why we've got to work on different methods of farming whether it be co-op farming,

corporate farming, leasing equipment, custom farming, whatever works for the group of people to keep the population in rural Saskatchewan.

So you could argue and criticize us for whatever, but I maintain the taxpayers of this province don't have enough money to broaden the base to keep farmers farming. That is what in conjunction with many other things, keeps them on the land.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair, and to the Minister. I'm pleased to see his acknowledgement of the fact that, well — just due to the ingenuity on part of a lot of producers — that is really what's kept as many on the land I guess so to speak as we do have despite the decline. The diversification that's going on — although provincially, federally there's some assistance that may have been available. A lot of this is of course . . . the producers themselves are at the front of all of that. And I think you've acknowledged that as well.

I don't have too many more questions here for you, Mr. Minister, this morning. But if I could in terms of farm input costs, you'd have to admit that the cost of credit services for farmers in the province is a significant one: being able to obtain credit, to operate their farms, to acquire capital equipment, additional lands, and maintain operating loans. These are significant dollars that are being rung up in terms of costs to producers in the province.

In light of the fact that I've had a response from your government recently that in fact none of you have taken the time or had the inclination to even make a formal response to the federal task force — that's chaired in fact by a Regina resident — on the banking industry on financial services in this country. And my understanding is that his report is going to be perhaps completed by September of this year. Would it not be considered prudent by yourself and your department officials to consider making a formal submission to that task force on behalf of producers in this province, being that farm people, agricultural producers, are significant consumers of credit services in this province.

And if I could have you go so far as to make a comment, do you feel that the so-called megamergers, the consolidation of banks in this country is going to lead to better service for agricultural producers. Because I maintain to you that there's a lot of farmers out there that don't think it will be anything good come from that in terms of better service provided to them, more accessible credit from these banking institutions, and at a more reasonable rate.

So I'm about to take my place, but I'd certainly welcome comments from you in this regard. It's a very important issue to farmers across this province. As we speak, there's a lot of farmers that are counting on a crop to come in this fall under what has started out to be a rather shaky start in terms of weather. We hear reports on a regular basis that things are still dry. In fact we get your weekly report across here as well, which we appreciate, keeping us posted on soil moisture conditions, crop conditions in the province. There's a lot to be worried about in that regard.

So with respect to credit services and the availability of such

and the cost of such, if I could have your comments on that and your commitment that you might actively make a submission on behalf of the agricultural producers in this province.

**Hon. Mr. Upshall:** — Two points I'll make on your statement. We're actively considering whether or not we should make a presentation. The debt numbers in Saskatchewan — total farm debt, December 31, 1993 to '97, have risen from 4.4 in '93 to 5.1 in '97. That's total farm debt.

Now that is a trend line up there but not a significant increase. So servicing that debt certainly is a problem. That's why we've always worked on trying to get the prices up — to service the debt. That's the theory. But again, it's the margin that's not there and how do we service that debt within the margin that we have to work in. So it's one of the concerns.

As far as your question about the mergers, it's a very difficult question to answer but I'll answer it this way. The world trend is for megamergers and Canada is not going to be isolated from that. The trend also is for more and more banks to be moving globally. We've seen Rabobank out of the Netherlands set up an office for the first time in Toronto — huge, huge credit union type bank. There's a number of U.S. banks that are moving up into Canada. So the mergers are going to continue.

What we have to be concerned about is that there's still enough people . . . companies around to compete. Because it's the rate of interest to service that debt that's important and I think that's what you're talking about. How do we make sure there's enough competition around to maintain a competitive interest rate? And that's the angle that we would come from too because you're not going to stop the mergers. You can jump up and down and scream and holler whether you like them or don't like them; but the fact of the matter is, if you look at these things around the world, the trend is to not stop. Whether they will be stopped is, I guess, something to be determined in the future.

So we also have to remember that we are fortunate in Saskatchewan that we have a credit union system that will be here and is working here on behalf of Saskatchewan producers — to maintain their presence, to maintain their viability in this very, very, much rapidly changing world. And so there's also an option there. And they will be there to compete with the banks no matter how many banks there are; they're always going to be there as a competitor. So we have an advantage that way.

So while this is a concern, we have to be focusing on viewing the world to make sure there are enough competitors to keep the rate as low as possible.

**Mr. Aldridge:** — Thank you, Mr. Deputy Chair. And to the minister, I appreciate your comments. I would encourage you to make an active submission to this task force, and certainly the very essence of a submission of that nature would be to encourage additional competition in the banking industry. It would do nothing but benefit producers in the province certainly because that, of course, is our concern. If these banks start consolidating there isn't additional competition available to provide producers with, let's say, better options than what they have as they exist today. Because I think there's a lot of producers out there that don't feel that current services are adequate to meet their needs, to allow them to expand, to try

and grow their businesses.

And I'd also be very interested in the outcome of your . . . this summer's meeting with respect to the ongoing efforts to look at the overall picture of farm-input costs. And developing strategies of trying to maintain a watchdog role if you want to call it that in terms of making manufacturers aware that governments at all levels are making a point of being aware of farm input costs on behalf of their producers.

I've shared with you correspondence I've had with a number of farm input manufacturers in this regard and I'd certainly welcome it if you'd share any of the same with myself, anything that you've undertaken. And we certainly would be supportive of any efforts to try and further the cause of keeping our producers in a viable position and beyond that — beyond viability — in a position to grow their businesses as I say.

So with that, I'll take my place and I'll thank the minister and his officials here this morning, or this afternoon.

(1245)

**Hon. Mr. Upshall:** — I will thank you for your questions. Just to say that upon returning from the federal-provincial meeting, I will supply you and the official opposition with the recommendation that has been put forward and any input you might have into helping us there would be appreciated because it is an important area.

**Mr. Boyd:** — Thank you, Mr. Chairman. Mr. Minister, welcome to yourself and your officials. We have a number of subjects that we wanted to discuss with you today in agriculture. These of course being a wide range of topics that are of interest to farmers and ranchers across this province. There are a number of issues that are of a very important nature to them and not only them but to the economy of this province and the well-being of many people in the province of Saskatchewan.

Mr. Minister, before we get into the bulk of our presentation on agriculture, I wanted to bring to your attention, and I hope you're aware of the impending concern, with regard to a fleet assessment program that SGI is implementing with regard to farm vehicles. Are you aware of this, Mr. Minister, that SGI is going to now be assessing farmers on the vehicles that they use in their farming operations, if they have five or more vehicles within their fleet of farm vehicles?

Now as you know in many, many farming operations in Saskatchewan it doesn't take very much to get up to five vehicles. This means, incidentally, farm-related vehicles and/or trailers.

So if you're a mixed farm in Saskatchewan and you have a half-ton and you have a fuel truck and you have a truck for . . . a couple of grain trucks and a trailer or two, a stock trailer or something of that nature, a flatbed trailer, a fifth-wheel trailer. As you know, many producers would have five or more vehicles falling into this category pretty easily.

Mr. Minister, what is happening here, it appears to us, is that SGI again is looking towards the agriculture community as a

source of revenue for them. And it is of great concern that they would be assessing some sort of fleet assessment penalty towards agriculture producers in this province.

As I said, it doesn't take very much of a farm these days to have five vehicles or trailers on an operation of relatively modest size. I find it strange that they'd even want to call it a fleet. When you think of fleet, you think of something like MacDonalds Consolidated or Yanke Transfer or something of that magnitude. You certainly don't think of a medium-sized or small or large mixed-farming operation or straight grain operation, for that matter, in Saskatchewan.

So Mr. Minister, we've had a number of concerns coming forward from agriculture producers. I have one letter right in front of me here from SGI to a farm down in the south-east part of Saskatchewan, informing them that they operate a fleet of five or more commercial vehicles and that they are now under review from the fleet assessment program management and that their insurance premium assessment could increase effective July of this year.

And, Mr. Minister, this is one of those areas that you and your administration do have some control over in terms of costs. And this is an increase in costs, not a decrease in costs, to farmers in this province.

I would appreciate your comments.

**Hon. Mr. Upshall:** — I appreciate your question. I've looked through the information that I've received, though I've looked at it before, and I wasn't aware . . . I'm not aware of the fleet assessment. So I appreciate you bringing it to my attention, and yes, I'd appreciate a copy of it. Because we as the Department of Agriculture and Food are always concerned about the input costs, just as we were talking a few minutes ago to your colleague about.

So what I will say is that we will certainly, because I have not heard of this and I appreciate you bringing it up, we will review that to see if that program will result in greater costs to the agriculture community.

And I can give you my assurance that I will be diligent in trying to work towards an end that will not see any increases. And maybe it won't. I mean I don't know enough about it to even really comment on it. So I appreciate that. I'm sorry I can't answer your question but I'll say I will get the answer to you in written form if we finish these estimates before I get it.

**Mr. Boyd:** — Thank you, Mr. Minister, I appreciate that. I don't think when they're talking about reassessing them, they're talking about it going down; I think they're talking about it going up. The letter seemed rather ominous, to say the least, in terms of what was going to happen to their insurance and plate registration costs. It would appear to us that it is something that your department should very, very carefully review with the minister responsible for SGI — to get a hold of them and twist their arm a little bit on behalf of farmers in Saskatchewan.

As I said, it doesn't take too much of an operation in agriculture these days to have five vehicles or trailers. And the last thing we need in a time when many farmers are faced with re-seeding



costs faced with an impending drought in lots of areas, facing lower grain prices. Cattle prices now are under a little bit of pressure as well, hog prices — all of the areas in terms of commodities that farmer producers put forward to the . . . put towards our economy — all are under pressure and the last thing we need is another increase from your government with respect to that.

Mr. Minister, moving on to the next subject that I want to discuss with you was the whole area of grain transportation. There's lots of concern, as you know; you and I have spoken privately on a few occasions about grain transportation and the thoughts of farmers in that area.

I see in today's issue of *Agriline* — I think you're familiar with that publication — Friday, June 5, 1998:

The Canadian Transportation Agency will not make a decision on the Wheat Board service complaint against the CP by June 30 as scheduled. No estimated date was announced. Hearings were winding up in Ottawa; closing arguments began yesterday and wrap up today.

It is again one of those kinds of things that farmers are concerned about. They constantly are told by . . . particularly — and I'll direct first of all my attention to the federal government — particularly by this federal government to hurry up and wait. It seems to be a constant battle with this administration federally, to try and get some resolve to the situations that farmers are faced with here in Saskatchewan.

Mr. Goodale as you know, Mr. Minister, has been promising for a long, long, long time that the transportation system here in Saskatchewan, the problems associated with it, were going to be addressed. Every time we turn around it's delay, delay, delay.

I wonder at times whether Mr. Goodale is capable of making a decision. It seems that the farmers of this province, I think, feel the same way. We are finding many, many producers calling and writing to us very frustrated with the fact that there is no action whatsoever on these kinds of things.

It just seems to go from study to study to study, from delay to delay to delay. The minister saying, well when we get through this we'll be in a position to make decisions. When we get through the Estey report we'll be in a position to make decisions. When we get through these latest hearings with the Wheat Board and the CP (Canadian Pacific) we'll be in a position to make some decisions. And yet the decisions are delayed and delayed all the time.

So I hope, and I think you do, share frustration in those areas, Mr. Minister.

As you know, approximately a week ago I think it was, we raised the whole concern about grain transportation and Mr. Estey reporting. His report was going to be going before Collenette here in the last few days. It hasn't been made public. Incidentally, I wonder whether or not you have received any knowledge as to what his preliminary report contained.

But again it was a situation where even the former Supreme Court justice, Mr. Estey, is saying that the farmers want to see

changes and they've come forward with ideas, ways of addressing the transportation complaints and concerns that they have. And already he's saying that he's doubtful that we will see any political change here in western Canada. There doesn't seem to be the resolve to make any changes.

And that should be of great concern. I don't know what would prompt Mr. Estey to say that unless he's had discussions with Collenette and Goodale and they have indicated to him that they don't expect any changes.

I wonder, Mr. Minister, if you might want to comment at this point and also share with the opposition and the farmers of Saskatchewan whether you have had any kind of "heads up" from the federal government — Collenette, Goodale, whomever — as to whether they're prepared to move on any of the recommendations that Estey is putting forward. Or do the farmers of Saskatchewan: are they to believe that Mr. Estey's comments are correct, that we are not going to see any change because there is no political will in eastern Canada these days.

**Hon. Mr. Upshall:** — Well while there are things that you and I disagree on, I certainly agree with you on this issue in terms of the delays because it's very critical that we have some action.

Now just to make a few points. We of course keep analysing what the federal government's doing and it's fairly easy to analyse nothing, so that's where that's at.

The Estey report, as you say, is simply . . . there's no recommendations on what Estey reported to Mr. Collenette a few days ago. We understand what this so-called report is — and the people are calling it a report — is a report of the applications to him, of the presentations to him, an analysis of those and a review of those, that he's passing over in condensed form to Mr. Collenette and the federal government. And that phase two of the Estey report will be actually his report and recommendations that will come.

Now what concerns us is when they come, because as you say, things are being delayed greatly. I mean the federal government, they say they don't want to have anything going on while the CTA (Canadian Transportation Agency) is reviewing the appeal from the Wheat Board that we are involved in. It's another delay tactic because it's two different issues. I mean, you can separate the issues.

What we were saying on behalf of farmers . . . we were interveners in that CTA case with the Wheat Board simply because all we're saying is that look, there was \$65 million lost to producers. It wasn't the producers' fault. If CP is vindicated by the CTA, that's fine by us and good for them. Then we should go on to see where the problem lies because it is not going to carry on, in my books, that the farmer keeps paying these bills and somebody else is creating the bill.

So that's why we intervened — not to pick on the railroads but just to say okay, is there fault here? If no fault's determined, let's go on to see where the fault is because it's not the farmers' fault.

Unfortunately the federal government is dragging its feet tremendously on these issues. And we say to them, if you're

going to drag your feet, if you're going to — we say you're dragging your feet — then let's put a halt to the abandonments so that the lines at least are there. And if you halt the abandonments till Estey reports, then if the CTA drags out and Estey report drags out, at least we have a rail collection system that is there for use.

And we've made also some number of recommendations. And one of the main recommendations that we have made through the Minister of Highways and Transportation and Ag and Food jointly with other provinces is that you have to have competition. Because you can't assume that because one railroad says this line's not viable . . . pick whatever line they want to abandon, that's it's not viable.

The way to determine viability is to have someone else, many other people, be able to access that line, and that means joint running rights. Because you'll determine viability when two or three or four people say no, we don't want this line. Then I will assume it's not viable.

(1300)

But what's happening is the federal government are allowing lines to be abandoned before any test of viability — only on the word of one company.

So these are . . . and there are number of other things that we've talked about. We have to have in a joint . . . in a system where you have branch lines you have to have a regulation that determines the sharing of the tariff from the point it accesses the rail on a branch line, for example, or short line, to port. What part of that tariff does the branch line get to maintain their viability as opposed to the main line carrier so they can maintain their viability?

These things have to be settled out because if you don't decide what a tariff rate is, then the branch line is held hostage by the main line. They can just set their rate. Of course they can just jack it up to kill the branch line.

So all these things, the frustration that we, I think, share with you, if I'm hearing you right, is that the federal government are sitting idly by watching the deterioration of the system, putting no money into the infrastructure, and not giving any indication that they really have a plan for the future of a national transportation policy.

**Mr. Boyd:** — Well it is certainly a frustration that we do share with you, Mr. Minister, and farmers share with you I'm sure as well. We don't see action taking place in this. We've seen a change in the transportation, great changes in the transportation system in this province and in western Canada as to where subsidies and all of those kinds of things are going to go and have gone in the past and certainly into the future.

I'd like to explore that with you a little bit — the whole idea of joint running rights. I know you've thrown that out a little bit and we have given kind of tacit approval to it because we're not quite sure what you have in mind in terms of all of these things. As you said, I'm sure the people of Saskatchewan, the farmers of Saskatchewan, will be interested in what your proposal is in this area, Mr. Minister.

Are we just simply opening it up, deregulating it completely, and anyone that has a locomotive and a few cars can put them on track and away they go running their own little railway? Or how are we . . . I assume that there is going to be some coordination of this by someone. I don't know who you have in mind, perhaps existing authorities in that area, or what exactly your thoughts are. I think before we're prepared to give you complete support in that area, we want to know what you're talking about with respect to joint running rights.

I want to also, Mr. Minister, talk about the viability of some rail lines and things of that nature. At this point let's deal with this whole area of joint running rights. Do you have some kind of proposal for at least a discussion paper that you can put out, provide us with as to what you're talking about? Have you distributed anything to farm groups in Saskatchewan as to what your thoughts are in this area?

**Hon. Mr. Upshall:** — Sorry for the little delay. I was just getting an update on the activities because we've carried out a number of activities to research the joint running rights issue. I had one of the department people go to Australia just recently to study their changes down there. They found out that one area of Australia went to a common carrier as they call it, where I think four or five companies were allowed to run on one rail bed.

What they found was that there was a cost saving to shippers of 40 to 50 per cent, depending of course on the length of the line. The longer the line, the more cost saving was there. But certainly that little example showed a great return. There's other areas in the U.S. that we've looked at with competitive lines and the costs to shippers. We know that in countries like Britain, there are many lines that are used . . . many companies using lines. In fact they're going to a different system again.

So I guess to make a long story short, we've got analysis ongoing. We're collecting information . . . I know the university, Dr. Richard Gray at the University of Saskatchewan has done a study on transportation. We commissioned Travacon to do a study on joint running rights.

So what we're trying to do is build . . . While we haven't gone formally out with any recommendations, the process as I see it is that we have to convince the federal government that this is an option that they'll seriously consider. When we convince them of that, we've got all the information ready. We hope to have. It's not like we're compiling it now, but we hope to have the information ready to make a good presentation as to . . . and maybe some recommendations at how it might work. And we of course work with the Department of Highways and Transportation on these types of things.

So I think that we're preparing ourselves well. What we have to do is have all members of this House and farm groups and farmers in this province, lobby Ottawa to say that you can't deregulate in a non-competitive environment — deregulation in a non-competitive environment. You look around the world. Look for the Burlington Northern just south of the border — \$52 a tonne for grain. Our rate is 32 roughly, in a comparable location. That's 20 bucks a tonne. They're deregulated, non-competitive.

If we were deregulated and non-competitive as we are because

the rail lines don't run into every elevator, only one line for the most part, then we can be prepared to pay higher rates. The joint running rights idea would mean allow deregulation to continue, but really what you're doing is reregulating competition. And that's what we need.

So we appreciate your support on this issue.

**Mr. Boyd:** — Thank you, Mr. Minister. You're familiar I'm sure with the West Central Road and Rail group in west-central Saskatchewan and their drive to look at the viability of a short rail line in that area of Saskatchewan, and there are many others that are looking at similar types of things here in the province, as you know.

Rail-line abandonment is a part of this whole transportation problem that farmers are faced with. The problem that I am hearing from not only West Central Road and Rail but other groups that are proposing these types of things, is that the rail companies and the rail lines and the elevator companies, there's a problem with how these things are done.

You can't go and look at a branch line in its entirety to look at the viability of a short rail line opportunity. Because what happens typically is, and what has happened certainly in west-central Saskatchewan is the rail company piecemeals these things off. And I'm sure you know what I'm talking about when I say piecemeals these things off. They take a part of . . . they take perhaps the extreme end of the rail line and they close a part of that, making it such that that rail line opportunity becomes less viable. They take another little strip of it somewhere else making it a little less viable all the time and selling it off for salvage in the meantime.

So what happens, in effect what happens is that rail line in its entirety as a branch line and short rail-line operation may have been very viable, but after a series of downgrades of that line, shall we call them, after a series of selling off a small, little portion sometimes right even smack dab in the middle of that line — there's been examples of that or at the ends of it — it just makes it less and less viable.

They sell off the track for salvage. The elevator companies come in. They close the elevators. They smash them down quickly. It's becoming increasingly obvious as to what kind of game they're playing with respect to this as well. They come in and close these elevators down, and in a very short period of time they demolish them, making it such that in a couple of years you kind of even forget that they're even there any longer. And what happens is it makes it such that the rail-line opportunity, a short rail-line opportunity that was there disappears because of the fashion that they've been sold off, piecemealed off in the past number of years.

And we are already seeing that happening on that west-central road and rail designated area out there. And they're already slated for closure the extreme west end of that branch line taking off a considerable amount of traffic from there that would normally flow into that area. They will be closing probably the subdivision heading down — I think it's already abandoned — down to Lacadena in that area.

It's a pretty good way of doing it if you want to close a line

down. There's no question about that. And it seems to a lot of people that there is . . . I don't know, I don't want to call it collusion, but there's certainly an effort by both the rail companies and the elevator companies to see that these things are done in a coordinated strategy at least. And that is very, very disturbing to farmers.

First of all, they choked the grain supply off in terms of cars, then the elevator has less of a handle, then the argument for abandonment is even stronger, then the idea of closing that elevator becomes even stronger, and eventually the whole system sort of collapses around the fact that you can't haul to a plugged elevator. And you can't get cars because they don't want cars on that line because the history of the line is such that not as much grain is being shipped off of that line. I'm sure you're familiar with everything I'm talking about in this respect.

And I think the farmers of Saskatchewan have got it all figured out as to how this little effort works, and they're very, very tired of it. And they are of the opinion that . . . I think they are of the opinion that someone in a position like yourself, Mr. Minister, and the Minister of Highways and Transportation here in Saskatchewan is going to have to step in and address this situation.

I think farmers, farmers are looking at this and they are saying to themselves, if they are going to abandon a branch line, make them abandon it in its entirety or not. That's some of the things that they are telling us. If they are going to close elevators down, make them set that elevator up and make it available for purchase rather than just bulldozing the thing down.

If they are going to make . . . put lines up for salvage, make them available in their entirety, as I said, rather than just simply piecemealing off a piece of it at a time.

Those are some of the things that we are hearing about, and I see my colleague and friend from Rosetown-Biggar nodding his head in approval. It might be . . . I'm sure it scares him as much as it scares me the fact that we have some common agreement on something for once.

But the fact is, is that farmers on all sides, political stripes, right, left, in between, are talking about this issue and are very concerned about it; that the forces outside of their control are moving and seem to be conspiring a little bit against them in this area.

Mr. Minister, I'd be interested in your comments at this point.

**Hon. Mr. Upshall:** — Well thank you again. I understand and agree with what you're saying. The problem that we have here, and I think . . .

**An Hon. Member:** — Do something about it.

**Hon. Mr. Upshall:** — Yes, well you say do something about it. And that's the frustration, as I think you know. It's easy to sit in opposition — I was there for five years myself — and it's easy in opposition to just point your finger over there and say, do something.

And so we are doing something. The Minister of Highways and Transportation has been out to many, many meetings. The west central committee that you talk about have met with them. They work with the Department of Highways officials.

And that selective abandonment, as you speak of, is very . . . is the most critical aspect we have, and that's why we are writing letter after letter, right up to the Premier's level, to the Prime Minister, saying stop the abandonment until we can get the Estey report in, hopefully with recommendations of how we can maintain the system with the most benefit to everyone — to the farmers, to the grain companies, and the elevators. Because you have to have them viable. You need viable railroads, but you need viable farms too. So you need this report in.

(1315)

Now it's really popular to beat up on the railroads and the elevator company. And I think that they do have some corporate responsibility to the people of this country. But the reality is, if they have a direction . . . if a company has a direction from a boardroom, they simply find people to carry out that direction. And you know what? The thing that will stop the direction is a federal government with enough courage to stand up on behalf of the people of this province and this country and say, no, here's the rules that you're going to work under. Because the railways and the elevator company are simply working under the rules — or the railways with federal legislation are simply working under the rules that they're given by the federal government.

And there is no desire, it appears, on the part of the federal Liberals to make any changes. Now maybe they've abdicated their responsibility. We know they've abdicated their responsibility in highways and infrastructure funding. We know they're . . . in agriculture we're trying to maintain the safety net package, and so far have done that but we've had to argue a lot to keep that.

In terms of the participation of the transportation community in Saskatchewan, the federal government is simply abandoning that — totally abandoning it. Now you say we should do something. Well we are, as I said. We've got letters, we've got lobbies, we're working with the people on the ground. And all we can do is continue to do that in terms of trying to keep the system intact.

But the main way to do it is, I think, the approach we've taken. Look at joint running rights as an option to determine viability. Because you will agree, and I think any farm will agree, if nobody wants to run the line because they can't make money on it, then the line won't be there. They're not saying keep lines that aren't viable. They're saying these lines are viable but you need some commitment there.

So we're going to continue that. The Minister of Highways is on a daily basis, their department's working on this issue. We have a section in our Ag and Food, a transportation section that works. As I said, we've sent people around different parts of the world and we're collecting information to try to put forward to the federal government some options. I think we need a concerted effort from all of western Canada. We have received that in form of the Estey submission. Every province, every

province's Agriculture minister, every province's Transportation minister have signed on to this.

Unfortunately the federal Liberal government doesn't want to hear. I asked the member from, I think, Wood River to table his correspondence on highways just a few minutes ago. And the answer, well he couldn't do either.

So we have to have a little bit of cooperation here, and I don't know other than keeping pounding on the federal government — and we're going to figure out how to do that — any strategies that you might employ we would welcome.

And we're going to keep pounding them to try to, on behalf of the people of this province, ensure that we have a transportation system that is viable and that can haul grain out very efficiently to keep our customers.

**Mr. Boyd:** — Thank you, Mr. Minister. When you say that you need a concerted effort I couldn't agree with you more. We have always said, in opposition here, that we would be prepared to help in whatever areas we could to convince the federal Liberals that there is a very serious situation here. We would certainly call on their Liberal cousins here in Saskatchewan to speak to the issue as well.

They've been as you know, Mr. Minister, they've been very, very absent from the discussion surrounding this whole area of grain transportation. They seem to be very much of the view that they'll just let things unfold and old buddy Ralph will look after it. But I'm afraid that the farmers don't have all that much confidence in Ralph nor the provincial Liberals here in Saskatchewan to look after their interests in this area.

What farmers are saying to us is instead of having barn raisings like we used to have, now in rural Saskatchewan we're having elevator burnings and they're a little bit tired of it. There is nothing, Mr. Minister, you're telling us, there is nothing in a legislative fashion, even if it perhaps results in a jurisdictional problem with the federal government, that you can do.

You aren't prepared to fight them in terms of presenting some legislation even if it results in court challenges to that legislation in dealing with the issue, Mr. Minister. I'm a little bit surprised frankly and a little bit alarmed that there isn't something that the provincial government can be doing to help in this situation other than their writing a few letters to Goodale or Collenette.

I think the farmers are looking for an action plan from your administration, rather than a number of letters that they never even see going to Mr. Goodale or Mr. Collenette, on this sort of issue.

Mr. Minister, I want to turn my attention now a little bit to another area of concern that farmers have in grain transportation — a little bit unrelated but certainly an area of grain transportation. You have been talking about a concerted effort and a coordinated effort and trying to do what you can to help farmers in times of need when it comes to grain transportation.

One of the concerns that come to the floor quite frequently when you talk to farmers about grain transportation is the fact

that they don't have control over the grain transportation system in a lot of areas. And as product is moved to market, whether it be the West Coast or the Great Lakes or Hudson Bay or wherever, there are from time to time people in the chain that allow the process to break down.

And I'm talking about the kinds of things like strikes, the kinds of things . . . work slow-downs, all of those kinds of things. It's been a source of frustration for farmers for a long period of time.

We've seen, not recently perhaps, but we've seen lots of occasions in the past when there's been slow-downs at the Lakehead or at the West Coast. Longshoremen refusing to load boats, grain handling unions refusing to handle, all of those kinds of things . . . working to rule, all of that kind of thing. It results in substantial demurrage charges frequently, all being charged back to someone who has no control over the system whatsoever, Mr. Minister — the farmer.

And the farmers, I think, are saying to us that there should be something done to address that problem. They see it as a situation that if they are not responsible for the slow-down or the breakdown in the transportation system, why should they be the ones that are held responsible in terms of paying?

And I think, Mr. Minister, you do have a role or you could play a role in this type of thing by pushing for and supporting the farmers' push for a change in the way grain transportation is viewed, making it such that it is considered an essential service; or essentially outlawing strikes along the system in an essential service environment; or saying to the rail unions and to the government in Ottawa that if the system breaks down and if it isn't the fault of agriculture producers, they should not be the ones that are charged the demurrage charges.

Perhaps those demurrage charges should be charged against the person, the people responsible for the breakdown in the system. Farmers have no control over it. They're tired of paying the bill for somebody else's decisions to break down the system.

Mr. Minister, would you support a call to make the grain handling system in this country an essential service? Or at the very least would you support the call that farmers have in western Canada to charge the cost of demurrage charges and work slow-downs, loss of sales, all of those kinds of things, against the people who are responsible for those breakdowns?

**Hon. Mr. Upshall:** — Well I think I'm being very clear on the record saying that, not much different than what you're alluding to, that there has to be accountability in the system. Mr. Estey, in one of our conversations, basically put it: where is the liability, who has the liability? And I think that's the question that you're putting forward. And we agree.

And some of the things that we've done, for example, is taking intervener status on the Canadian Wheat Board's appeal to the CTA against the railroads saying that there's \$65 million, roughly \$20 million, just over \$20 million demurrage and about \$45 million of lost sales that someone has to be responsible for.

And you know, I hope you have our support on that. In fact I would have liked to see maybe your caucus or your party take

an intervener status as well on behalf of the farmers with the CTA, with the Wheat Board . . . (inaudible interjection) . . . You asked for intervener status with the Canadian Wheat Board application? Okay. Well I appreciate that. I didn't know that.

That's one of the things that the united front approach hopefully works. Because as I said, we've worked with every province in western Canada and achieved an agreement to present to Estey for options.

But there has to be accountability. And this is where, as far as I am concerned, that it doesn't matter who stops the system, they have to be responsible. They have to be responsible. And they have to shoulder the liability.

The question then becomes though — and this is where it gets a little bit dicey — is do you then take away the rights of collective bargaining to accomplish that. Or do you leave the collective bargaining rights in place with the understanding that they have a liability if they go out on strike.

And I've talked to the unions about this. I've been in Vancouver and talked to them, this very conversation. I said you can't expect western Canadian farmers to sit back and say, well we'll just wait till your strike's over, however long it'll be, and then the grain will move. Because they won't stand for that . . . (inaudible interjection) . . . Exactly what I was going to come to.

And they responded that they understand that. But they said that the western Canadian producers have to understand that we have a cost of living out here that is different in Saskatchewan. They first start saying, you know, the money that we get isn't lucrative and that we have to maintain our right to be able to feed our families. We do that by having the right to strike to make sure that the working conditions are right, to make sure that they have a fair wage and can carry on the activities.

So I'm not disagreeing with you because I've been very blunt with them saying they have a liability, responsibility, but also at the same time I can't say that we should take away the right to legal action . . . or to strike action. If they go on strike though, I think they have to have a responsibility for any losses that are occurred with that.

And this is where the federal government comes in. This is where the creation of a national transportation policy should be invoked or should be put in place. We should create this. We see absolutely no desire on the part of the federal government to create a national transportation policy. All they're doing is deregulating and letting it fall apart.

And as a result of that we can't keep up with the road repair. Other provinces can't keep up with their road repairs. And we've got trucking costs, we've got elevators being closed down, lines closed down.

So I think we're not too far apart on this except for the fact I don't think we should remove the right to strike, but in there put in the responsibility.

**Mr. Boyd:** — Thank you, Mr. Minister. Yes indeed we did make a presentation to the hearings in Saskatoon with respect to

this and we did call for essentially what you are calling for: more accountability in the system, making those people who have the system break down pay for the system breaking down rather than the farmers being responsible for it.

Yes I certainly agree with your assessment that the federal government has a role to play in this. We in this legislature have a role to play in this, Mr. Minister. All members of this legislature have a role to play in it.

I see the provincial Liberals have been absolutely silent in this whole debate surrounding grain transportation, being satisfied to act as lap-dogs for Ralph Goodale in this area rather than sticking up for the people who elected them in large measure in their constituencies, the farm population, who in many of their constituencies are facing the same kinds of things that all rural Saskatchewan is — a rail-line abandonment, the difficulty to move product, seeing the same sorts of things as other areas.

(1330)

**An Hon. Member:** — What's Goodale doing about it?

**Mr. Boyd:** — Goodale is doing absolutely nothing about it as this point, Mr. Member, and we have certainly . . . the farm community has continued to be concerned about it.

What we are doing about in the Saskatchewan Party is taking intervenor status. What we are doing about it is calling for action. What we are doing about it is saying that the farm . . . there are a number of things in terms of the grain transportation system that need to be addressed, and that includes rail-line abandonment, that includes elevator closures, that includes looking at your proposal for joint-running rights. All of those things are contained within what we believe needs to happen.

What are the Liberal Party in Saskatchewan doing about it? I have heard nothing coming out of the mouths of any one of their members with respect to this issue, as I said, seemingly of the view that Mr. Goodale will look after the situation. I have a great deal of concern about waiting for Mr. Goodale's action in this area because there doesn't seem to be anything coming forward.

The next area that I want to address, Mr. Chairman, Mr. Minister, is the whole area of concern that farmers have as an immediate concern, and that is the situation in terms of cropping difficulties that we are experiencing this spring. There's significant numbers of farmers in Saskatchewan that are looking at re-seeding. There's concern about crop insurance in the re-seeding benefit.

Perhaps even of more immediate concern, well as of immediate concern anyway, is the condition of pastures in Saskatchewan. What's being done in terms of that, Mr. Minister, to address the cattle feeding needs of cattle people across this province? They are certainly of concern.

I was down and some of my colleagues were down in the south areas of this province here last week, I guess it was, and they are indicating to me that they have had little or no rain whatsoever, and they are extremely concerned about the situation relative to their cattle herd. They've built over the

years . . . things have been a little bit better in terms of cattle prices; they have been rebuilding their herds after periods of similar circumstances — drought in the early '90s — rebuilding their herds back up.

Now we see that they are in a position to . . . where there are very poor pasture conditions, I think your department has on a regular basis monitors the conditions of pastures, and I'm sure you would indicate to the cattle farmers and cattle ranchers across this province their concerns are very justified.

I think what they're looking for is some coordination from your department to get cattle to locations that have adequate supplies of feed or to transport feed to their area, coordination with that respect.

Mr. Minister, let's deal with the whole question of pasture. First of all, is that something that you are moving in to provide some positive benefit to the cattle people of this province?

**Hon. Mr. Upshall:** — I just want to start out by responding to your comments on the last question about the grain transportation. And I agree.

I don't know that we should be too hard on the provincial Liberals though because I think they are in a bit of a pickle having only five members and probably . . . or five MLAs, or six I guess it is, and probably no funds to carry on another election. They maybe are at the mercy of the . . . of Mr. Goodale and his federal crew.

But that tells us, that tells us two things: that the provincial Liberals have a decision to make for their future; and also tells us that the power that the . . . and the concern that the federal—or lack of concern — that the federal government, federal Liberals have for this province.

So while I understand your dislike of their response, they are in a bit of a pickle, I think, as far as their future is concerned. So we shouldn't be maybe too hard on them.

Some of the things that we're doing, and this is a very serious problem that we're running into this spring, in descending order, probably pastures first, feed for next winter, and then on the crop side. What we've done is we put out . . . we've consolidated our programs and put it out in the form of a bulletin to all the agrologists' offices across the province where people can go and find out what we're doing.

The pasture management is such that we run about 60 or 70 per cent capacity, so that allows us some flexibilities in terms of keeping cattle there as long as possible. What we try to do is keep them there over the breeding season if possible to ensure that the cycles are continued for the cows and that they're closed before they have to be transferred off the land . . . or off the pasture. And so the department's working very hard in trying to accommodate that.

Also we have the feed grain and forage listing services. Now this used to be in Saskatchewan, and I understand now that we're expanding this to Alberta.

There's the farm dugout pumping assistance program. This is

Sask Water Corporation's assistance program. We have PFRA's (Prairie Farm Rehabilitation Administration) rural water program. We have the accommodation drought effective livestock on Crown . . . accommodated on Crown land, looking at cutting hay and where we can find hay maybe in parkland. We also have the tax deferral on drought and due sale of breeding stock.

I don't want to read all of this out but there's a couple of pages of programs that we have here that are available to producers. And what we're trying to do is accommodate. Crop insurance for example, we're looking at programs where if you have to grow green feed for hay, we might be able to say that that's classed as summer fallow for the following year. All these things are being developed.

We don't know the extent of the problem so far, but we do know that there is going to be a shortage of feed. Because even if it rains now, the hay crops aren't going to be near what they would be — in fact probably less than 50 per cent, maybe less than that.

So we think that we're doing everything we can short of making it rain. And the farmers or the cattle producers of this province are doing what they have to do. And in the short term, I think everybody's satisfied that as much is being done as possible.

**Mr. Boyd:** — Thank you, Mr. Minister. With respect to the whole area of re-seeding here in Saskatchewan, as you know there's significant amounts of concern in that area. Perhaps in some areas, it's early to assess that. It's difficult to assess sometimes. You know as well as I know that lower land in lower areas is most likely to be affected. Sometimes the decision is difficult as to whether you re-seed the whole field or just look at portions thereof.

*Agriline* of today is reporting that there could be up to as much as 250,000 acres affected. That's a huge number of acres affected here in Saskatchewan, Mr. Minister. The cost of re-seeding is of concern, but in addition to the cost of re-seeding, the costs that have already been incurred by the farmers of Saskatchewan in seeding the first cost, and of course the substantial loss in potential crop by having to re-seed is very real for the farmers of this province.

The crop insurance program, while the costs have been reduced, also the coverage levels for many farmers have been reduced as well. And that is of great concern to them — the premium being reflected in lower values, crop insurance values to the farmers. So there has been some progress perhaps made in that area. On the other hand, farmers are still very, very concerned about the fact that substantial areas of this province are going to be undergoing re-seeding in the very near future.

As you know, Mr. Minister, many of those areas have very limited cropping options to re-seed with. Lots of them have put down identity preserved products, identity preserved types of crops, canola particularly. And you just can't go back in and re-seed any old thing that comes to mind because of the chemicals that have been used at this point. So there's the concern about availability of supply of seed.

I wonder if your department is making any efforts to coordinate

or bring in seed supplies if necessary, or at least coordinate efforts to move in that direction. And are you looking to provide any coordination for chemical supplies for things like flea beetles, grasshoppers, all of those kinds of things?

Mr. Minister, the situation is beginning to be quite serious. As I'm sure you're aware, it has been reported recently, just this morning in *Agriline*, that there may be up to that kind of re-seeding that may have to be done in this province.

**Hon. Mr. Upshall:** — Just a couple of . . . There's a number of questions there and if I miss one please feel free to come back.

I wanted to start out though by maybe correcting you — not being too confrontational — but your reference to the reduced coverage in crop insurance. I've heard this in the past where it was insinuated that, oh sure, you dropped the premiums by 33 per cent over two years but you also dropped the coverage.

Well the coverage did drop, but it was nothing to do with any changes that the government made. The coverage dropped because of the price difference, and all the coverage is determined by a formula in which the price of the grain is included. And because the price of grain is going down, the coverage went down. The actual yield per acre went up about 5 per cent.

And so I just wanted to clarify that because we have no control over the fact that the formula we have to use because of the actuary in the program, we have to use the price that's put forward basically through the federal government. I think it's the Canadian Grain Commission is where it comes from originally.

**An Hon. Member:** — Agriculture Canada.

**Hon. Mr. Upshall:** — Or Agriculture Canada I guess finally. So I just want to clarify that.

Now in terms of crop supplies, we have enough seed, canola seed, available to do about a million acres. Where there could be a shortage is you went to Polish — Polish canola — that only constitutes about 5 per cent of the canola seeded, and therefore those seed supplies are not in abundant supplies.

Flax is also a problem but being whatever day it is — the 5th, I think, of July — there isn't going to be a whole lot of flax seeded from here on in the reseeded programs; you're taking quite a chance.

As far as the cereal grains are concerned, we're led to believe that there is enough, an abundance of supply to re-seed.

In terms of the insects, I talked to, I think he is, the president of the Saskatchewan Aerial Applicators Association yesterday. I ran into him at the ConAgra terminal opening at Nokomis and I asked him about their activities. He says it's been very slow. They're spraying some grasshoppers in the, sort of, Alsask area, the border area over there as you probably know. Really no midge spraying or very little going on right now because of the weather, of course the timing as well. But they don't know what's going to happen in midge.

And the supplies of chemical, we've had . . . the department has looked at, talked to suppliers of chemical and they say there is enough supply of pesticides to handle the flea beetles, the grasshoppers, the berthas, and anything that might come along.

So I think we're on top of it. And that's all I'll say for now.

(1345)

**Mr. Boyd:** — Thanks, Mr. Minister, Mr. Chairman. Mr. Minister, the next area of discussion that I wanted to talk to you about is the whole area of grain marketing. And this is one area that you and I do not share very much common ground on unfortunately. Although I see that in growing numbers in Saskatchewan the farmers of this province are coming around to the view that the Saskatchewan Party has held for sometime.

You're familiar probably with the survey that the member from Melville has conducted in his constituency with regard to grain marketing. And the results were as follows from that, Mr. Minister, and we'll be prepared to send a copy across, or I'm sure your caucus office has probably already got this kind of information. The following results from the survey that the member from Melville sent out to his farm producers were as follows.

Wheat should be marketed by: 36 per cent viewed it as a single desk by the Canadian Wheat Board, 60 per cent looked at voluntary marketing, and 4 per cent even wanted to go further yet and look to a complete open market.

Feed barley should be marketed by: 33 per cent felt the Canadian Wheat Board alone, 49 per cent felt that there should be voluntary marketing, and 18 per cent wanted to go completely on to the open market.

Malt barley should be marketed by: 38 per cent felt the Canadian Wheat Board, 50 per cent looked at voluntary marketing, and 12 per cent open.

Should there be provision for producers to sell a portion of their production outside of the CWB (Canadian Wheat Board): 61 per cent said yes, Mr. Minister, and 31 per cent said no, 8 per cent had no opinion.

I think, Mr. Minister, that you would find if you did similar surveys like that, and I suspect and I wonder whether or not your department is doing any surveying with respect to this type of thing, whether or not you would find similar results all across Saskatchewan. I'm quite confident that you would find that similar result in my constituency and many other grain growing constituencies across this province, Mr. Minister.

As we see the populations of the numbers of farmers continuing to dwindle in Saskatchewan, what happens is you see larger and larger farmers farm acreages here in this province.

And one of the other things is an interesting sidelight to this is that generally speaking younger, more aggressive, larger farms tend to favour marketing more of their products on their own. And that's been confirmed in a number of surveys I think that have been done by the *Country Guide*, the western Canadian wheat growers, *Grainews*, a number of publications of that

type. *AgriLine* I think is another example in that regard. There's been all kinds of surveys done in these kinds of things.

Mr. Minister, I think that farmers are of the view that they need to have more marketing options. I think they are of the view that they want to see things change in terms of allowing them to make decisions. I don't think they are afraid of the market-place any longer.

We see more and more farmers growing non-traditional crops. We see more and more farmers looking at special crops, exotic crops. You name it; they're looking at them as ways of diversifying their farming operations.

As soon as you get into those types of crops, as you know, Mr. Minister, there is no Canadian Wheat Board that sells canola. There's no Canadian Wheat Board that sells lentil. There's no Canadian Wheat Board that sells peas. There's no Canadian Wheat Board that sells spices or flax or oats any longer or canaryseed. All of those kinds of crops you see the trend line is continuing up and up and up in terms of acreage for those crops, and the Canadian Wheat Board crops continue to decline.

I think farmers are voting with their air seeders. I think they're voting with their trucks. I think they're voting with their pocketbook in terms of where they'd like to see the marketing system in Saskatchewan go.

Mr. Minister, do you believe that the farmers of Saskatchewan support for single-desk marketing is slipping? Do you think that at some point your administration, your administration will look towards making changes in this area?

**Hon. Mr. Upshall:** — Well this is an area where you and I will continue to disagree. You know, you can cite all the quotes, figures, you want, but time after time the question becomes, if any of those questions that you asked producers, if you added on, if this meant the elimination of the Wheat Board will you still want to have it. And they say no.

Because, I mean, here's the problem. You know and I know that the Wheat Board brings money over the street price . . . (inaudible interjection) . . . You don't know. Well you won't admit that. But look at the studies that have been done to show that. But you know, but you know . . . (inaudible interjection) . . . Yes, the studies that have been done the other way. I mean this is the problem. But you know what? This argument doesn't mean much any more.

We can argue about studies, we can argue about surveys, we can argue about whatever we want. We can agree or disagree with the Wheat Board. But here's the problem — you're being sidetracked. And it's up to you as an elected member to bring this back in focus.

Because if you continue on this argument, you're not seeing the forest for the trees because the Wheat Board sells grain on the international market, competing with other countries around the world. They sell grain in North America, competing with everyone else. If anyone thinks that getting rid of the Wheat Board is going to mean the difference in saving their farm or not, they're kidding themselves because that's not the issue. And we can argue about the issue, about whether the board will



do that or not.

But I'll tell you, you and I both know that the problem is you're going to pay \$200,000 for a combine to farm 15 or so quarters, for a new one. You've got to pay \$200,000 for a tractor and air seeder for the same amount. And we put them on our farms and we leave them there for 12 months of the year. And you know what, we can't do that any more. Because the margin isn't there. And what you and I have to start talking about is how we get the margin. How we keep the margin wide enough that we farmers can farm within it.

And so you talk about the Board, and I know why you're doing it, because there's a clientele that you have out there that like to hear you say this. And I talk to these people too, but you've got to be very blunt. You've got to be very blunt.

I'll ask you a question. Do you honestly think getting rid of the Wheat Board will be the thing that makes farming viable in western Canada, and will continue to increase population in western Canada? Because if you look at the seeding of the grains there's, you know, 50 million cultivated acres. We're probably seeding 33, 35 million acres, and we've got over just 9 million acres of wheat in. That's a board grain. So . . . and you've got dual-market in barley and that creates problems.

But the fact of the matter is it's not going to be whether the board stays or go that's going to keep this western economy working. It's going to be things like the transportation rates. It's going to be things like the input costs. It's going to be things like being able to diversify into other crops and add value to those crops right here in Saskatchewan.

And the unfortunate part that I find is that there are some people so tied up in ideology that there're willing to give up the potential that we have by focusing on an issue like the Wheat Board, saying this is the sole problem that we have in this country.

So you may argue that, but I'll tell you, that's not an argument that's going to maintain the economy of this province. What's going to maintain the economy is us working together with those producers to find different ways of farming so that we can farm within that margin. Things are changing very rapidly and if we don't manage that change, I think you know this, if we don't manage that change then we're going to be losing more people out in this country.

**Mr. Boyd:** — Mr. Minister, no one has ever claimed that the salvation for all of the problems of western Canadian farmers is going to be an opening up of a voluntary market. No one has ever said anything even close to that that I'm aware of, in terms of farm organizations.

The Western Canadian Wheat Growers as you know is a very progressive farm organization. They had representation in here in the legislature in the last few days. We had occasion, our caucus did, to sit down and visit with them. I understand your Ag caucus visited with them as well. And I understand that even a couple of the Liberals took the occasion to meet with them.

Mr. Minister, something that was very disturbing about that

day, you may recall that day when the Western Canadian Wheat Growers were in here. These are not farmers I think that would be considered out on the edge of extremes in terms of positions. I think they are a responsible farm organization, and I think you would agree with me that they are a responsible farm organization. They have been calling for changes in the marketing system for a long, long time.

Some of the positive changes that we've seen from their lobbying efforts are the various poolings of grain; separating durum from the wheat account is a very good example that they lobbied for, for a long, long time and it resulted in it happening.

Mr. Minister, I was very disappointed when we were asking questions with respect to opening marketing, opening up marketing opportunities for farmers here in Saskatchewan. I think you were . . . (inaudible interjection) . . . Pardon me . . . (inaudible interjection) . . . Yes, I believe you were at the opening of an elevator. The Premier handled the questions on that day.

One thing that was very, very disappointing was, was when the member from Shaunavon referred to them across the floor to me as a bunch of wackos — people who want to look at exploring marketing opportunities for themselves. And I'm sure you don't share that same view that farmers who want to open up marketing opportunities are nothing but a bunch of wackos, but that was unfortunately the comment coming out of the member from Shaunavon — that these people who want these kinds of things opened up are a bunch of wackos.

And we'll certainly . . . I want you to know in the next election campaign we'll be bringing that to the attention of farmers all over Saskatchewan as to the level of respect that the member from Shaunavon has for farmers who want to open up marketing opportunities.

Mr. Minister, when it comes to the marketing of grain, farmers want to see some changes. I think you would even admit that there's going to be changes. We are seeing the federal government looking at changes to the Canadian Wheat Board. I don't think they go even close to far enough — the grain marketing panel that they commissioned themselves recommended further changes, recommended opening up opportunities for farmers. This is what they have been calling for, for a long, long time.

I think progressive farmers in this province want to see change. Progressive farmers in this province want to see the same kinds of things as what's happening for farmers in Ontario these days. You and your administration say that voluntary marketing won't work.

They've moved quantum leaps in that direction in Ontario. You can market your grain outside of the Ontario Wheat Board now. You can market grain into the United States if you're an Ontario producer now. You can do all of those kinds of things. You submit your application for an export permit to the Canadian Wheat Board and it is rubber-stamped, sent back. You don't even have to talk to the Ontario Wheat Board any longer. You can simply move your product to where you see fit.

That's what I consider progressive change. That's what the

producers here in Saskatchewan consider productive and progressive change. That's what farmers in large numbers are calling for here in Saskatchewan. They want to see change. You are holding on to a lifestyle and an attitude that you don't want to see positive change here in Saskatchewan.

Well I tell you, Mr. Minister, you're out of step with a lot of farmers and growing numbers of farmers, and I'm hopeful in these discussions that the member from Melville will stand up and tell the farmer, tell this Assembly, the results of the survey and whether or not his party in this province has made any change. At this point the farmers of Saskatchewan should be aware of one thing. There is only one party. There is only one party in this Assembly that is standing up for the opportunity to have voluntary grain marketing in Saskatchewan, and that is the Saskatchewan Party.

(1400)

Your position is clear. The Liberals' position is clear. They believe farmers who want marketing options, marketing choices, are nothing but a bunch of wackos. We don't share that. We would never, ever want to get down to calling other farmers with differing views a bunch of wackos. Unfortunately that is the view of the member from Shaunavon and we hope . . . (inaudible interjection) . . . Wood River. The member from Wood River.

We would hope he would stand in this Assembly today and acknowledge and apologize to the western Canadian wheat growers. They were in this Assembly. They heard that comment. They were offended by that comment. They don't see themselves as a bunch of wackos. They see themselves as very progressive business owners. That's what you have to understand, Mr. Minister. That's what your administration has to understand. That's what the Liberal Party here in Saskatchewan understands. That's what . . . has to understand. That's what we already understand.

Mr. Minister, you're out of step with farmers. You're out of step with the issue. It's time to get on track. Will you do that for the farmers of Saskatchewan?

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

**Hon. Mr. Upshall:** — That feels good doesn't it. I can remember . . . I loved making those . . . (inaudible interjection) . . . no, compared to not making a speech. I loved making those speeches myself, only a little bit on the opposite side of what you're saying. But I just wanted to . . . The position of this government is that the Wheat Board needs more flexibility to accommodate some of those wishes like the western Canadian wheat growers are putting forward.

No, they're not a wacko organization. I get along with Mr. Maquire very well. We've talked about many issues. So I think we're going to have to disagree on the content of whether the board should come or go but again just to remind you that it's that margin that concerns me, and it's not going to be changed that much.

So at this time — I assume that you're finished — I would like to thank my officials for being with me today.

The Department of Agriculture and Food has faced many, many changes in the last few years and — I can honestly say — faced those changes and handled those changes with style in terms of response from the community and that means, I think, the department is in touch with rural Saskatchewan.

So I want to thank them for being here today and thank you and the third party for your questions.

Subvote (AG01) agreed to.

Subvotes (AG02), (AG05), (AG03), (AG06), (AG07), (AG08), (AG04), (AG12), (AG09), (AG10) agreed to.

Vote 1 agreed to.

**Mr. Boyd:** — Mr. Chairman, I just wanted to thank the minister and his officials for their help today and for their answers. The Department of Agriculture, as you know, is very important. We appreciate the work that the officials do on your behalf and on behalf of the farmers of this province.

**General Revenue Fund  
Lending and Investing Activities  
Agriculture and Food  
Vote 146**

Subvotes (AG02), (AG03) agreed to.

Vote 146 agreed to.

**Supplementary Estimates 1997-98  
General Revenue Fund  
Budgetary Expense  
Agriculture and Food  
Vote 1**

Subvote (AG10) agreed to.

Vote 1 agreed to.

**General Revenue Fund  
Saskatchewan Research Council  
Vote 35**

**The Chair:** — I would ask the minister to introduce his officials, please.

**Hon. Mr. Lautermilch:** — Thank you very much, Mr. Chairman. I have with me to my right, the president and CEO (chief executive officer) of the Saskatchewan Research Council, Ron Woodward; and to his right, Michael Wonnick, who is financial analyst in financial services.

**Subvote (SR01)**

**Ms. Draude:** — Thank you, Mr. Chair. Welcome, Mr. Minister, to your officials. I appreciate them coming down from Saskatoon today. I know it's been a busy year for everyone, and I'm sure with the SRC (Saskatchewan Research Council) and the number of changes that they undertook the year before last, that they're probably continuing to be very busy.

I know that with the emphasis on technological growth and the impact of global marketing, this should poise the SRC into having a fantastic future as we go into the next millennium.

I appreciate the two annual returns I received just lately, but I'm wondering before I go into them if you can give me an idea of what . . . just briefly outline what the SRC did last year.

**Hon. Mr. Lautermilch:** — Thank you very much for that question. As you've indicated it has been a very busy and, I think, a very productive year for the Research Council. The council has gone through a number of changes, as you will know. I think that they have shown themselves to be very aggressive in terms of developing technology and working with the business community in Saskatchewan. And so the joint approach that they take, partnering with industry, I think really is showing some positive benefits.

Their relationship with the two university campuses, with Ag Canada and NR (Natural Resources) Canada continue, and I think they've developed some very positive working relationships . . . and as well the work and the information sharing with their counterparts in other parts of Canada. As well, the work that they've been doing with SOCO (Saskatchewan Opportunities Corporation) in terms of jointly funding and financing early stage projects I think has also been very much a success.

I want to say that there are a couple initiatives that I think this government has embarked upon in a broader sense that will certainly help the Research Council to develop economic growth in our province. The royalty tax credit with respect to petroleum research, in particular in heavy oil, and the 15 per cent R&D (research and development) tax credit I think are two very positive initiatives that will assist the Research Council in the job that they do.

As well, the work and the relationship that they've developed with TecMark, that works with Saskatchewan companies to assist, commercialize, acquire new technology and apply that to their businesses, has as well been very much a success.

I'd like to just outline a few initiatives for the member in terms of new initiatives that the Research Council has embarked upon. I'm just going to go through them briefly, and I'm sure that you'll be interested to discuss them with us today.

Their work in ag biotechnology . . . as I've indicated, they're working very closely with the two university campuses and NRC (National Research Council) to support development of ag biotech which has really grown and flourishing in our province. We're becoming very much a world-renowned jurisdiction in terms of that.

And the area that the Research Council is working on specifically is in the area of fermentation technologies and plant and animal genetic services.

The Research Council as well continues to work with the U of R (University of Regina) in terms of developing and establishing a petroleum research centre here in our province so that we can enhance the ability of industry to develop our heavy oil resource. We've had some success in that in the 1990s. I

think that the technology that has been developed and that the Research Council has been very much a part of . . . has really helped to grow our economy here in Saskatchewan. It's something that we see will hopefully be continuing along the way.

I want to say as well that several other industry partners along with the SRC supported with the U of S (University of Saskatchewan), in terms of the Canada Foundation for Innovation . . . will really help to enhance the work that the Research Council is doing in terms of pipelines and application of pipelines to industry, work in digital maps in terms of the environment.

SRC is taking some interest in forestry and forestry development to sort of define, help to define the components and what we need to do in order to grow and enhance our forest industry. They've taken just recently a northern presence; they now have placed an industrial technology adviser in La Ronge as part of National Research Council's industrial research initiative. A female engineer forestry specialist will be filling that role in La Ronge.

And as well they continue to work on the international scene. They've been doing some work, and their efforts are into helping grow their presence of the Research Council in places like Singapore and Malaysia, Poland, Korea, South Africa, Panama, and Columbia.

That's just sort of an overview of what's happened in the past, what initiatives the Research Council is moving towards and interested in helping with a business to assist development of.

**Ms. Draude:** — Thank you, Mr. Minister. Mr. Minister, before we go into things like the R&D tax credit, I was interested to hear you say that you work with SOCO in developing a number of ventures. Maybe you could give me some example of what ventures you're discussing.

(1415)

**Hon. Mr. Lautermilch:** — I'm told by my officials that the program is just starting to develop, just starting to bud, the relationship with SOCO and that the discussions that are happening with industry, with business, are of a confidential nature at this point, just because of the fact that they're just starting.

And so they have advised me that it would be not prudent to discussing the relationship at this point with the businesses that are just beginning to put together their package. But certainly it's the direction that we're going to take to help springboard some economic development initiatives, and hopefully next year we'll be able to come back and give you an example of some successes in terms of the work that SOCO, the Research Council, and private industry have done.

**Ms. Draude:** — Thank you, Mr. Chair, Mr. Minister. I guess I wasn't clear. I wasn't specifically asking for companies that were working together, but how is an initiative started so that somebody can use SOCO and the SRC at the same time? Do they come to one or the other organizations? Is it a government that decides that they can work together, or how are they . . .

when they are actually going forward with a business plan, is there a suggestion by one or the other groups that they should go talk to the other organization?

**Hon. Mr. Lautermilch:** — Yes, I think it's fair to say that either an approach to SOCO or directly to the Research Council is totally appropriate. What SOCO and the Research Council would do is a joint evaluation of a proposal. And I guess that would be sort of the process. So the approach could be made either to SOCO or to the SRC. SOCO of course would be responsible for the financial side, for the dollars and cents aspect of a proposal, where the Research Council would be on the technological side.

**Ms. Draude:** — Mr. Deputy Chair, Mr. Chair, then what basically what you're saying then is that the SRC isn't going to be giving a company money to do any research. They will actually borrow it, or in an equity investment through SOCO, they'll allow them to do some of the R&D that they're working on.

**Hon. Mr. Lautermilch:** — The Research Council and SOCO take, I guess, a pretty broad-based approach. They would look at investment. They would look at loans, depending on the needs of their client. Many clients would come with perhaps no financial requirements. That would mean certainly that the Research Council could look individually at a partnership arrangement or an investment in the company, and in turn . . . and in the technology. Some companies of course would require financial assistance which would mean the involvement of SOCO on that side. So it could come either in the form of a loan or an investment.

**Ms. Draude:** — Mr. Chairman, the contract work that SOC is searching for . . . and I guess most of their income and the revenue now is coming from contract work, from my reading of the financial statements. Would there be any funding given to companies through the SRC for any work that they may do if they don't have the capability, financial capability to undertake it themselves?

**Hon. Mr. Lautermilch:** — To the member opposite, Mr. Chairman, I want to say on the outset that the Research Council is not in the business of giving grants. That is something that I think the board . . . and certainly I as a board member feel very strongly that that should not and would not be the role of the Saskatchewan Research Council.

We have been very much trying to turn the Research Council . . . and I think been very successful in terms of turning it into a more businesslike operation. Through their small industry services branch, they would offer up some engineering technology information, those kinds of things that they have available to them, which I guess you could put some kind of a tangible amount on. But in terms of cash grants, the answer is no.

**Ms. Draude:** — Mr. Minister, in the news lately, we've been hearing about a company, Canamino, and it's a biotechnology firm that's dealing with agriculture. And I'm wondering if the SRC has had any involvement with our company.

**Hon. Mr. Lautermilch:** — Mr. Chairman, no.

**Ms. Draude:** — Mr. Chairman, to the minister, the three areas that the SRC has basically been working in — basic research and applied research and then development of products and processes — has probably been the percentage of where this research work is done, has probably been changing over the years. I'm wondering if the development area of it is still increasing the quickest, or is the basic research actually increasing now?

**Hon. Mr. Lautermilch:** — Mr. Chairman, the development area is the area of growth. The SRC doesn't do basic research, but certainly the area in the development area, that would be the largest component of the activities of the Research Council.

**Ms. Draude:** — Mr. Chairman, I guess the contract companies do probably, or they do hire, give work through the SRC to do basic research. And I guess that was what I was indicating is if companies were coming to SRC more for basic research. But you probably indicated the development process is the one that you're working on.

Last year we learned that you had a patent through for converting vehicles from gas to natural gas and that there was some actual royalties obtained last year. Is there still monies coming in from that royalty? And do you have any more patents in place now?

**Hon. Mr. Lautermilch:** — Mr. Chairman, if I could. I'm told by my officials the amount of royalties received by the Research Council this year was in the neighbourhood of \$13,500. And I guess I need to clarify. We could review *Hansard*, but I'm not sure and I certainly wasn't intending to mislead you last year. I think I referred to a global figure of \$3,000 last year, but it was not applicable to the NGV (natural gas vehicles) operation. But this is the global amount in terms of royalties they received last year.

**Ms. Draude:** — Mr. Chair, Mr. Minister, thank you for that clarification.

Last year we discussed the restructuring, and I understand that there was two vice-presidents, and I think there probably still is two vice-presidents. Can you tell me if the major work undertaken here in Regina is still in the oil and gas sector?

**Hon. Mr. Lautermilch:** — The corporate structure, I think, and the organizational chart I think I can send a copy across to the member if she would like. The Research Council now has one vice-president and then a number of directors directly under that vice-president.

And I think I've lost track of what your other part of the question was, I'm sorry. Yes, Mr. Woodward refreshes my memory. You were asking if the heavy oil research is being specifically done here in Regina and the answer to that is yes.

**Ms. Draude:** — Mr. Chairman, we discussed CanOxy and Wascana Energy last year and the fact that their agreement could bring in about \$1 million into the province. And I'm wondering if that actually did happen, how much of that the SRC got.

**Hon. Mr. Lautermilch:** — The \$1 million was given directly

to the University of Regina and the Research Council is working with the U of R in terms of accessing those funds for specific programs at this time.

**Ms. Draude:** — Mr. Minister, Mr. Chairman, I was delighted to hear about the R&D tax credit that was introduced in the budget this year. And it talked about many different sectors but I heard you talk about the energy sector. Is it just specifically geared toward the energy sector or is there other areas that will be able to benefit from this tax credit?

**Hon. Mr. Lautermilch:** — There's basically two components, to the member opposite. There's a 15 per cent royalty tax credit and as well there's a 15 per cent research and development added to what is available from the federal government. So they're two specific and different programs.

**Ms. Draude:** — The SRC and the U of R partnered in an agreement last year and they were attracting or trying to attract other companies, not only CanOxy but other companies from Alberta into Saskatchewan. And if our business environment is right, I would think we should have seen an enormous expansion in that area with these two tax credits.

I'm wondering if the SRC has been able to take advantage of this . . . or been able to attract other companies so that we can work with the technological advancements that they probably are requiring.

**Hon. Mr. Lautermilch:** — Just to answer the member opposite with respect to research and development and the investment in the province, we have just introduced the incentives for industry now. I can tell you that I have had, and continue to have discussions. The Research Council, along with my department, Energy and Mines, have had a number of discussions with a number of people who invest in the resource sector here in Saskatchewan. And I can report to you that the interest truly is there.

We've been talking with them in terms of they having direct involvement in the kinds of research and development initiatives that we would have. We want them as partners. They best understand the kind of development that they need out in the field and understand what they would require of laboratory types of initiatives. And I think it's fair to say that we believe there will be a fairly substantive uptake in terms of these programs, because I think the energy sector recognize and realize that in that area of our economy — research and development — new technology really is the future.

When I look back a little ways and what was able to be developed in terms of heavy oil technology, enhanced oil recovery projects, horizontal drilling. The announcement that PanCanadian made, as an example in the Weyburn area, of an investment of well over \$1 billion to use it in an enhanced oil recovery process whereby CO<sub>2</sub> (carbon dioxide) would be injected into the Midale pool, forcing more of the resource out, expanding the life of that existing pool by some 25 years, creating something in the neighbourhood of 30,000 person-years of work.

None of that could have or would have happened had it not been for the research and the technological development that

was put in place, government/industry. So quite clearly, if we are going to create job opportunities and create resource wealth, that will very much rely on what we do today in terms of assisting them, working with them, partnering with them to develop new technologies.

(1430)

And I think the same can be said in other areas of expertise. If you look at ag-biotechnology and the work that's being done in Saskatoon, partly by the Research Council, partly by other entities, the development of agricultural biotechnology really is, I think, the future of the agricultural industry in western Canada and particularly in Saskatchewan.

So we really are working hard on this and want to see a very much enhanced research and development capacity and capabilities here in our province.

**Ms. Draude:** — Mr. Chair, Mr. Minister, I guess I keep on asking questions that you say you won't really know until next year. So I'm hoping by next year we'll be able to see a real advantage of some of these tax credits and the royalties that we've been discussing. Last year you were telling me that next year we'll see a difference, and this year you're telling me that yes, we've seen it but it's going to be really great next year. So maybe there would be a measurable amount we can discuss.

Mr. Minister, the Fermentation and Cell Culture Pilot Plant that was started last year actually got funding from the Agri-Food Innovation Fund, I believe. Can you tell me how much money it received and have you received any funding for any other projects from that fund?

**Hon. Mr. Lautermilch:** — I think maybe I should clarify. I hope I'm not talking in terms of this being next-year country because really we had a great year last year based on some of the research and development and the technological developments that happened.

We had the most activity in the history of this province in terms of heavy oil. We had the largest number of wells that we ever drilled, and I mean we're looking at a time when crude was not at 25, \$28 a barrel but at \$15 a barrel. We had the most investment we've ever seen in the oil industry in this province.

So I think I can point to some of the successes we've had already and I'm suggesting to you that we can, through these kinds of programs that I spoke of, continue with that kind of growth and that kind of success.

In terms of the funding, it's a four and a half million dollar total. I'm told that 3.3 million comes from AFIF (Agri-Food Innovation Fund), .3 from strategic initiatives fund, and about .9 from the Research Council. So a total of about four and a half million.

**Ms. Draude:** — Thank you, Mr. Chair. Mr. Minister, I was reminded by the member from Saltcoats to tell you if we're talking about next-year country then next year I'll be sitting over there with the gentlemen from the Research Council and you may be here or you may be just watching us on TV.

So in the meantime while we get through the estimates this year, I would like to know how the new innovation centre, when it's up and running in Regina, if that'll have any effect on the Research Council. Will you be moving any of your offices or any . . . especially the information technology department. Will there be any of that in Regina?

**Hon. Mr. Lautermilch:** — Well I think it's fair to say that we haven't made all of those decisions yet. There are some discussions happening between the different provincial government departments that can and might play a role in that development with the federal government. None of those details have yet been decided.

With respect to the Research Council, we're looking at options as to whether or not we would continue our operations on Henderson Drive, whether it would be more appropriate to have that physically located on the university campus, if that would happen to take place. But I would want to say that those decisions have not yet been finalized. We're looking very seriously at the concept. We think it has all measure of merit and would certainly hope that in the next few months we could . . . we would be in the position, or the next few weeks we could be in a position to make an announcement in that regard.

With respect to the future, I could only say this: it's very unlikely that you'll be sitting on this side of the House. But if you and your party are sitting on this side of the House, I would think it would be most appropriate that you would be responsible for the Saskatchewan Research Council. But that may take quite some time.

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

**Mr. Krawetz:** — Mr. Chair, with leave, to introduce guests.

Leave granted.

#### INTRODUCTION OF GUESTS

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Chair, it's my pleasure to introduce a group of fine individuals from the Invermay School. The entire teaching staff is in Regina today on a professional development day, spending I believe all day and even part of the evening in Regina on a professional development staff day.

It's my pleasure to introduce them to you. Especially I'd like to introduce the principal of Invermay School, a newcomer to Invermay as well as a newcomer to Saskatchewan, and I know that this is his first opportunity. Mr. Dale Anderson is the principal of Invermay School and comes from Manitoba to Invermay, and we wish him well of course in the school.

Invermay School is a K to 12 school so we have a staff that teaches all grades from kindergarten to grade 12. We have some teacher assistants that are along as well, having the benefit of enjoying the professional development day in Regina.

I'd ask all members to join me in welcoming the Invermay staff to Regina and to the Legislative Building.

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

#### COMMITTEE OF FINANCE

##### General Revenue Fund Saskatchewan Research Council Vote 35

#### Subvote (SR01)

**Ms. Draude:** — Thank you, Mr. Chair. I just have a couple more questions for the minister. One of them is the JobStart program that was mentioned. I'm wondering if the SRC is still involved with that program.

**Hon. Mr. Lautermilch:** — I'm told by my officials that we had a contract about three years ago. The contract has expired and we're no longer involved in JobStart.

**Ms. Draude:** — Is the SRC involved at all with the federal government? They had an IRAP (industrial research assistance program) program at one time. Are they working more closely with the federal government on research projects where companies can take advantage of federal dollars, and maybe is the Research Council actually steering them towards any of these dollars that are available?

**Hon. Mr. Lautermilch:** — Yes, I am told by my officials we are still heavily involved in delivering of the IRAP program. I mentioned when I started my remarks that we had placed an industrial technology adviser in the community of La Ronge, and that is part of enhancing that particular program. As well, we work jointly with neighbouring provinces.

**Ms. Draude:** — Mr. Chairman, the budget that we have for the SRC this year is \$7.956 million. Can you give me an idea of how much your total budget is that you've projected for this year, and again I would imagine the rest of it is contract work that you're anticipating.

**Hon. Mr. Lautermilch:** — Mr. Chairman, my officials are working out the exact figure but it's around \$21 million. We'll send over the exact number for you.

**Ms. Draude:** — Mr. Chairman, to the minister, I just have one final question. Can you tell me what area you're expecting the largest growth in this year. I know that we talked about these seven or eight different areas that are growing very quickly. And I was just interested in where we're seeing the most growth.

And before I sit down, I want to thank the officials for coming again.

**Hon. Mr. Lautermilch:** — The two areas that we believe will be experiencing the majority of growth will be — sorry, it's been a long week — in the area of ag biotechnology and mining.

And I would want to say that I want to thank my officials for their work not only in preparing me for the estimates, but the work that . . . Oh, I'm sorry, I think we have some more questions. But I'm going to thank them now and finish and then I won't have to later — but thank them for the work that they do throughout the year for us.

That figure by the way, the total figure is \$23.160 million.

**Ms. Julé:** — Thank you, Mr. Chair. Good afternoon, Mr. Minister, and welcome to your officials.

Mr. Minister, last week in the House I posed some questions to the Minister of the Environment regarding the contamination of rural water supplies. And in his response to me he did indicate that the Research Council was looking into this and had investigated it to some degree, and had, I would hope by now, done some assessment.

And I'm wondering if you could comment on what kind of findings there were. Because in the newspaper, some information that came from the hydrological centre at the University of Saskatchewan stated that we have contamination in western Canada that is 1,000 times more detectable than in European countries.

I find that quite alarming. I'm concerned about the health of rural residents and farmers and about the future of our drinking water supplies. I guess we need to know whose responsibility it is to see that something is done about this, and we need to know what kind of steps are being taken to clean up these water supplies or to stop the contamination.

So if you could comment, please.

**Hon. Mr. Lautermilch:** — Thank you, Mr. Chairman. I would want to say that certainly the government overall is concerned with water quality in our province. As you've indicated, there is some evidence that in particular dugouts there is some contamination. And what we are attempting to do, and this is not specific to the Research Council, but through the Water Corporation we're working with communities like the area that you represent, Humboldt Wakaw, to develop a secure and a better quality of drinking water.

The role of the Research Council for the most part is in technical analysis of water sampling, both surface water and ground water. We are doing some work in conjunction with the Sask Water Corporation, but I can't say that the Research Council has come to any final conclusion with respect to a solution to some of the contaminated areas. But certainly our area of involvement is one of technical analysis, and I think that we have a very good . . . good branch within the Research Council in dealing with that.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Chair, my next question is in reference to your statement that you are working with communities in my region out there, in the Humboldt constituency. Could you give me some indication as to what communities you are working with and what kind of work is being done with them? If you could just state what has transpired up until now, I would appreciate it.

(1445)

**Hon. Mr. Lautermilch:** — Well I think it's more than just work with communities. They will do water analysis for, you know, for individual farms and for companies when requested. But our area is more one of technical analysis in terms of working with water.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Chair, I'm interested in how much it might cost an individual farmer to have an analysis done. And is the government willing right now, with evidence of this contamination being fairly severe, are they willing to in fact give farmers some assistance for this analysis?

**Hon. Mr. Lautermilch:** — We can get for you . . . we don't have a price list for this, but I'm told that a water sample analysis is something in the neighbourhood of \$20 or \$25, and basically the Research Council's looking to recover its costs of operation. I will endeavour to send a list of the prices to you. We'll undertake to do that.

**Ms. Julé:** — Thank you, Mr. Minister. Mr. Minister, if you could just converse for a minute with your knowledgeable official and ask him how, in fact, an individual farmer is getting the information that the Saskatchewan Research Council is there for them should they be concerned about their water supplies. How they may end up contacting them? Is there any, sort of, alert that has gone out to farm people or rural people regarding the contaminated water supplies?

**Hon. Mr. Lautermilch:** — I think it's fair to tell the member opposite that that would be certainly more the role of the Saskatchewan Water Corporation than the Department of Environment. As I've said, ours is more an area of technical analysis when we are requested to do so.

**Ms. Julé:** — Thank you, Mr. Minister. I'll conclude my questions with that last question.

But I would ask that you please address the minister of the Environment to ensure that there is some way of conveying to rural residents that there is access to the Saskatchewan Research Council, or if you know any other avenue where they may get their water supplies tested, so that there's good communication and so that there is awareness of this.

Because I'm not too sure how many farmers really are aware of the situation, and I think it's really very important that they become aware; that this is a major health hazard and it could end up resulting in a higher incidence of health problems as related to this problem.

So I would ask you to do that, and I thank you so much for your answers.

**Hon. Mr. Lautermilch:** — I too, Mr. Chairman, want to thank the members opposite for their questions. And I would want to say to the member in closing that the president of the Research Council has been spending a considerable amount of time in different communities throughout the province, trying to describe for people in our communities the role and the assistance that the Research Council can play. And I think it's fair to say that Mr. Woodward will, as a result of your questions today, attempt to put more focus on water quality control and analysis.

Subvote (SR01) agreed to.

Vote 35 agreed to.

**General Revenue Fund  
Women's Secretariat  
Vote 41**

**The Chair:** — I would ask the minister to introduce her officials again, please.

**Hon. Ms. Bradley:** — Thank you, Mr. Chair. With me today to my immediate . . . is the executive coordinator of the Women's Secretariat, Faye Rafter; and just behind Faye is the assistant executive coordinator, Joan Pederson.

**Subvote (WS01)**

**Ms. Julé:** — Thank you, Mr. Chair and good afternoon, Madam Minister, and welcome to your officials.

Madam Minister, I was interested in the funding that was put forward to assist women in rural areas through the Internet program. I was wondering if there was any direct assistance in that way given to the Middle Lake area of the province? Middle Lake, Saskatchewan?

**Hon. Ms. Bradley:** — Mr. Chair, I maybe misunderstood — did you say Meadow Lake or . . . Middle, the Middle?

**An Hon. Member:** — Middle Lake.

**Hon. Ms. Bradley:** — Middle, Middle Lake . . . (inaudible interjection) . . . Okay.

Mr. Chair, to respond to that, it doesn't appear that there have been any of those grants that went out on the women's online program to Middle Lake, but that was the first phase. I'm not just sure if there's been an application received or not. The second phase of these have not all been determined yet.

**Ms. Julé:** — Thank you, Madam Minister. Madam Minister could you just tell me what the complete budget is for the Women's Secretariat — what funding you have to utilize within this fiscal year.

**Hon. Ms. Bradley:** — The complete budget for the Women's Secretariat is 1.4 million this year.

**Ms. Julé:** — Thank you, Madam Minister. Mr. Minister, I certainly applaud every effort on behalf of yourself to bring to the forefront some of the issues that concern women and some of the needs of women in the province. I look at the money that you have. It's 1.4 million. It's not that great an amount in consideration of the entire budget.

However I do know that we have some really, really immediate needs to be addressed as far as children and youth in this province. And I note and I will relay to you that in Manitoba there is no Women's Secretariat, however there is a child and youth secretariat. And as you well know, what happens to children and youth and to women is sort of interrelated.

And so I would sort of encourage you to certainly talk with the Minister of Social Services and determine whether or not maybe the funding that you receive might be channelled into a child and youth secretariat for Saskatchewan. Because I think

that a lot of the problems that women have or the needs they have are related to their youth, and it's just so connected that I think it's important that we look at that.

I thank you, and I'll turn the questioning over to the official opposition critic.

**Hon. Ms. Bradley:** — Mr. Chair, I would like to just respond to a few of those comments . . . is that every province does have a Women's Secretariat and they do also in Manitoba. And I think one of the important roles is definitely that the Women's Secretariat is involved in . . . would be involved in the role of children and youth and the importance of a lot of family issues too.

And one of the roles that the Women's Secretariat plays a very effective part in is kind of the integration through departments. And they do sit in bringing issues forward to the child action plan or to the balancing-work-and-family initiative and to violence issues, and all of those issues a lot of times are interrelated.

And I believe that's one of the most positive things that the Women's Secretariat does, is it does work between departments to pull together programs and policies that do effect our youth, our children, women — all of those issues. And I think that's one of the things in which the Women's Secretariat plays a vital role, to be a part of that integration of policy and program right throughout government.

**Ms. Julé:** — Madam Minister, I guess I have one more question then, or one more suggestion. Within the province we seem to have a number of agencies and organizations, along with government departments, who are working for children and youth.

But whether or not we have one body, like a child and youth secretariat, that ensures that all of these agencies' works and efforts are noted and the benefits of them are noted. That they really assessed and studied so that we can have a really good, integrated situation in the province, so that we're not doing overlap, and so that children and youth — the needs of children and youth — are certainly taken care of and that we're not scattered.

I suggest to you, and I ask you to really consider that as maybe part of whether you want to call it the Women's Secretariat, the child and youth secretariat, whatever it may be. Because in Manitoba they have done that and they found that there were a number of agencies and organizations that didn't have a clue what other services were being offered. And I think this child and youth secretariat came about after the election of Premier Filmon, and it might be a good idea to converse with him a bit more to see the advantages of what they've done.

So I thank you.

**Hon. Ms. Bradley:** — Just in response. We certainly will review this to see what is happening in Manitoba. I do believe, like our child action plan — and that was an attempt to look . . . whether its Health, Education, Justice, Social Services, Women's Secretariat — all of us being involved in delivering a plan that's addressing issues for youth and children.



But we're certainly very open at seeing also the model that's being done in Manitoba to see if there's some positive aspects that we could incorporate. Thank you.

**Ms. Draude:** — Thank you, Mr. Chair. And, Madam Minister, and to your officials again. Madam Minister, I think that you and I probably are never going to be quite on the same page with some of the Women's Secretariat programs. And basically I feel that the Women's Secretariat is just sort of a token of this government's commitment to women's real problems that they have out there.

And the benefits of the on-line program is something that I highly . . . I have doubts that this is something that's really affecting a lot of women when I look at all the need there actually is. I understand that it's supposed to be to help women who are perhaps starting businesses to be more involved with other women. But basically if we're going to look at problems that women have, I think ones of abuse and women's shelters and that type of thing would definitely reach the top of the list of the real problems.

Many of the women that are able to make use of this on-line program already have the funding that they need to have. They have the computer, they have the wherewithal to get to the programming, they have the ability to have means to buy gas and already know how to be in business.

I think that even purchasing the computer itself is something that they have already been able to do. The small amount of cost there is to hook up to Internet and the studying and the training it takes to use it is quite minimal when you look at the money that is required in very many other areas.

But of that million dollars that was allocated two years ago, I think 750,000 of it went to Internet hook-ups, but there was about 200,000 went towards youth violence issues. And that's what I'd like to discuss with you. I'm wondering if this money has been spent and if it has, how has it been spent?

(1500)

**Hon. Ms. Bradley:** — Mr. Chair, just two or three comments that I would like to make in response. To say on that, women on-line as part of that funding, the groups . . . we got an overwhelmingly positive response and many, many of those groups certainly did not have access to computers or access to Internet. And what those dollars have done is been able to connect women right across this province and just a very positive response in being able to deal with issues that they feel are very, very important which are issues about violence and a number of other issues.

But to be more specific on the . . . also the money in that overall million dollars, \$750,000 went to women on-line; \$50,000 of the violence money went last year to enhance the farm stress line which we get information and so on that could be accessed then through the farm stress line and also the Internet. The remainder of the money will be announced in a program that will be introduced this fall which will be mostly focused again on violence initiatives and public education on those initiatives.

**Ms. Draude:** — Mr. Chair, and Madam Minister, I would

imagine and I would hope that you would have got a positive response from people who have received money from your department. Why wouldn't you? You're not going to write back and say gee whiz, I wish you wouldn't have given me that money. But what I am saying to you is that they probably could have contacted each other anyway if they had wanted to, and there's so many issues that women who don't have the financial means to contact each other or to address some of the problems that are really facing them — they could actually use your help.

But, Madam Minister, when we talk about the work that you're going to be doing, it sounds to me like a lot of it is going to be around the area of making another brochure and studying something and talking about aid in written pamphlets. Madam Minister, people know what the problem is. What they want is answers to a lot of the problems there is when it comes to violence and they want to have something concrete done. They don't want you to write another pamphlet and write another book on what they're supposed to do if they're being abused. We want to have something that's very positive, something that you can work with.

So I'm wondering if you can tell me: for women who are abused, does your department play any role in the emergency shelters for women?

**Hon. Ms. Bradley:** — In response there's a number of kind of issues there. But the importance of doing still more public education is so that people are aware, first of all I guess, of the issue, and also information on how to access different services.

All of those things are extremely important still to women. And that's been very . . . and not just to women, but to all of our communities. In all of the groups in which I've met across Saskatchewan, the importance of the violence and initiatives that needed to be still dealt with and more information that needed to get out to the public was one of their key priorities.

The specific thing too, in talking about shelters — we don't do any direct funding to shelters — that one of the things, again, in which we got back on our Internet program was . . . And it was from a shelter, and this is a quote, and this is from the shelter for women in Yorkton. It says:

It will give abused women and their children options that they never had before. It's going to be a great benefit to our clients because they won't have to leave the shelter to get more information.

For example, it says:

Abused women who plan to relocate themselves and their children will be able to use computer to track down information on other communities such as the local job market, housing, and schools.

And it goes on and on to say how important that this service that is also being provided in our shelters is important to both women and their families.

**Ms. Draude:** — Thank you, Madam Minister. People who work in the shelters for abused women say that there really isn't the wherewithal to counsel and to work with the children who

come to seek refuge along with their mothers. And I think that if we want to look at the real root of the cycle of abuse, we have to be dealing with the children as well.

I'm wondering if the secretariat looks at this issue or if it's something that's dealt with by Social Services. I think that this would be an appropriate place to allocate money because it would be used for people or for women who don't have the wherewithal to deal with this type of issues on their own.

**Hon. Ms. Bradley:** — Mr. Chair, the Women's Secretariat's role is, we work on an interdepartmental committee on violence initiatives, which certainly does take into consideration the children that are affected by abuse. That's certainly one of the roles. But we still work on the main part . . . is that we work through the other initiatives with other departments in policy and planning, and certainly children would be part of that planning.

**Ms. Draude:** — Madam Minister, I don't have any further questions. And I'm hoping that next year we'll be closer to the same wavelength on what we can be doing to really help women.

Subvote (WS01) agreed to.

Subvote (WS02) agreed to.

Vote 41 agreed to.

**Hon. Mr. Shillington:** — We will continue with Intergovernmental next, so we'll stay in committee.

**Hon. Ms. Bradley:** — Thank you, Mr. Chair. I just wanted to thank my officials today for coming, and for all the fine work that they have done in the Women's Secretariat.

**General Revenue Fund  
Intergovernmental and Aboriginal Affairs  
Vote 30**

Subvotes (IA01), (IA02), (IA15), (IA16) agreed to.

Vote 30 agreed to.

**Supplementary Estimates 1997-98  
General Revenue Fund  
Budgetary Expense  
Intergovernmental and Aboriginal Affairs  
Vote 25 and Vote 30**

Subvotes (IM04), (IA12), (IA11) agreed to.

Vote 25 and Vote 30 agreed to.

The committee reported progress.

(1515)

**COMMITTEE OF THE WHOLE**

**Bill No. 63 — The Film Employment Tax Credit Act**

**The Chair:** — I would ask the minister to reintroduce her

officials, please.

**Hon. Mrs. Teichrob:** — Mr. Chairman, I'd like to introduce my officials: Bill Werry the executive director; and on my right, Keith Comstock, the senior policy advisor. Sorry, Keith.

**Clause 1**

**Mr. Bjornerud:** — Thank you, Mr. Chair, and welcome to your officials, Madam Minister. I just have a few questions, Madam Minister. And I guess maybe I could ask you to start with: can you explain to us how the tax system credit will work and how do you go about receiving it? How do they apply and so on, and what is the criteria to go doing that.

**Hon. Mrs. Teichrob:** — Mr. Chairman, the details of how it will be administered are at the present moment, as are the regulations, being drafted. And negotiations are taking place with SaskFILM and the hope is that an arm's length agency, which has the expertise and knowledge of the industry, will basically, with the supervision of our department, be in charge of the administration. We haven't got all the details yet in the agreement hammered out but those negotiations are happening.

And basically the way it works is usually . . . it can be up to 60 per cent of the costs of a film will be labour costs. And so this will be a 35 per cent tax credit on the Saskatchewan labour portion, Saskatchewan people who are employed, and to a maximum of 50 per cent in one production. And the percentage . . . there will be a credit against corporate taxes that the production company might pay. The details will also be worked out with Revenue Canada. And they will either get credit of any taxes that might be due by them to Revenue Canada or if there is an excess then they'll get a cash rebate from Revenue Canada.

The thing is that once the production is registered as being eligible, the production company can actually take that registration, you know, to the bank because there's a guarantee that that money will flow back in. So it's useful for collateral.

Then one interesting feature that I think we have is that if the production is done more than 40 — is it kilometres or miles? kilometres — away from either Saskatoon or Regina, where the production is based, that there's an additional 5 per cent. So there's an incentive for productions to take place in rural Saskatchewan, away from Saskatoon and Regina.

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

**Mr. D'Autremont:** — With leave, Mr. Chairman of committees, to introduce guests.

Leave granted.

**INTRODUCTION OF GUESTS**

**Mr. D'Autremont:** — Thank you, Mr. Chair of committees. I'd like to introduce to the Assembly, seated in the Speaker's gallery, 18 grade 6, 7, and 8 students from St. Thomas School at Storthoaks, in the very south-east corner of the province. Along with them today are their teacher, Judy Bouchard, and chaperons, Laureen Paradis, Paula Yates, and Nancy Elton.

I would ask all members in the Assembly to welcome them here today and I look forward to meeting with them in about half an hour for conversation, drinks, and photos. Welcome.

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

## COMMITTEE OF THE WHOLE

### Bill No. 63 (continued)

#### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chair. Madam Minister, do you have a rough idea? And I know you can't give an exact number, but you must have projected ahead what the actual cost to the treasury will be to give this tax credit. And I guess is what I'm asking is, not counting what you would call potential benefits but just the straight cost of the treasury, do you have a rough idea what that would be?

**Hon. Mrs. Teichrob:** — Mr. Chairman, this would be an estimate only of course based upon a projected increase in activity. But our projection for this year is \$3.1 million; and for the out years, 4; and \$5 million in the year 2000.

**Mr. Bjornerud:** — Thank you, Madam Minister. And have you checked . . . can you tell us how it compares to tax credits in the other provinces?

**Hon. Mrs. Teichrob:** — Mr. Chairman, there are . . . Essentially our tax credit is along the same lines as those in other provinces and other jurisdictions, but it has three distinguishing features that I think are very important.

One is the inclusion of the labour costs for qualified mentors. For instance if there is a position, an area of expertise where there is no Saskatchewan-trained person available, then if we have to bring . . . if the production company has to bring in expertise from the outside, either on a contract or salary basis, as long as that person is developing, training a Saskatchewan person — in other words leaving some expertise resident here when they go — then those costs can be included.

Another important part is when the tax credit begins. In the other provinces it doesn't begin . . . no credits are allowed until after the script is completely ready. So the research . . . the labour involved in the research and the writing of the script and so on cannot be covered, and that's the kind of work that is often done here and we want to include that.

And then the 5 per cent bonus that I mentioned that's available for rural activity, or activity that takes place away from the large centres of Saskatoon and Regina, that incentive.

Those are the three features that distinguishes Saskatchewan's tax credit, and we think are important enhancements that will bring activity here.

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

**Mr. Gantefer:** — With leave to introduce guests, Mr. Deputy Speaker.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Gantefer:** — Thank you, Mr. Deputy Speaker. I'd like to ask you and the Assembly to welcome 75 students from the Tisdale Elementary School visiting us here today from grade 4 and 5. They're in the east gallery. They've upped the population of Regina significantly.

They're accompanied by their teachers Gwenne Degenstein, Morley Mehler, and Darlene McRae; and chaperons Lori DeForest, Dave Rathgeber, Dorothy Allan, Kim Spencer, Sharon Teale, Cheryl Hill, Glen Angus, Jackie Randall, and Albert Burrows.

Please welcome these wonderful people from Tisdale in my constituency, Mr. Speaker.

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

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

**Hon. Mr. Scott:** — With leave to introduce guests, Mr. Chairman.

Leave granted.

**Hon. Mr. Scott:** — Thank you very much. I would like to join the member from Melfort in welcoming the students and teachers from Tisdale. I believe I have a nephew up there in the crowd, Chad Ernst. I can't see from here but . . . And I would like to join the member from Melfort in welcoming them here today. And if my nephew is up there, perhaps he can wave at me.

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

## COMMITTEE OF THE WHOLE

### Bill No. 63 (continued)

#### Clause 1

**Mr. Bjornerud:** — Thank you, Mr. Chairman. Madam Minister, I believe you touched on my next question. You actually got into the employment part of it. And I guess if I understood what you're saying is if they are in the process of training someone from Saskatchewan, then they would be eligible for the tax credit. Did I understand what you were saying there right? As long as someone from Saskatchewan is there?

**Hon. Mrs. Teichrob:** — Yes. As long as someone from Saskatchewan is being mentored and skill is being built that's going to be resident here after the project is over.

**Mr. Bjornerud:** — Thank you, Madam Minister. Well according to the numbers too that you gave me . . . you said 3.1 you're projecting, and naturally that's an estimate, and next year 4 and 5. So what I'm guessing that you think that this will create more and more activity in the province. Is that why our

numbers are up?

**Hon. Mrs. Teichrob:** — Mr. Chairman, that's correct. We project that from a base of about 500 jobs in the industry, that by the year 2000 there should be about 800 direct jobs and many other indirect ones. And that from a base of \$5 million in '92-93, that there should be \$50 million of activity in Saskatchewan by the year 2000.

**Mr. Bjornerud:** — Thank you, Madam Minister. That's all the questions I have. I just want to thank your staff for helping us out here today.

Clause 1 agreed to.

Clauses 2 to 25 inclusive agreed to.

The committee agreed to report the Bill.

**Hon. Mrs. Teichrob:** — Mr. Chairman, I just want to thank the members opposite for their questions, and I want to thank my officials, and most particularly Keith Comstock. Thank you.

(1530)

#### **Bill No. 37 — The Noxious Weeds Amendment Act, 1998**

**The Chair:** — I'd ask the minister to introduce his official please.

**Hon. Mr. Upshall:** — I'd like to introduce to the Assembly Mr. John Buchan, director of sustainable production in the Department of Agriculture and Food.

#### **Clause 1**

**Mr. Boyd:** — Thank you, Mr. Chair, Mr. Minister. Mr. Minister, do you have any projections regarding the potential for cultivation of hemp in Saskatchewan?

**Hon. Mr. Upshall:** — We don't have, Mr. Chair, we don't have any predictions on what we can grow in Saskatchewan. We think that there's going to be a potential for fibre production and also a potential for the use of the oil.

As far as going into things like refined clothing or other things, that would be down the road. But because it's such a new commodity, we have a license in Saskatchewan. Manitoba has a bit of production. But right across Canada this is very new, and I don't think anyone will know what the real potential is until they do some testing of the product.

**Mr. Boyd:** — What is the potential cash value of the crop in Saskatchewan?

**Hon. Mr. Upshall:** — I don't know.

**Mr. Boyd:** — Does anybody know, I wonder? Is this crop grown anywhere else in Canada currently?

**Hon. Mr. Upshall:** — There's a bit of commercial production in Manitoba this year, but really nobody knows. The legislation has just changed in Ottawa. This legislation accommodates that

change. We think there is potential, but really I mean if I knew, if I had any idea, if anybody had any idea we could tell you, but really nobody knows exactly what the potential is. We're going to have to do some testing. There's going to be some production coming on stream over the next few years. There will be processing plants; I assume that will go in conjunction with that plant, and we think the processing will be in terms of fibre and oil. But until this unfolds, really there is no answer to that question.

**Mr. Boyd:** — Is it correct that the federal government will continue to regulate its growth?

**Hon. Mr. Upshall:** — Yes.

**Mr. Boyd:** — What . . . are you in a communications strategy looking at in terms of addressing the very obvious concern about hemp being grown in Saskatchewan.

**Hon. Mr. Upshall:** — What concern do you refer to?

**Mr. Boyd:** — Well the concern that people may be of the view that we have legalized the growing of marijuana here in this province.

**Hon. Mr. Upshall:** — No, the variety is a low THC (tetrahydrocannabinol) variety so the hallucinogenic properties have basically been removed or almost removed. What happens like if you get . . . If you totally remove the THC, you get a plant that I understand lacks little vigour. But the amount that's left in is not a drug so that's why the federal government has moved to legalize this. And I don't think there should be any concern about the growth in this product. It's another product that's going to be able to allow Saskatchewan people to diversify and to add value if we can process this product here.

**Mr. Boyd:** — Mr. Minister, do the plants appear similar? And if so, is there a concern about a crop of legitimate hemp being used to conceal something a little less desirable?

**Hon. Mr. Upshall:** — I'll just read to you the industrial hemp regulations for commercial licensing from the federal government. It's from Health Canada:

Producers are required to obtain a licence before buying seed. Importers and exporters of industrial hemp, as well as seed distributors, require a licence. Only pedigree seed of varieties listed on Health Canada's list of approved cultivation may be planted. Varieties that produce plants containing more than 0.3 per cent delta-9 (I won't read that out because I can't pronounce it) THC will remain illegal.

To obtain a licence for importation, exportation, production, or sale, applicants are required to produce a police security check.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

The committee agreed to report the Bill.

**The Chair:** — I'd like to ask the member why she's on her

feet.

**Hon. Ms. Bradley:** — With leave, Mr. Chairman, to introduce a guest.

Leave granted.

### INTRODUCTION OF GUESTS

**Hon. Ms. Bradley:** — Thank you, Mr. Chair. I'd like to now introduce to you and through you to all the members of the Assembly, in the west gallery, my son Jesse Bradley is here this afternoon. He has just spent a year in Quebec, helping students there learn English skills in the school, and he is back this summer to work and attend university. And so I'm pleased to welcome him here today.

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

### COMMITTEE OF THE WHOLE

#### Bill No. 35 — The On-farm Quality Assurance Programs Act

**The Chair:** — Before we start on the Bill I would ask the minister to introduce his official please.

**Hon. Mr. Upshall:** — I'd like to introduce to the committee Maryellen Carlson, director of industry and development in the Department of Agriculture and Food.

Clauses 1 to 16 inclusive agreed to.

The committee agreed to report the Bill.

(1545)

### THIRD READINGS

#### Bill No. 63 — The Film Employment Tax Credit Act

**Hon. Ms. MacKinnon:** — Mr. Speaker, I move this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

#### Bill No. 37 — The Noxious Weeds Amendment Act, 1998

**Hon. Ms. MacKinnon:** — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

#### Bill No. 35 — The On-farm Quality Assurance Programs Act

**Hon. Ms. MacKinnon:** — Mr. Speaker, I move that this Bill now be read the third time and passed under its title.

Motion agreed to, the Bill read a third time and passed under its title.

### ADJOURNED DEBATES

#### SECOND READINGS

##### Bill No. 25

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lautermilch that **Bill No. 25 — The Pipelines Act, 1998** be now read a second time.

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

##### Bill No. 26

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lautermilch that **Bill No. 26 — The Oil and Gas Conservation Amendment Act, 1998** be now read a second time.

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

### COMMITTEE OF FINANCE

#### General Revenue Fund Saskatchewan Water Corporation Vote 50

##### Subvote (SW01)

**Mr. Bjornerud:** — I just have one question for the minister or his designate. The minister was out in my area in the Langenburg east C & D (conservation and development area authority), and I'd just like to get an update if possible on what is going on out there. There's the Assiniboine Valley study that's going on. I just would like an update on that because there's an awful lot of hard feelings still going on in my area over that, and I'd just like to know what's happening.

**Hon. Ms. MacKinnon:** — Thank you very much. To the member opposite, we will take note of your question. We will have it of course in *Hansard*, and we will commit to giving you a written answer to the question.

**Mr. Krawetz:** — Thank you very much, Mr. Chair. Mr. Chair, to the minister. Madam Minister, the project referred to in the eastern side of the province, referred to as the Upper Assiniboine River Valley study, has been under way with the federal government, the province of Manitoba, and the province of Saskatchewan. There has been difficulty, Madam Minister, with the proposed project at Fishing Lake whereby the proposal was to ensure that channel drainage takes place to ensure that the water level which has done tremendous damage to both the environment as well as the properties . . . would occur. That project was put on hold because of the conflict between the governments of Manitoba and Saskatchewan and the federal government regarding the passing of water over provincial boundaries.

Madam Minister, I'd like some assurance from the Minister responsible for Sask Water that this project will not get cancelled, that indeed they will continue to pursue the

opportunity for a solution to the problem. To just ignore it and allow the kind of damage to continue to occur is not in the best interests of everyone.

I would like to know whether or not there has been some agreement with the province of Manitoba, with the communities involved down the river, down the Assiniboine River Valley system, to ensure that the proposed project at Fishing Lake can continue?

**Hon. Ms. MacKinnon:** — Thank you, Mr. Chairman. To the member opposite, again we'll take note of the question, and we will make a commitment to give you a full and complete answer on that in writing.

**Ms. Julé:** — Thank you, Mr. Chair. Good afternoon, Mr. Minister, and welcome to your officials today.

Mr. Minister, I want to relay to you a specific concern of 25 people who reside just south of Stony Lake near Humboldt. Now it has been indicated to them that their water line has got to be changed because of the age of lines. What's happening is the 25 people that live out there are asking whose responsibility it is to have these lines and all of the test digs, etc., that must be done to determine whether or not the lines have to be changed for sure. Apparently the cost to do the test digs on that line has been estimated at \$16,000. If the lines would need to be electrified, the town of Humboldt would be estimating that at a cost of \$122,000.

Now the people on the lines feel that it's not necessarily their responsibility to pay for all of these expenses because they are receiving water from the pipeline that is running through Humboldt. The RM (rural municipality) does not want to take responsibility. They say that they're not in the business of supplying water, although the taxes do go to the RM, the taxes those people pay. The town does not feel that they have the responsibility, so I ask the minister: who do you determine that the responsibility for these costs should go to?

(1600)

**Hon. Ms. MacKinnon:** — To the member opposite, she asks a very good question and we'll take note of that, and we will commit to give you a written answer to that particular question.

**Ms. Draude:** — Thank you, Mr. Chairman. I have a couple of questions from the Kelvington Conservation and Development Area. They've been working on negotiating treaty land entitlement claims and selling off the Pipestone easements to Yellowquill Holdings, and they'd like to know what Sask Water's position on these negotiations are at this time.

**Hon. Ms. MacKinnon:** — Thank you very much. To the member from Kelvington-Wadena, I say that's a very good question. We'll take note of it and provide you a full and complete answer in writing.

**Ms. Draude:** — Mr. Chairman, I also would like to ask a question from the conservation authorities. They're concerned that they would possibly lose the Pipestone easements that are in place to Yellowquill Holdings when they become under reserve status and under federal jurisdiction. The Kelvington

conservation area feels it would be in Sask Water's best interests if they expedite the proposed Pipestone construction project while they still have provincial jurisdiction. And they need an estimated figure for this project so that they can set an assessment. Can you give us an idea of when Sask Water is going to make a decision on this?

**Hon. Ms. MacKinnon:** — Mr. Chairman, to the member opposite. That's a very good question. It's now on the record and we will commit to giving a full and complete answer in writing.

**Ms. Draude:** — Mr. Chairman, I have three more questions that I'm going to ask and I'm sure that that minister will just take them into consideration and give us her answer in writing. So these ones are: Sask Water has actually been cost sharing on maintenance and it's supposed to be 50 per cent, but lately we found that there are some areas where there are less than 50 per cent is committed for maintenance.

The people have spent a lot of money to make sure that these projects are built and we'd like the government to recognize their responsibility and continue to provide 50 per cent of the maintenance that is required. And also the Act that is actually governing the C&Ds is outdated and for a number of years they've been asking for changes to this Act and the resolutions that have been brought forward to the government have been outlined in their conventions for the past number of years. So we're asking that the government consider these recommendations and change the Act as quickly as possible.

And the third concern that's been addressed by the conservation development association is regarding funding on reserve land. Some conservation development ditches in the future may no longer be on privately owned land but may be owned by the federal government and may in fact have reserve status. They're asking that the government through Sask Water continue to cost share in the cost of maintenance of conservation and development ditches passing through reserve status according to the present schedule.

A commitment on the continued funding for maintenance projects from the department is important if people are going to be able to use the projects in the manner that they were first built. So I ask that the government prepare an answer for these as quickly as possible.

**Ms. Julé:** — In addition to the question that I posed to the minister earlier, I am issuing a question to you on behalf of constituents around Regina who don't seem to be getting a lot of response from their own MLA. And it's an issue, Madam Minister, that has been brought up since 1989 and 1990. It has been brought up to Minister Calvert and Minister Tchorzewski when, I believe, they were in opposition. And the issue is surrounding the problem with contaminated water being pumped into Wascana Creek from the Condie aquifer. Now there is a great deal of concern because a lot of this water . . . or this water is being used by residents north of Regina. It is going into the pipe system that supplies them with drinking water. I'm wondering whether or not the minister or your department has looked into a solution to this problem.

**Hon. Ms. MacKinnon:** — Again to the member opposite, we

will commit to provide a full and complete answer in writing to that question.

**Ms. Draude:** — Thank you, Mr. Chairman. I'd like to discuss the Fishing Lake project. And I would like to remind the government that the overflow channel is a natural flow that has been filled with natural flow dirt over the years. I'm wondering why Sask Water won't open a natural run and give Fishing Lake residents the drainage that would occur under the situation that would be a natural program from years ago.

**Hon. Ms. MacKinnon:** — Again we will commit to the member opposite that we will provide a complete answer in writing to that question.

**Ms. Draude:** — Mr. Chair, I just have one final question and that is actually on the potato chip plant that's been announced around the Lucky Lake project. SPUDCO actually has agreed that they're going to pay for construction of the storage bins for the increased volume of the product. They were wondering how much money this is going to cost and what kind of commitments have been made to the landowners around there.

**Hon. Ms. MacKinnon:** — Again we'll make a commitment that we'll provide that in answer to that question.

Subvote (SW01) agreed to.

Subvotes (SW02), (SW03) agreed to.

Vote 50 agreed to.

**The Chair:** — I would like to bring to the attention of the members that Sask Water had a statutory advance of \$9.3 million. It doesn't have to be voted on but it was brought to your attention. Thank you.

The committee reported progress.

**The Speaker:** — And with wishes for an enjoyable weekend to all hon. members and looking forward to seeing you back on Monday at 1:30 in the afternoon.

The Assembly adjourned at 4:11 p.m.

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