

The Assembly met at 1:30 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Julé: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to present a petition on behalf of citizens throughout Saskatchewan who would like to see improved cellular telephone coverage in the Prud'homme, Bruno, Vonda, and Cudworth area. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to provide reliable cellular telephone services in the districts of Prud'homme, Bruno, Vonda, and Cudworth.

And the signatures on this petition, Mr. Speaker, are from the communities of Prud'homme and Humboldt.

I so present.

Ms. Draude: — Thank you, Mr. Speaker. I have a petition to present today to retain Lanigan and Watrous hospitals. The prayer reads:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

The people who have signed this petition are from Lanigan, Watson, and Humboldt.

Mr. Gantefoer: — Thank you, Mr. Speaker. I too rise on behalf of citizens concerned about the future of their hospitals and in particular the communities of Lanigan and Watrous. The prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

Signatures on this petition, Mr. Speaker, are from the communities of Lanigan and Jansen.

I so present.

Mr. Peters: — Thank you, Mr. Speaker. I have a petition in regards to the concerns with health care in Saskatchewan. And the prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

Mr. Speaker, the petition is signed by folks from the community of Lanigan.

I so present.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I too have a petition on behalf of Saskatchewan citizens gravely concerned over the health care in this province. And the prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

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

And this is signed by folks in Lanigan and Moose Jaw.

I so present. Thank you.

Mr. McMorris: — Thank you, Mr. Speaker. I have petitions too to present on behalf of citizens of the province regarding hospital closures. The prayer goes as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

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

These petitions were signed by the good people in the Lanigan area.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also rise to read a petition from citizens concerned about hospital closures. The prayer reads:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

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

Signed by the good people of Lanigan and Guernsey. Thank you, Mr. Speaker.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here of good citizens opposed to enforced municipal amalgamation.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to halt any plans it has to proceed with enforced amalgamation of municipalities in Saskatchewan.

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

Signed by the good citizens of Buena Vista.

I so present.

Ms. Harpauer: — Mr. Speaker, I rise today with a petition of citizens concerned about hospital closures. And the prayer reads:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

And the petitioners are from the communities of Drake, Lanigan, Guernsey, Jansen, and Saskatoon.

I so present.

Mr. Wiberg: — Thank you, Mr. Speaker. I have a petition this afternoon in regards to the dismal highway system we have in this province. And the prayer reads as follows, Mr. Speaker:

Wherefore your petitioners humbly prayer that your Hon. Assembly may be pleased to cause the government to provide the necessary resources to restore the private access road to an acceptable state.

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

Mr. Speaker, this petition is signed by the people from Paddockwood and Christopher Lake.

Mr. Hart: — Thank you, Mr. Speaker. I too have a petition to present this afternoon. It deals with health care services. And the prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure that the Lanigan and Watrous hospitals remain open.

And the petitioners come from the communities of Lanigan, Jansen, Nokomis, and Saskatoon.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition regarding the closure of the Lanigan and Watrous hospitals.

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

And the signatures on this petition are from the good citizens of Lanigan.

I so present.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with possible municipal amalgamation. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to halt any plans it has to proceed with enforced amalgamation of municipalities in Saskatchewan.

And the petition is signed by individuals from the communities of Coderre, Courval, Regina, and Moose Jaw.

I so present.

Mr. Kwiatkowski: — Thank you, Mr. Speaker. I rise in the Assembly today to present the petition to retain Lanigan and Watrous hospitals. The prayer reads as follows:

Wherefore your petitioners will ever pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure the Lanigan and Watrous hospitals remain open.

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

This petition is signed by the good citizens of Semans, Saskatchewan, Mr. Speaker.

I so present.

READING AND RECEIVING PETITIONS

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

These are petitions of citizens of the province on the following matters:

Protection of children from tobacco abuse;

The amalgamation of municipalities;

Cellular service in Prud'homme, Bruno, Vonda and Cudworth;

Ensuring that the Lanigan and Watrous hospitals and the Cupar Health Centre remain open;

A ban of smoking in public places and workplaces, and

Restoration of the Paddockwood access road.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Brkich: — Thank you, Mr. Speaker. I have a notice of a written question. I give notice I shall on day no. 64 ask the government the following question:

To the Minister of Agriculture: how much farmland and grazing land does the province own?

Mr. Hermanson: — Thank you, Mr. Speaker. I give notice that on day no. 64 I shall ask the government the following question:

What are the names of all persons on personal service contracts with the Department of Executive Council? For each person, what is the purpose and term of the contract and the remuneration being paid?

Thank you, Mr. Speaker.

Mr. Wiberg: — Thank you, Mr. Speaker. I give notice that I shall on day no. 64 ask the government the following question:

To the Minister of Post-Secondary Education: how much of all the provincial regional colleges, SIAST campuses, the University of Regina, and the University of Saskatchewan contributed in this fiscal year to the Saskatchewan savings bonds?

Ms. Harpauer: — Thank you, Mr. Speaker. I give notice that I shall on day no. 64 ask the government the following question:

To the Minister of Health: is acute care a core service, and if so, does it not have to be provided within each health care district?

Ms. Bakken: — Mr. Speaker, I give notice that I shall on day no. 64 ask the government the following question:

Has the Department of Health sold the provincial data base of personal health and drug records to any drug companies or health market research companies, if so, what companies; has the Department of Health sold the provincial data base of personal health and drug records to any other companies, if so, what companies; also what amount does the Department of Health receive for those sales and where do the funds go upon receipt of payment; what safeguards are in place that will ensure the confidentiality of those records representing Saskatchewan health care clients.

INTRODUCTION OF GUESTS

Hon. Mr. Nilson: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you and to all members of the legislature 23 grade 4 students from Lakeview School which is just a few short blocks away the Assembly here. They're accompanied by their teacher Ms. Marian Ready, as well as five parents, Mrs. Price, Mr. Furlan, Mrs. New, Mrs. Dietrich, and Mrs. Hart.

Now there's one student I would like to specially introduce and ask her to stand up and that's Julia Hart. I don't know if Julia can stand up for me. Yes, okay. Julia is a special person for all of us here in this legislature because her grandfather was the Lieutenant Governor of Saskatchewan, Fred Johnson. And her mother is here as well, Sheila, who was the daughter of the Lieutenant Governor.

And I think it's especially appropriate that we welcome both of them along with all of their classmates and parents to the legislature today.

Hon. Members: Hear, hear!

Mr. Stewart: — Thank you, Mr. Speaker. It pleases me to introduce to you and through you to the rest of this Hon. Assembly, 19 grade 4 and 5 students from my hometown of Pense — of course they're from the Pense School in Pense — and their teacher, Debbie Quinlan, and accompanied by chaperones Val Stevens, Joan Martin, and Marlene Tremblay.

I look forward to meeting with these students after question period, and I hope that they'll have a fun and educational day

here. And I'm sure that all members will welcome them as I do.

Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — Thank you, Mr. Speaker. I'm very pleased to rise today and introduce to you and through you to all members of the Assembly two separate groups.

One, and first, would be the grade 4 class of St. Marguerite Bourgeoys School seated in the west gallery and accompanied by their teacher, Denise Reed. This group attended a very exciting occasion for the legislature and put a lot of work and thought into establishing a time capsule to replace the bottle that was found in the dome so that future generations will know what it was like going into the new millennium in the province. And so there are many treasures and very interesting information in the time capsule, thanks to the students of St. Marguerite Bourgeoys.

We had an opportunity to visit then, so today they've come back to watch the proceedings of the House. And they're going to have a tour. And I'm sure they'll have many questions to ask of the tour guide.

And I would ask all members to join me in a warm welcome to the grade 4 class of St. Marguerite Bourgeoys.

Hon. Members: Hear, hear!

Hon. Ms. Hamilton: — While I'm still on my feet, Mr. Speaker, I also have another very interesting guest seated in your gallery. Now I'm going to try to pronounce his name properly and I think it goes like this — and he's very patient with me — Helder Mauricio Carvajal Riverof. Helder is from Bogotá, Columbia where he lives with about six million other people. He is in Saskatchewan, he's been here about six months. He's taking English as a Second Language and is going to complete his English 40 and 50 and may consider staying longer. I think, God willing and his parents' purse, that he could continue his education at the University of Regina.

Helder is also accompanied by a very dear friend of mine, Noreen Faller. And Noreen is a wonderful ethnic cook and has a flair with a garden but also with painting the flowers and wonderful depictions on watering cans and plant pots. And I am a proud owner of those kinds of artistic temperament from Noreen.

I would ask all members to join with me — our special guests from Bogotá, Columbia, Helder Mauricio Carvajal Riverof and Noreen Faller. Thank you.

Hon. Members: Hear, hear!

Hon. Mr. Belanger: — Thank you, Mr. Speaker. To you and through you, I want to introduce an addition to our office staff. In your gallery, sitting next to one of my other office staff, is a gentleman by the name of Curtis Littlewolfe, and Curtis is a summer student with my office. He's from the Cote First Nations. He's a recent grad of SIIT (Saskatchewan Indian Institute of Technologies) and he's going back to school this September to pursue a degree in administration. And I know Curtis is real excited to work in my office because he's working

with four other women and she's going to be a tremendous . . . or he's going to be tremendous addition to our entire staff and they're really a great team. So I'd like to ask all members of the Assembly to welcome Mr. Littlewolfe to the Assembly today.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

Alberta By-election Results

Mr. Yates: — Thank you, Mr. Speaker. More good news for Saskatchewan, Mr. Speaker, and in particular more good news for health care.

The first referendum on the Alberta Tories' private health care Bill took place last night, Mr. Speaker. And Albertans overwhelmingly said no to for-profit health care.

Last night Albertans elected New Democrat Brian Mason in the provincial constituency of Edmonton Highlands. Mason received nearly 60 per cent of the vote — 60 per cent, Mr. Speaker. The Conservatives didn't even finish second; they finished a distant third after the Liberals. It is not by accident that the two parties who have defended publicly funded health care finished first and second, Mr. Speaker.

Mr. Speaker, the surprise is not that the NDP (New Democratic Party) won the seat, the surprise was how poorly the Conservatives did. The Klein government underestimated the anger this Bill created and how it caused . . . now the public has spoken. They believe in public health care, Mr. Speaker. Anyone who doubts that need only look at the results, Mr. Speaker. Thank you.

Some Hon. Members: Hear, hear!

National Public Service Week

Ms. Harpauer: — Thank you, Mr. Speaker. It is my pleasure to rise in the Assembly today in recognition of the National Public Service Week. Yesterday morning, Mr. Speaker, I had the pleasure of attending the celebration to launch Public Service Awareness Week at the Scarth Street mall.

The ceremonies included a live broadcast from across Canada, and Saskatchewan had the honour of closing the ceremonies with the singing of "Oh Canada" led by the Royal Canadian Mounted Police and some military personnel.

Mr. Speaker, I would like to commend all of those involved in yesterday's ceremony and congratulate the Public Service Commission on all their hard work and dedication to our nation. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Review of No-Fault Insurance

Mr. Heppner: — Thank you, Mr. Speaker. Well, Mr. Speaker, the SGI (Saskatchewan Government Insurance) review of PIPP (personal injury protection plan), commonly known as no fault, has actually begun. Hard to believe, but it has begun.

I attended one of their meetings last night, Mr. Speaker. It was the first meeting that they've held. And unless the committee has both hearts and minds of stone, there will be some massive changes recommended.

But, Mr. Speaker, throughout all the meetings I've attended, either the ones put on by no fault or this one put on by SGI themselves, neither Mr. Fogg nor the minister has attended any of those meetings.

At the end of the day, Mr. Speaker, that committee will be reporting back to the minister and giving him a recommendation. What is unfortunate is that, not having attended any of the meetings, he will be making recommendations and legislation in a vacuum, Mr. Speaker — in a vacuum, full of nothing. Thank you.

Some Hon. Members: Hear, hear!

Cadets Caring for Canada Event

Ms. Jones: — Thank you. Over this past weekend approximately 1,300 cadets in Saskatchewan and 70,000 of their fellow cadets from across the country took part in cleaning their environment.

This year cadets from Saskatchewan participated in various activities — 2293 Army Cadet Corps, 107 Air Cadet Squadron, 702 Air Cadet Squadron, and 45 Sea Cadet Corps of Saskatoon cleaned Saskatoon grasslands and planted wildflower plugs for Saskatoon Meewasin Valley Authority.

2804 Army Cadet Corps of Hudson Bay made improvements to a local heritage park. 2370 Army Cadet Corps of Regina gathered deadfall and cleaned up the White Butte trails.

41 Air Cadet Squadron of Goodeve restored Battersby Nature Centre. 248 Air Cadet Squadron of Shaunavon cleaned veterans' gravestones in the Shaunavon cemetery.

And finally, 17 Air Cadet Squadron, 2834 Army Cadet Corps, and 114 Air Cadet Corps of Yorkton planted trees and cleaned up Jaycee Beach.

The Cadets Caring for Canada event is an initiative that began in 1991 to help promote environmental awareness and responsibility. The event also helps to promote good citizenship, educates people about the environment, encourages teamwork, and demonstrates the value of the Canadian cadets within the community.

I'd like to congratulate all cadets in our province on a job well done.

Some Hon. Members: Hear, hear!

4-H Achievement Days

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to tip my hat to 4-H'ers across this province. This past weekend I had the privilege of attending a number of 4-H achievement days in my constituency, as well as the regional show and sale in Whitewood on Saturday.

Mr. Speaker, 4-H'ers from the clubs of . . . (inaudible) . . . Kennedy, Kipling, Whitewood, and Gerald gathered at the regional show on Saturday, and it was very interesting to just look at and observe what was taking place — the achievements that were being shown and exhibited by 4-H members, to see them diligently working preparing their cattle for the show and for the sale later on.

Mr. Speaker, there's no doubt 4-H has done a lot for young people across this province. As one parent said to me he'd rather have his children involved in 4-H; that way he knows where they're at and he knows that they're not on the street.

So I think what we have seen through many years of involvement for the 4-H movement has certainly done to improve the livelihoods of individuals across our province, and I certainly extend my hat and congratulations to the 4-H movement.

And as well, just to extend a congratulatory note to the Montmartre Army Cadet Corps for their work in improving our environment in the Kipling area.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Opening of LutherCare Communities

Mr. Prebble: — Thank you very much, Mr. Speaker. Mr. Speaker, earlier this month I had the pleasure of attending the official opening of an intermediate care home in my constituency. LutherCare Communities, formerly Lutheran Sunset Home of Saskatoon, has opened a new 15-unit intermediate care home at 1230 Temperance Street in Saskatoon, directly opposite Luther Tower.

Mr. Speaker, this intermediate care home means that residents at Luther Tower who have more intensive care needs, will more often not have to leave the very supportive community at LutherCare Communities but can remain close to their family and their friends.

This intermediate care home will also be available to support residents of Luther Heights and Villa Royale who have intermediate care needs.

I would like to extend my congratulations to the board of directors of LutherCare Communities under the chairmanship of Rick Stalwick.

My congratulations also to all the volunteers who have been involved in the planning and fundraising for the intermediate care home.

And finally, congratulations to the staff of LutherCare Communities under the leadership of executive director Harold Hesje.

I wish all the residents of the intermediate care home at 1230 Temperance Street in Saskatoon many happy times with friends and families in their new residence.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Wilfred Hunt Earth School Celebration

Hon. Ms. Hamilton: — Thank you very much, Mr. Speaker. I'm pleased to rise today to tell you about a very important milestone for students and staff at one of the many schools in the constituency of Regina Wascana Plains. I was delighted to represent the provincial government last Friday, June 9, at the Wilfred Hunt Earth School celebration.

You may be asking yourself, Mr. Speaker, what exactly is earth school? An earth school is the result of a lot of hard work and dedication by the students and staff at Wilfred Hunt School. The more environmental awareness projects the school completes, the higher the environmental grade is for that school.

Mr. Speaker, only two years ago Wilfred Hunt School became an emerald school when it completed 500 projects. Since then this school has come a long way in terms of environmental stewardship. Friday's celebration including artwork and song marked the completion of 1,000 projects for Wilfred Hunt School. This upgraded Wilfred Hunt School from an emerald to an earth school.

This new grade makes Wilfred Hunt School only one of four in Regina with this same distinction, Mr. Speaker, and even more so, only 1 of 136 throughout Canada.

I would like to congratulate everyone at Wilfred Hunt School on their milestone, including teacher, Ms. Black, who led everyone in this project and kept them all on track. More importantly, Mr. Speaker, their dedication in promoting environmental stewardship and awareness provides inspiration for us all.

Some Hon. Members: Hear, hear!

The Last Mountain Berry Farm

Hon. Mr. Van Mulligen: — Mr. Speaker, I am pleased to inform you and members of the Legislative Assembly of a very successful berry farm operation in the Southey district, the Last Mountain Berry Farm.

Barry and Barbara Isaac operate a plant that produces 4,800 pounds of product a day — jams, spreads, pie filling, and syrup — all on their farm 13 miles north of Southey. They sell their product to major food companies across Canada — from British Columbia to the Quebec border — to customers such as Superstore, Costco, and Federated Co-ops.

The Isaac's berry farm does over \$1 million in business each year and they have created employment opportunities. They employ eight full-time staff all year round and hire additional staff in the spring. By summer, the Isaacs have 20 to 25 staff members helping to harvest and hand-pick the berries that grow on their farm.

The Isaacs process up to 200,000 pounds of fruit a year — 90 per cent of it is Saskatoon berries. They are not able to grow all

the berries they need and they can't even buy all the berries they need in this province. The Isaacs say they would like to buy more of their Saskatoon berries here in Saskatchewan because it would save them freight costs and help to promote diversification.

The Isaacs have been in business for about 12 years. They started out by planting 2,500 Saskatoon bushes in an orchard that now has 15,000 bushes.

Mr. Speaker, the Isaacs are a fine example of the opportunities for diversification in Saskatchewan's agricultural industry.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Funding for Highway Maintenance

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, the member for Saskatoon Southeast recently claimed that her back alley gets more traffic than the highways that the Saskatchewan Party is concerned about, like Highway No. 18. Her statement is not only inflammatory, it's just plain wrong.

This morning I drove up to Saskatoon where I conducted a traffic count in the member's back alley. Between 9 a.m. and 10 a.m. I saw exactly zero vehicles pass by. Now if you extrapolate that over a 24-hour period, that's a daily vehicle count of zero, Mr. Speaker. The daily vehicle count on Highway 18 is at least 185 vehicles or more.

Mr. Speaker, the fact is these highways we're talking about are busy highways. They are important highways and they should be maintained.

My question today, Mr. Speaker, is to the Premier: when is your government going to take responsibility for the entire highway system?

Some Hon. Members: Hear, hear!

Hon. Mr. Romanow: — Mr. Speaker, this is the same question that the Leader of the Opposition asked yesterday. And nothing new to it at all, and I gave the answer to the Leader of the Opposition yesterday which I am pleased to give to the member again today.

The Government of Saskatchewan is very committed to a very strong, solid highways program. We have an infrastructure program everywhere in the province of Saskatchewan where possible.

We want to have highways in rural Saskatchewan. We want to make sure that they're properly serviced. We know all the pressure that exists on the highways occasioned by the abandonment of the Crow rate and the shift from rail back onto highways. We have the highest budget in the history of the province of Saskatchewan, and that is our concern.

What the member from Southeast was simply saying yesterday, or the day before yesterday, was to graphically illustrate the fact that like always, to all governments of all political stripes, road counts

and the like are a factor of this. She was making a point in graphic terms.

We are there trying to protect — and we are protecting — the roads of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. Well, Mr. Speaker, I'm obviously having a little fun with the member's foolish statement, but I'm also trying to make a serious point.

No one has to drive down that member's back alley. No one has to send their kids to school down that member's back alley. No one has to haul grain down the member's back alley. No one has to take an ambulance to the hospital down the member's back alley. However, all of those things — plus more — happen on Highway No. 18 and all of the other highways that the NDP-Liberal government is turning back to gravel.

Mr. Speaker, Highway 18 is a lifeline for people in southwest Saskatchewan. Why are you cutting off this lifeline by turning it back to gravel?

Mr. Premier, will you answer that question, please?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — First of all, Mr. Speaker, I thank the member for the question again. As I've stated on many occasions in the past, Mr. Speaker, the Government of Saskatchewan doesn't have any plan to revert thin membrane surface roads back to gravel, Mr. Speaker. It's purely an issue of safety.

We understand the concerns of people out in rural Saskatchewan, Mr. Speaker. Mr. Speaker, when thin membrane roads that were designed 30 and 40 and 50 years ago, Mr. Speaker, for light vehicle traffic are now having to bear heavy truck traffic, Mr. Speaker — which we understand needs to occur in rural Saskatchewan now, Mr. Speaker — those surfaces are breaking up and we need to address that issue. And that's what we're trying to do with respect to Highway No. 18, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Speaker, if it were simply a matter of safety that was the main concern, we'd also be hearing an announcement as to when these highways would be repaved.

Mr. Speaker, it's now clear this government has turned its back on the people of the Climax-Bracken area. Yesterday a meeting was held in Climax to discuss ways of fixing Highway No. 18. The Department of Highways was invited but no one showed up.

So the people there decided to fix the highways themselves starting at 7:00 a.m. this Thursday morning. They've now been notified that they will receive absolutely no assistance from the Department of Highways — no flag persons, no oiler, no equipment of any kind, Mr. Speaker. The government is telling

them, you're on your own. In fact, Highways officials are telling them not to fix the highway since it's going to be ripped up and turned back to gravel anyway.

Mr. Minister, why are these people getting absolutely no co-operation from your department?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — First of all, Mr. Speaker, I think the member opposite knows that the department has worked very hard in trying to work with the communities. Mr. Speaker, it's my understanding that my department officials have and are continuing to meet with the people in the community of Climax, Mr. Speaker.

Our number one concern though, Mr. Speaker, as I've said before, is an issue of public safety on two fronts. First of all, we believe that the road, when it's broken up like that, even though we would love to provide a structural paved surface, Mr. Speaker, at about \$250,000 a kilometre — we'd love to provide that on every single road in Saskatchewan, Mr. Speaker, if we could. We cannot afford it, Mr. Speaker. Mr. Speaker, we think that therefore the only logical alternative is provide a gravel surface.

Now our second issue of public safety, Mr. Speaker, is an issue of having people who are untrained. Now we understand and we appreciate when the public is prepared to get involved and work with us, but we are concerned about their public safety, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Mr. Minister, just a week ago the Deputy Premier was actively encouraging people to go out and fix their own highways. He was talking like this was the wave of the future, and the Department of Highways would help any community that decided to take this step. Now the people of Climax and area are getting absolutely no help from your government. In fact, they're being told not to fix the highway.

Mr. Minister, what happened? Last week in Val Marie you were giving them cold patch. This week in Climax you're giving them the cold shoulder. Mr. Minister, why is the Department of Highways refusing to co-operate with the people of Climax?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Again, Mr. Speaker, it's my understanding that Highways officials have and continue to be working and talking with the community of Climax to find a resolution that is, first of all — and again I say, first of all — safe for the public, Mr. Speaker, by way of transportation, Mr. Speaker, and by way of the fact if there are untrained people on the highways that they too are safe, Mr. Speaker. That's of paramount importance to us, Mr. Speaker.

But on the issue of gravel reversion, Mr. Speaker, I want to also just quote if I could from *Hansard* May 20, 1998. And this just for the members opposite who have sort of suggested I — not sort of — have suggested that we are the only ones who have any interest in gravel reversion, Mr. Speaker. This is a quote

from the member from Saltcoats, Mr. Speaker. He said:

Maybe there is a point that we would be better off having them back in gravel and I don't think I'd probably have many of my constituents agree with me on . . . this point, but I honestly feel there . . . (is a point) some point . . . where we have to give up.

Well, Mr. Speaker, we're not going to give up on this.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. I would say to the minister that the government has in fact given up. The people at yesterday's meeting in Climax made one more important decision. They are simply not going to let you gravel their highway. In fact, they are now prepared to barricade the highway, to block the equipment that you are sending out to gravel Highway 18.

Mr. Minister, these are community leaders — important people — mayors, reeves, and business owners, law-abiding citizens, who say they've had enough and they're not going to take it any more. They are not going to let you step on them one more time and they are not going to let you haul gravel onto their highway.

Mr. Minister, will you immediately cancel your plans to gravel Highway 18? Meet with the people of Climax and area and save Highway 18 instead of gravelling it?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Again, Mr. Speaker, I will ensure that my officials continue to meet with the community in Climax to ensure that proper discussion takes place.

Mr. Speaker, I want to point out in fact, first of all here, the per capita spending on roads in the three western provinces, Manitoba, Saskatchewan, Alberta. In Manitoba, they spend \$191, Mr. Speaker, per capita; in Alberta, \$189. Here in Saskatchewan, Mr. Speaker, we spend \$229 per capita in each and every year, Mr. Speaker. Mr. Speaker, again I would say to the member opposite and to the community of Climax and for any other people who live along the road that is affected, our number one concern is safety, Mr. Speaker. On many of these roads that were built and designed 20, 30, 40 years ago, the surface simply will not withstand the traffic that now exists on those roads.

Mr. Speaker, we could fix it, as I hear a member call from across the way, at \$250,000 a kilometre, but we spend \$2 million a day on interest, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Speaker. Mr. Minister, the cost per capita in this province for highway construction is significant, there's no doubt about it. But we're talking about the lifeline of communities in the southwest part of this province. We're talking about tourism. We're talking about commercial activity. We're talking about health. We're talking about survival down there.

No amount of money is going to deter them from seeing this project prevented. They are not going to allow you to turn it back to gravel.

You have a major problem on your hands, Mr. Minister. You've already let the contract to Highway No. 18 but the people of Climax and area say that they're not going to let that happen. They're tired of being treated like second-class citizens and they're going to make your government pay attention.

Mr. Minister, why don't you start working with them instead of against them? This afternoon I will be moving a motion calling on your government to set aside plans to gravel Saskatchewan highways and instead to work with local people to develop alternative solutions. Mr. Minister, will you please support this motion?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Again, Mr. Speaker, I say to the member opposite, absolutely we will continue working with that community or any other community that is involved in these sorts of things.

Mr. Speaker, I want to say first of all that . . . or to say also, Mr. Speaker, with respect to the Saskatchewan Trucking Association, I've got a quote here, Mr. Speaker, from I believe it's a week or so ago.

The Saskatchewan Trucking Association says the following — this is with respect to safety. They say that:

If the gravel surfaces are going to stand up better than the thin membrane pavement, then I guess that is what we'll have to do in the interim until there is funding enough to put them back into pavement.

And, Mr. Speaker, even the member opposite who's asking the questions, from Cypress Hills, has acknowledged in quotes that I've read in this Assembly on numerous occasions that the federal government has to come to the table to help us pay for the infrastructure that exists here in Saskatchewan. We simply can no longer afford to maintain the infrastructure that was not designed for the traffic that it's having to bear today, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Mr. Speaker, Mr. Minister, I understand that your department has asked for a meeting on Friday. That meeting is to discuss turning the highway over to the RMs (rural municipality) in the region. RMs has been down this road before and they don't want any part of it.

Highway 18 is a provincial responsibility. The people of Climax and area, they pay plenty of provincial taxes. And the last thing they need is your government downloading one more responsibility on the RMs.

Mr. Minister, isn't that your real agenda here — gravel the highways, dump them onto the RMs, and stick local taxpayers with the bill?

Some Hon. Members: Hear, hear!

Hon. Mr. Sonntag: — Well it's fairly apparent to me what somebody's agenda is here, Mr. Speaker, and I think it's purely politics, Mr. Speaker. There is absolutely no . . . there is no intent or agenda about turning this road or any other road over to local governments, Mr. Speaker. The province of Saskatchewan, the Department of Highways, maintains right now 5,000 kilometres of gravel roads, Mr. Speaker. So there's no agenda here at all.

So when a road gets converted, it's an issue purely of safety, Mr. Speaker. My understanding is that community asked us to get into discussions about whether or not they could be responsible for the road, Mr. Speaker. We've done this with other local governments in the past; this would be nothing new, Mr. Speaker. But I can assure you this is not an agenda for us to download onto local government at all.

Some Hon. Members: Hear, hear!

Long-term Safety Net for Agriculture

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, my questions are for the Minister of Agriculture. Mr. Minister, and, Mr. Speaker, in the Throne Speech last fall the NDP government promised to develop a new long-term safety net program for agriculture. And I'm sure every farmer in Saskatchewan has been really looking forward to hearing more about that program.

So, Mr. Speaker, yesterday I asked the minister when we could expect this new program. He said it's already here. He said AIDA (Agricultural Income Disaster Assistance), NISA (Net Income Stabilization Account), crop insurance — that's the long-term safety net for the next three years.

Mr. Minister, there's absolutely nothing new here. I don't think it's what farm families were expecting from your government when you announced a new long-term safety net program would be developed.

Mr. Minister, why have you broken your promise to negotiate a new long-term farm safety net program?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, nothing could be further from the truth.

The member opposite indicates that the ministers of Agriculture across Canada aren't working on a long-term strategy. He may be surprised to know that his counterpart in Alberta, a good Conservative Minister of Agriculture, is working very closely with us and the other ministers of Agriculture across Canada. And we will be meeting, as I told the member yesterday, in New Brunswick in early July to sign a memorandum framework for a long-term strategy.

Now the member may believe that we can do an arrangement of a long-term strategy by ourselves without the other ministers of Agriculture, but that's not the way Canada works. Obviously, we're working very closely with our federal counterpart and

other ministers across Canada. And the member should quit trying to stir up trouble in rural Saskatchewan for political purposes.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. Mr. Speaker, first this minister says he's in favour of people fixing their own highways; now he says they're not in favour of them fixing their own highways. The minister promises long-term safety net; now he says there will be no long-term safety net. You can't believe anything this guy says.

Mr. Minister, I don't think anyone is all that surprised. Farm families . . . farm families have been waiting eight years for a long-term safety net program from this government, ever since you ripped up the GRIP (gross revenue insurance program) contracts from farm families.

Mr. Minister, you have betrayed farm families one more time. Mr. Minister, where's the new farm safety net program that you promised and the Premier promised as well?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, the member . . . I want to tell . . . Mr. Speaker, the member obviously doesn't listen very well because over the last six months a program has been developed for Saskatchewan farmers which has led to 32.5 million acres being seeded by the farmers of this province, when a year ago he was saying 30 per cent of the land wouldn't be seeded.

Those were his comments and he was wrong. The program that is put together by the federal and provincial governments, i.e., the taxpayers of this country, has allowed the farmers of this province to seed a very, very good crop.

I might add the recent rains make it one of the nicest Junes we've ever seen. And farmers feel pretty good about the prospect for this year's crop.

This has disappointed the member from Kindersley a great deal. He doesn't like success; he likes disruption. He likes big meetings of people who are upset. But I don't think he'll get them going this June because things are going pretty well.

Some Hon. Members: Hear, hear!

Mr. Boyd: — Thank you, Mr. Speaker. First the NDP ripped up the GRIP contracts, now the Minister of Highways wants to rip up highways. That's why the people all over this province are ripping up their NDP membership cards and joining the Saskatchewan Party.

Mr. Minister, the Throne Speech promises and I quote:

. . . a long term safety net program that can actually meet farmers' needs in (a) disastrous situations like the one we (are) currently (faced with) . . .

When asked yesterday in Estimates, the minister confirmed that that is the extent of the safety net program — crop insurance,

AIDA, and NISA.

Mr. Minister, when will you live up to the commitments that you and the Premier have made to the farm families of this province to implement a long-term safety net rather than rip up GRIP contracts like you've done in the past?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, I say to the member from Kindersley, who had a wonderful rain over the weekend at his farm as we did at our farm — and I'm sure the Leader of the Opposition should be in a better mood. What I can't understand that the farmers of a province are in a pretty good mood, and he's unhappy about it.

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

Hon. Mr. Lingenfelter: — Mr. Speaker, as I was sitting in my seat, I heard the member from Indian Head-Wolseley hollering across that it's going to be much worse this fall.

Now I don't know what's wrong with the members opposite. They want disaster in rural Saskatchewan. When it's a beautiful June day, record rains, record crops being produced — they're very, very unhappy.

Last fall when there was a disaster on, they were very happy. They were extremely happy.

Some Hon. Members: Hear, hear!

Out-of-Province Farm Ownership

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, my question is also for the Minister of Agriculture, but I take notice that two-tenths of NDP rain and the farm problems just disappear in this province.

Mr. Minister, earlier this year you were talking about lifting the restrictions on out-of-province farm ownership. In fact, we were expecting you to introduce legislation this session removing these restrictions. Mr. Speaker, the Saskatchewan Party would have supported that legislation.

Mr. Minister, it now appears you're also backing away from this commitment. Why is that, Mr. Minister? What happened to your commitment to remove the restrictions on farmers who want to sell their land to people from other provinces?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, the Department of Agriculture is at present doing a lot of work in looking into the advantages and disadvantages of foreign ownership in the province of Saskatchewan. Because I say to the members opposite it is not black and white that opening up farm ownership to the outside world is the right way to go. But I would agree with the member opposite that we should look very carefully, very carefully at the advantages, because there are advantages, of opening up farm land to other Canadians and we will be doing that.

And so if the member will be patient on the issue of foreign ownership, he will be surprised at how soon we will get back to him with the opinion of the farmers because I think that's important what they think of his proposal.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Well, Mr. Minister, I don't count Canadians as foreigners. We're all Canadians.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Mr. Minister, it's absolutely ridiculous that farmers who want to sell their land to someone outside the province have to get approval through a government board. There's no such requirement in Alberta and there's no such requirement in Manitoba. Only in NDP Saskatchewan has a board in place to tell you who you can sell your land to.

Mr. Minister, why is that necessary? Why don't you just open up the borders like the other provinces have done?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, the issue of Canadians — other Canadians — other than residents of Saskatchewan owning farmland is an important issue and one that the Department of Agriculture is doing work on at the present time.

To the members opposite, I made no such promise that we would move in that direction. It's under active consideration. They will not be changed during this session but I would encourage the members opposite, if they have an opinion as a caucus, to put that to us and we'll put it into the mix with other farm families.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Minister, since you're not going to bring in this legislation, and you've made that plain today, the Saskatchewan Party will. Immediately after question period I will be introducing a private member's Bill allowing Saskatchewan residents to sell their land to Canadians living in other provinces.

Mr. Minister, I know you actually support this idea yourself; you're just having trouble selling it to your socialist friends on that side of the House.

Will you, Mr. Minister, will you support this legislation when we introduce it later today?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, I want to say to the members opposite, it's curious how they take positions, and then when legislation or changes occur, they're opposed to it.

It's not that long ago I was talking to the member from Cypress and talked about quite openly that he supported some of the highways going to gravel. And then when some of it changes, now he's opposed to it.

What I'd like you to do, sir, before we move on this issue, is send us a letter of support from your caucus that when and if we opened up the ownership of other Canadians, we would have it in writing.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Minister, as you promised, and all you had to do was put a Bill on the Table, we would have looked at it, and if it had done what we're asking, we would have fully supported it.

You made that commitment, and once again you broke your promise.

The Speaker: — Order, please.

Mr. Bjornerud: — Mr. Minister, your government has become famous for putting walls around this province — ones that let our people go out of this province but block anybody from coming back in with their cheque book.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Mr. Minister, your high taxes in this province — higher than Manitoba, higher than Alberta — our long waiting lists in health care — longer than Manitoba, longer than Alberta — Mr. Minister, highways are worse in this province than they are in Manitoba and Alberta; those walls continue to keep people out.

Here's a chance for you — and not costing any money — to take down those walls, let Canadians come in, bring their cheque book with them, and make an investment in this province. Will you do that, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. Lingenfelter: — Mr. Speaker, to the member opposite. I've clearly indicated that the issue of Canadian ownership of Saskatchewan land is under active consideration. I would like though that the members opposite would send us in writing their position.

Well you're saying, you're saying if, if, if. What I would like is in writing — writing. Just send a small . . .

The Speaker: — Order.

Hon. Mr. Lingenfelter: — Mr. Speaker, I've been around here for 20 years dealing with Conservatives and your Conservatives, and I preferred to get it in writing so that we could have it in front of us as opposed to it.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 218 — The Saskatchewan Farm Security Amendment Act, 2000

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to move first reading of Bill No. 218, The Saskatchewan

Farm Security Amendment Act, 2000.

Some Hon. Members: Hear, hear!

Motion agreed to, the Bill read a first time and ordered to be read a second time at the next sitting.

TABLING OF REPORTS

The Speaker: — Hon. members, before orders of the day, I have a . . . Order, please. Hon. members, before orders of the day it is my responsibility to table *The Provincial Ombudsman Special Report*, June 2000.

I so table.

Mr. D'Autremont: — Thank you, Mr. Speaker. On a point of order.

POINT OF ORDER

Mr. D'Autremont: — Thank you, Mr. Speaker, I rise on a point of order dealing with members' statements from yesterday.

I believe there was a breach of rule 10(4), by the member for Regina Dewdney in his comments when he debated the member from Watrous in his comments.

I believe that according to the ruling that was done on May 26, that is contrary to the rules and should not be validated, Mr. Speaker, and I ask that he withdraw that.

Mr. Yates: — Thank you, Mr. Speaker. I apologize if I . . . for naming the member in the statement. I apologize and withdraw the name in the statement, Mr. Speaker.

The Speaker: — Hon. members, please. We've asked for a comment on a point of order.

There's been a comment from the member, the hon. member for Regina Dewdney, and given the level of noise that has been here, I'm not sure members on the opposition side have heard his comments. And I would ask all hon. members to kindly allow members to be heard when speaking.

Hon. member for Regina Dewdney, kindly repeat your statement.

Mr. Yates: — I apologize for using the member's name and withdraw my comment.

The Speaker: — I want to thank the hon. member for Dewdney. I want to thank the members for bringing that to my attention. We'll continue now with our business at hand.

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you, Mr. Speaker. On behalf of the government, I'm extremely happy to table a response to question no. 173.

The Speaker: — The answer to question 173 is tabled.

Mr. Yates: — Thank you, Mr. Speaker. On behalf of an open and accountable government, I'm very pleased to respond to question no. 174.

The Speaker: — The answer to question 174 is tabled.

Mr. Yates: — Thank you, Mr. Speaker. Once again on behalf of an open and accountable government, I'm extremely happy and pleased to respond to question no. 175.

The Speaker: — The answer to question 175 is tabled.

PRIVATE MEMBERS' MOTIONS

Motion No. 10 — Maintenance of Highways

Mr. Elhard: — Thank you, Mr. Speaker. This morning I rose early and headed up the highway north to Saskatoon. One week ago today I got up early and headed down Highway No. 4 to the community of Val Marie. I was struck in making the trip today by the significant difference in the quality of the two roads. It was so apparent, it was just black and white.

One of the interesting things that has developed over the last week or 10 days is the highways issue. It's taken on a life of its own, and I think in good part was spurred by the actions of private citizens in this province.

The one project that got the most attention of course was the effort undertaken by the residents of Val Marie. But I understand that a few days prior, residents of the community of Atwater undertook a similar project over a much shorter distance. And although they did not get the publicity, they in fact set the standard for public participation in highway repairs in this province.

The people of Val Marie, however, used the situation and condition of their highway to bring very important recognition to the problems facing residents in rural Saskatchewan in dealing with the highways that they have to travel on a daily basis.

And the people of Val Marie need to be commended for recognizing an opportunity to bring this particular problem to the attention of not just the media, but the people of Saskatchewan and of Canada on that particular event.

(1430)

A week ago this morning there were about 50 people showed up at the town office in the community of Val Marie. Now for those members opposite who have never visited Val Marie it has a very interesting wild west history. It's in a very desolate, underpopulated part of our province in the deep Southwest. But it is also home to Canada's newest national park, Grasslands National Park, and as such a lot of attention has been drawn to that small community. Unfortunately most recently, the attention that's been brought to that community has more to do with the sad state of their roads than it does of the glory of a new park.

Fifty people banded together to show their resolve to address a difficult problem. My colleague from Cannington and myself

arrived to offer our support and to lend a hand. We weren't there just to lend moral support and we weren't there just for the opportunity of a little publicity. We were there to work.

When we got there we were given hard hats, we were given vests, we were given shovels and/or rakes — whatever we needed. We joined the crews, we jumped on the back of the trucks, we travelled with them, and we worked with them.

And over and over again the people that day indicated to us that this was an important event in their lives personally and in the life of their community, because they came together to address a problem that nobody else was prepared to address, at least not on a timely basis. And the importance of that event in their lives was to meld that community into a tighter knit community. And I think that we need to commend their initiative.

And when I was asked, following that event, by media people whether or not I would recommend that line of endeavour for other communities, I immediately indicated that it was not the kind of thing you would expect any other community necessarily to do. Most communities just don't have the opportunity to bring their community together to work on a project like this. And if they do, maybe they don't have the manpower or maybe their citizens just aren't interested enough in co-operating on a venture like this.

Many other communities cannot do what Val Marie did. But it set an example for additional communities who felt that they had a need to do this same kind of effort; that needed to bring attention to the crumbling highway that serves their community; that needed to bring attention to the issue of rural infrastructure; to bring attention to the necessity of having a safe, reliable, all-weather road tying those rural communities to larger centres around our province.

Mr. Speaker, the reason these roads and the state of the roads is such a critical issue in rural Saskatchewan is not because there's a difference in rural Saskatchewan and urban Saskatchewan in terms of people, and it's not a wedge issue that's trying to parlay one group against another. The fact of the matter is that the people of rural Saskatchewan over the last ten years in particular, and nine years of this government's administration, have seen a decimation of services in rural Saskatchewan. The road, in many cases, is the last thing left for them, and for them to reach the services that are necessary to life and limb.

Mr. Speaker, when you live in a community like Val Marie, as far away as they are from an urban centre of any size where the only hospital that they can get to might be located, where the majority of their grocery shopping and other retail purchases need to be made — when you have to travel a highway in the kind of state that Highway No. 4 was in to reach those vital services, it's frightening. Not only is it dangerous, it's nerve-racking and it can be destructive to the vehicles on the road. The potential for mishap and accident is heightened, not to mention stress and fatigue of the people who are driving that.

So what we have is a situation where people look at those roads, Mr. Speaker, as absolutely essential to their survival. And that's why when you take away the important element, the last important vestige of their services and infrastructure, when you take away their roads, they have nothing left.

What that leaves, Mr. Speaker, is a desperate population. The people of Val Marie felt that they were in a desperate situation. And in order to address that, they decided to initiate the program that they undertook on Highway No. 4 one week ago today.

This morning, as I mentioned, I took the divided highway from Regina to Saskatoon. I made that trip in an incredibly comfortable way — two and a half hour drive, no fatigue, no failing highway, no crumbling areas of the road, no overwhelming concerns about traffic. I contrast that with Highway No. 4, and the dichotomy is startling.

Now I understand that Highway 11, I believe it is, between here and Saskatoon is an important commercial artery. That it serves a very important part in the economy of this province. No less so though, I might add, is the artery that No. 4 ought to be for the people of Val Marie and the potential for their future.

With the Grasslands National Park situated there, with the effort that has gone into tourism to promote it, to bring people to that area; with the tie-in that it naturally makes with the Cypress Hills, the new dinosaur museum in the community of Eastend, the sand hills of the Sceptre area, the attractions in Leader, the many things that there are to offer — to turn parts of the road back to gravel or to let them fall into a terrific state of disrepair is just inappropriate. And not only that, potentially harmful to the area.

What I find really interesting about the decline of rural roads under this administration is that most recently this government, the NDP-Liberal coalition, has made a fairly significant issue out of the matter of economic development in rural Saskatchewan, and on the basis of that argument, has pushed ahead with an attempt to compel RMs and small communities to come together in an amalgamation program. That whole effort has taken up much more time and debate, much more questioning, much more energy than it ought to have.

If in fact economic development is the primary motivating factor in the rural amalgamation concept, then how do you expect to achieve the results this government says they want if they would let the most basic element of infrastructure decay before our eyes?

How can you possibly encourage economic development in rural Saskatchewan on one hand when on the other you aren't even able to get raw products in and finished products out of the region? How does that help economic development? Would some wise person give me the answer to that question?

I think that the most simple economic theorists would say that if you have people willing to develop some economic initiative in a rural area, at the very least they must be able to get products in — raw products in, and finished products out in order for it to have any hope of success. Anything less than that is just spitting into the wind, frankly.

The roads of rural Saskatchewan, Mr. Deputy Speaker, are crumbling around us and we've heard time and time again from the Minister of Highways and the deputy minister and more recently the Premier, that it's all the fault of the federal government. They're the big, bad guys in this whole story.

Well the reality, Mr. Deputy Speaker, is that while rail-line abandonment was happening, it didn't happen overnight. It wasn't announced yesterday. This government has been in charge of the affairs of this province for nine years. Rail-line abandonment has been a topic of at least nine years in length.

Somebody on that side of the House should have had the foresight to see the implications of rail-line abandonment, how it would affect rural Saskatchewan, how it would affect the roads of the area, how it would affect the economy of the area, the negative impact it would have, and start making some plans to adjust or at least to compensate for the pending disaster.

Now I would believe that at nine years of age I would expect my child to take some modicum of responsibility for his or her actions. I think a government that has been in power for nine years ought to at least do the same. I would expect this government to do as a minimum . . . to accept as a minimum its responsibility in the affairs of the last nine years.

To have said it's all the fault of the federal government is to deny the reality of this government's obligation. And I see that these roads going back to gravel is a declaration of failure and an abdication of responsibility by the current government.

Mr. Speaker, or Mr. Deputy Speaker, rural roads are not important just for convenience sake, although that plays a very important part. I know my constituency very well. I know the distances that people have to travel to get any type of service, to get any kind of help, to buy any kind of product, to get any kind of medical relief, to ship out any kind of produce that they may grow on their farm.

I know the distances people have to travel on school buses. I know the concerns of the people in the Climax area when the Eastend unit school board would no longer allow children to be on school buses driving down Highway 18. I understand that. I know those people; I know that area. That is a significant worry for people.

Those roads are there for, as I mentioned, social purposes, retail, and economic purposes. But what I think those who are proposing that we allow these roads to go back to gravel without serious concern — even though they have indicated that safety seems to be the primary issue here — what they have failed to realize, Mr. Deputy Speaker, is that when the road is not an all-weather road, when you can't travel that road safely under rainy or stormy conditions, it is no longer simply a safety issue. In fact safety becomes a negative component of that particular road.

When a commercial trucking company cannot depend on all-weather access to a community because the road has been turned back to gravel, they're very reluctant to send their trucks into that community. And when trucks carrying commercial products will not attend a community to provide them the basic necessities of life, what happens to that community?

That store can't supply their customers. Their chances of survival are reduced. If the local community has no retail outlet, whether it be groceries or hardware or whatever you may ask, if you can't buy that locally, the citizens of that community are compelled to go greater distances to larger communities. They

are forced to get on these roads, these roads which now are dangerous.

And, Mr. Speaker, that's another reason why the people of these communities are so adamant about not allowing their roads to go back to gravel. Their very survival, their very future as a community is now at stake. And that is the primary motivation for the kinds of actions that people in these small communities have undertaken, and in other cases are thinking of undertaking.

You can appreciate, I'm sure, the threat that people feel and the response, the gut response that evokes in people when their survival is at stake. And I think that we need to encourage this government to talk to those people, to work with them, to try and find some kind of a solution. They're at a point now where they're volunteering their own time, their own equipment, their own manpower, their own energies, to do the work that ordinarily would have been done by the Department of Highways.

And because the highways are crumbling all over the province, the department is stretched far thinner than it can possibly accommodate. These problem areas are so numerous and so far advanced that even if the Department of Highways budget was doubled over the next couple of years, they wouldn't be able to handle all of the needs in rural Saskatchewan.

Why is that the case? While I was looking at some notes last night . . . and even though the Minister of Highways has indicated many, many times in this House, that this year's Department of Highways budget is larger than it's ever been, the sad reality, Mr. Deputy Speaker, is that at the start of this government's mandate the Department of Highways budget was gutted. There was so little money left, so many downsizing efforts were undertaken, so many reductions in service were accomplished because of that gutting, that the whole department was overwhelmed.

After five, six, seven years of neglect, without the kind of proper attention being paid to them that many of these secondary highways have seen, there's simply no way of keeping up with the problems that have developed.

(1445)

And I'm very sympathetic with the problem in terms of being overwhelmed, but the fact of the matter remains, Mr. Deputy Speaker, that that issue became so significant as a direct result of the neglect of this government over the last many years.

One of the things that has arisen from the decaying roads is damage to vehicles. Now we've heard reports of pavement being thrown through windows. A couple of years ago there was a lady south of town that was rather seriously injured actually by a piece of pavement that came through her windshield.

In case anybody in this House, and particularly on that side of the House, thinks that that was a rarity, I can tell you as a matter of fact, Mr. Deputy Speaker, that I have had four of those instances reported to my office alone where there has been serious damage done to the vehicles; where glass shards have been blown into the individuals' faces; where a piece of

pavement went right through the front windshield, through the cab, and out the back window of another vehicle, just barely missing the driver.

I have those complaints coming to my office; we are documenting them. And I'm sure that my office is not the exception, that this is the kind of experience that many other MLAs are having in their constituency as well.

There is a significant danger factor associated with the highways as we know them now and the condition that they are in.

Much has been made about the movement of heavy grain over these secondary highways and how that has caused the more rapid deterioration.

I don't think anybody would deny that there is a role played by heavy hauling trucks driving at fairly high rates of speed, but I don't think that they should shoulder the blame entirely for this issue. I think that the hard-working drivers of those trucks are providing a service that is not available to farmers in any other form now, especially that many of the rail lines have been abandoned.

But I think that there is . . . there is a role that this government could play in that regard as well and I haven't seen it happen yet. I think that when you have a heavy haul truck going at an excessive rate of speed you have damage graphed moving upwards exponentially. Those two factors in tandem create an exceptionally high damage component to the roads.

If the government was serious about preventing some of that damage they may look at allowing weights to continue as they are and asking truckers to reduce their speed on secondary roads, so that at a minimum when they get to primary roads they can regain their speed and still hold their weight to a legal limit.

On the other hand you could reduce weights and not do anything about the speed, but I do not believe that that would have the sufficient impact to hold the problem in check.

We have also been told many times that the government is spending a full \$250 million on highways and while that is maybe technically correct, it in fact misleads the public to talk about the amount of money going to the roads.

What we've got is a budget of \$250 million for the entire department of which about \$61 million is going to construction. And I can't recall the exact additional amount but in total we only have \$160 million going to construction and maintenance. I'm not very good with mathematics off the top of my head — used a calculator for too many years.

But the other amount, the difference between 260 million and . . . I'm sorry, 250 million and 160 million is going to such things as equipment purchase, administration, salaries, and those types of things.

There is a desperate need for more money to be put into the Highways' budget. And when the government brags about spending 80 cents of every dollar they collect on fuel tax on

highways, they're not quite right. And I think that distinction needs to be made.

The other point is though, Mr. Deputy Speaker, that 20 cents of every dollar collected remains to be spent on highways. That 20 cents is going elsewhere, but it could in fact be going to highways. And I would call on the government to reconsider the way they apportion the fuel tax money.

Finally, I would like to point out that this government has claimed poverty and can't in fact afford more money for the Department of Highways. The reality is this government's priorities are not in highways.

They have money for whatever they wish. They have money to do what they want to do. But most importantly, Mr. Deputy Speaker, they have a \$700 million fund sitting there collecting interest. And if it was important to this government to see the highways repaired to a driveable standard, they could afford to do it. Let's not pussyfoot around that particular issue. It's not a matter of money — it's a matter of will.

And this government, Mr. Deputy Speaker, does not have the will to address the issue.

The Acting Speaker (Mr. Prebble): — Order. Order. Order, order. Order, please. Order. Members of the Assembly, it is impossible for me as Speaker . . . as Deputy Speaker to hear the hon. member for Cypress Hills. There is simply too much noise taking place in the Assembly on both sides of the Assembly.

And I apologize to hon. member for Cypress Hills that I've needed to interrupt him. But I ask all members of the Assembly to give the hon. member for Cypress Hills the opportunity to make himself heard without undue interference.

Some Hon. Members: Hear, hear!

Mr. Elhard: — Thank you, Mr. Deputy Speaker. Having driven many of the rural roads in this province over the last number of years, I can speak of first-hand knowledge to the costs that I have incurred to my own vehicles. I took my van in after having about 280,000 kilometres on it, took it in for some service work, and my service manager said, you shouldn't need these repairs yet — this is a vehicle that's got a lot of kilometres — you shouldn't need these repairs yet.

But these have been incurred by bouncing across these roads. It's premature; it's unnecessary. And if I've experienced that, Mr. Deputy Speaker, every person who's driving a vehicle in rural Saskatchewan is going through the same thing. That's an economic cost to the people living there that this government never takes into account.

Mr. Speaker, I said a few minutes ago that I was making my final point. I will wrap it up. There is much more that I could address on this particular topic and I think that it's a critical topic for the people of this province.

Interestingly enough when I was in Saskatoon this morning, most of the media people that came to our press conference indicated that they are from rural Saskatchewan originally and they have experienced the same conditions, the same problems,

and the same concerns as we're trying to draw attention to today. They're living in the city, but they know what the problems are in rural Saskatchewan in connection with this issue. I wish to goodness that the members of the government opposite were equally as aware.

Mr. Deputy Speaker, having said this, I would like to read into the record the motion of the day. It reads as follows, moved by myself — Wayne Elhard from Cypress Hills — seconded by the member from Saltcoats:

That this Assembly urges the government to set aside any plans to revert Saskatchewan highways back to gravel, commit that the government will not download responsibility for current numbered highways onto local governments, and to consult with local residents and to co-operate in finding and implementing other alternatives.

Thank you, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, I think the attention that highways have been getting in this legislature and across this province in the last two or three weeks is just an example of the deplorable state of the highways and the concern that people in urban and rural Saskatchewan have, Mr. Speaker.

What happens is . . . I think the point is . . . goes out and looks at the rural people as once again complaining about their roads. But you go downtown in Regina, you go downtown in Saskatoon, and the business people and the people that drive out of this city to do any kind of business or holiday or take a weekend out in the country all have saw the deplorable state of our highways and have the same concerns we do — the ones of us that live out in rural Saskatchewan.

So I think when the government tries to point the urban-rural split, Mr. Deputy Speaker, it's not an urban-rural issue. It's a Saskatchewan issue. Number one, we're chasing tourism right out of this province, as we saw some of the things that came up in question period a few days ago where a golf course couldn't get people there.

All things like that are affected — golf course, fishing resorts, everywhere, everything we have in this province that rely on outside money to come in, Mr. Deputy Speaker. We're chasing these people out, blocking them from coming in and spending their money because we aren't investing in our future and investing in our roads that we need for a number of areas including tourism, Mr. Deputy Speaker.

Mr. Deputy Speaker, I'm just going to quickly . . . and we have 58 constituencies and I believe there's — what? — about 30 are outside of the cities in this province so that the highways are really in the worst shape in those spots.

I'm going to give you an example, Mr. Deputy Speaker, of the highways in my own riding and you can magnify that times 30 just to tell you how many highways have to be fixed in this province, how many roads have been let . . . in a run-down state over the last 10 years.

Mr. Deputy Speaker, I have a highway — and this is a really amazing situation, Mr. Deputy Speaker — but I have a highway called No. 8 Highway from Wroxtton to Kamsack. Two years ago, Mr. Deputy Speaker, the highways contracted it out and resurfaced half of this road, and I commend them for that because the highway was in terrible, terrible condition. When it rained, Mr. Deputy Speaker, you had about four or five inches of water within the hollows where the traffic had drove and it was very unsafe. So I was happy to see this.

Now, Mr. Deputy Speaker, I said two years ago. I thought they would come out last year and fix the other half. I knew money was short, maybe couldn't fix the whole highway.

You know what they did, Mr. Deputy Speaker? They've left that road. They haven't even come back yet. And it's not on the list. In fact, do you know what list it is on now? It's on the list to turn it back to gravel.

So what we're going to have is a newly surfaced 13, 14 miles of road on that highway. And now we're going to get the cultivator out and we're going to rip the other 13 or 14 miles up. This is going to be really good for agriculture, really good for tourism — we have Duck Mountain park up in that area. Southerners are really going to want to drive down this road. You come off a fairly decent half of it and here we go, bang and you've got dust and stones flying because somebody has no idea how to fix the highways in this province.

The Highways minister last night had made the comment in here that it's too expensive to fix highways properly. Well, Mr. Deputy Speaker, as a past reeve, those same comments I guess would be fair if you were talking about RM roads. But what we do in the RMs is, if we have a heavy traffic count road, is we build it to heavy traffic standards. We spend the extra money, and we don't have to go back for 30 years, Mr. Deputy Speaker. Not 3 years like the minister talked about these thin-membrane highways — we don't go back for 30 years because we do it right the first time.

If this government, Mr. Deputy Speaker, would just once in a while take a look out there and see what local municipal people are actually doing and doing right and doing without running up a debt and been doing that for a number of years — many, many years, Mr. Deputy Speaker — they might not be in this situation where they throw up their hands and don't have any idea how to fix health care, education, highways, social services. Anything in this province that they've ran into the ground, they have no idea how to fix.

Mr. Deputy Speaker, we look at the numbers and what comes to mind is the last election and the comments the Liberal leader made about the fuel tax and the licensing tax. Right now we take in, between the two, \$460 million, Mr. Deputy Speaker.

Now actual highway maintenance and construction, we only spend \$170 million. That's about 35 per cent. That's a far cry from the 87 per cent that the Minister of Highways, and for that matter the Deputy Premier, have been trying to spin the public. It's not even close to that figure.

What has happened is more is spent on administration and less on the actual building of roads and maintaining roads when

they're in the state that they are and need actually more dollars spent on that than they do pencil-pushers costing us money and no people out there actually fixing the highways.

I believe all highway crews in this province have had their numbers cut, their budgets cut to the amount of material they can even use to repair these roads, Mr. Deputy Speaker.

Mr. Deputy Speaker, as I was talking about my constituency and the highway from No. 8 going from Wroxton to Kamsack being in a deplorable state, it doesn't end there.

(1500)

I've got No. 15 Highway from No. 9 over to No. 16 on the Melville shortcut, over to 16 that I go home, Mr. Deputy Speaker . . . when I go home every weekend. And I along with many others, are actually diverting over to the rural roads which are in far better condition because they're looked after by local people, than the highway is, because it's not safe, Mr. Deputy Speaker.

Then I've got No. 8, Langenburg to Spy Hill. You could take a picture of one of these roads, Mr. Deputy Speaker, and you could swear that each road was the same picture. It's the same mess everywhere out there.

I've got a short road, MacNutt to No. 80. Short road, narrow, only a two-lane road, it's not a wide road, but it's hard surface in some spots because they've dumped gravel in places on it. But it's in a deplorable state.

Then I've got Churchbridge to Wroxton, No. 80. I've got Churchbridge to the IMC (International Minerals and Chemical Corporation (Canada) Ltd.) mine. Here's where workers go every day, paying very high taxes. These are the people when they get their cheque they're lucky if they get half of it after the income tax and all the deductions like EI (employment insurance) and everything else come off, and they're asked to drive to work and ruin their cars on these kinds of roads.

The point I'm trying to make, Mr. Deputy Speaker, is this is one constituency. And I'm sure I've missed some in my constituency that needs work. Now, Mr. Deputy Speaker, if you multiply that amount of highways to be fixed times 30 around this province, it will take us, when we get in power and have an idea of how you may fix these problems, probably 20 years to even start to make it look like this province is open for business once again, Mr. Deputy Speaker.

Mr. Deputy Speaker, we've had many comments lately in here about the possibility of downloading to the municipalities, and I believe the idea of turning these highways to gravel is part and parcel of that agenda.

The Minister of Highways said today that there's no agenda. But I remember back in 1991, Mr. Deputy Speaker, before I was elected and I was just a farmer out in rural Saskatchewan doing my thing, and I remember the election came and went, and I don't remember hearing one promise from the NDP that they were going to close hospitals if they got elected, to balance the budget.

Well, Mr. Deputy Speaker, we've saw what happened. At that point they said they had no agenda and come along and close 52. Since then they've closed two more, one of them being by the way, the Plains hospital that serviced eastern and southern Saskatchewan, in fact was our lifeline to health care when things really got bad and we couldn't get into our own hospitals.

So I guess what I'm saying here, Mr. Deputy Speaker, is that a government that had no agenda to do that and closed hospitals to that magnitude, I don't think would have one bit of a problem here saying they had no agenda to turn highways and turn them back to gravel, or turn them over to the RM's responsibility, and then turn around and do it when they thought nobody was looking, probably after session in this session, Mr. Deputy Speaker.

I think they're waiting for a number of things, hoping for the publicity to go away. More hospital closures probably are in sight. And then along with this, turning of roads back to gravel, are very important issues, Mr. Deputy Speaker.

I want to talk to you, Mr. Deputy Speaker, about some of the letters, and I think all the MLAs (Member of the Legislative Assembly) on our side get letters now — every day e-mails, faxes — from people that have drove these highways that are from cities, they're from rural Saskatchewan.

I'd just like to quote one of these letters here, Mr. Deputy Speaker. And it's from a Robert Hamilton, and he goes on to say:

I am writing to bring the deplorable state of highway 42 to your attention. On the May long weekend my family and I were travelling to (the) Palliser Regional Park pulling our boat. We hit what . . . (could) only be described as a crater that was . . . 8 feet long, 4 feet wide and 8 to 12 inches deep.

Normal highway in Saskatchewan, Mr. Deputy Speaker. I go back and I quote:

Our trailer bounced off the hitch breaking the security pin and snapping the metal safety chains. It was really a miracle that our family was spared any serious injury.

He goes on to say:

As we continued our trip we made a game of counting (the) potholes. Between the town of Eyebrow and Keeler, we counted 313 major potholes . . .

Three hundred and thirteen, Mr. Deputy Speaker.

. . . and 13 stretches where thick layers of dangerous gravel (had) . . . been spread on the road. I found it very difficult to retain control of our vehicle when I hit these patches. We passed one sign which read "Broken Pavement 5km" but when that 5km stretch ended we were confronted with another identical sign followed by a third sign indicating a further 10km stretch of broken highway ahead.

And I could go on with this letter. That writer explains their

whole trip out there and what a nightmare it was. But he made some really good points in here, Mr. Deputy Speaker.

I've been on highways into the province here where you may travel for 50 or 60 kilometres, even more, where I think it would have been simpler to put at the front of where you come onto that highway saying: this highway is in a deplorable state, you can't go more than 10 kilometres an hour. And put the sign at the other end saying: you are now entering Alberta; you're out of the rough zone of Saskatchewan highways.

Mr. Deputy Speaker, this letter here is only one example of the many that we're receiving every day. I also got another letter here and I'd like to read it to you, and it's another highway that I talked about here from Langenburg to Spy Hill, and it goes on to say:

Dear Sir: This letter is in regards to the state of disrepair of Highway # 8 from the Junction of Highway # 22 North to Langenburg. For the last few years this highway has continuously created havoc with the regular traffic who . . . (use) this road. It is not only a hazard to vehicles but also a safety issue, not to mention the very poor representation to tourists (as I talked about before, Mr. Speaker) who frequent our province. There are some signs to mark the potholes but if you are not familiar with this stretch of highway you can cause serious damage to your vehicle. I'm sure SGI appreciates the increased claims as a result of this poor excuse for a road. In the end we are all paying due to (the) increased premiums. If . . . fuel tax would have been applied (to) where it was initially allocated we wouldn't have the . . . (need to this extreme). Please consider this letter . . . our plea to repair this road as it should be and not another band-aid job.

And this lady happens to be a constituent of mine, a Kim Walz from Spy Hill. Her and her husband have to drive this road on many occasions.

These letters, Mr. Deputy Speaker, are just examples of what we're getting. And I'm sure the members opposite are getting . . . are told to file them in the garbage because the Minister of Highways and the Premier don't want to see it.

Mr. Deputy Speaker, I'd like to talk a little bit for a minute about a comment the Deputy Premier talked about the other day. And I'd just like to quote, and this is the Deputy Premier saying:

I have talked to . . . officials in Highways and they are at present time contacting the people in Climax. And if an arrangement can be made where the responsibility for this road will be taken up by the municipal government . . . well this is what (they've been) . . . asking for, this is what . . . (they've been) asking. Within a spirit of co-operation that can be worked on.

This is our concern, Mr. Deputy Speaker, that there is something going on within government departments to try and turn many of these roads over to the local RMs.

Mr. Deputy Speaker, I think it's nothing more than another way of downloading onto the local governments out there who at the

same time are fighting forced amalgamation, which is another form of downloading. And I think . . . you know, we have this old saying from this government: trust me, I'll take care of you. Well we've saw since 1991 how they've taken care, especially of rural Saskatchewan.

Mr. Deputy Speaker, the Deputy Premier also, in his ramp the other day, in his answer to one of questions —or so-called answers, because we get very few actual answers out of the government — was talking about the 400 pieces of highway equipment that the Devine government sold at fire sale.

I found it amazing that about the next day I saw in the paper that this Highway department is moving some equipment. It's somewhat hypocritical of the Deputy Premier on one hand to be blaming everything on Jean Chrétien, the federal government, Grant Devine, and the Grant Devine days, when he's turning around and doing exactly the same thing here. But I guess it wasn't okay then; it's okay now.

Maybe they have a point, Mr. Deputy Speaker. Maybe when you really give up, you might as well sell the equipment off and just let the roads go back to grass rather than wasting gravel on them.

Mr. Deputy Speaker, for the member from Cypress that talked to you before on this, and I've talked to you, every member on this side of the House I think has talked to you on this issue, and to the members opposite, said that just how bad the deplorable state of these highways are.

And then, Mr. Deputy Speaker, we get comments like we did from the member for Saskatoon, I believe it's Southeast, saying that her back alley has more traffic than we do out in rural Saskatchewan. I think, as the headline says in *The StarPhoenix* today, Murray Mandryk's column, it says, and I quote: "Back-Alley Pat hurts NDP image."

Well I think her comments have actually offended everybody out there in rural Saskatchewan. To think that we have elected members on that side of the House that aren't any more familiar with our roads and traffic patterns and traffic numbers out there to even compare to her back alley. And I'm not saying . . . She may have a very high-traffic back alley, and that may be very possible. But realistically it would be nothing compared to the roads and the traffic we have out here in rural Saskatchewan.

I also notice Tuesday, June 13, *The Leader-Post*, and I quote again, "Archer calls for twinning money," another problem that we have, Mr. Deputy Speaker. And I'm the first to admit that the federal government also has a responsibility here.

But can we sit back and wait for the federal government to come to the table when for the last . . . well ever since they've come to power too, they've done nothing in Western Canada. Can we watch people get killed on these highways? Can we watch our highways deteriorate to the point that they have — and even worse if we leave them — and sit back again and throw up our hands and say, we don't have a plan, we don't know what to do?

And I mean this is a tired old government with a tired old Premier, when you get to that point that you have no ideas, you

have absolutely no way of fixing the problem. In fact you give us the same answers across here every day, Mr. Deputy Speaker. There's no fresh ideas on that side.

I have a suggestion to the members opposite. Why don't we do the right thing? Let the Premier go on to something better, the health care issue for the Prime Minister, and let your new leader call a provincial election. Let the public decide what we'll do with these highways, what we will do with health care, what we will do with education, and especially what we will do with high taxes in this province.

Some Hon. Members: Hear, hear!

Mr. Bjornerud: — We have ideas. We're not tired. We're not old. We're not out of ideas. We have a plan for Saskatchewan. And Saskatchewan people, according to the polls that are coming out — even your polls — Saskatchewan people are buying into our plan and are very sick of you not having a plan.

I rest my case, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Mr. Yates: — Thank you, Mr. Speaker. It's with a great deal of pleasure I rise to enter into the debate on this issue. And at the end of my remarks, Mr. Speaker, I'll be moving an amendment to the motion presented by the members opposite.

And, Mr. Speaker, that amendment will delete all the words after Assembly and replace it with the words, endorses the government's efforts to obtain federal funding and involvement in a Highways and Transportation policy that responds to the needs of Saskatchewan, Mr. Speaker.

Now, Mr. Speaker, I want to enter this debate and talk about the seriousness of this issue. Members on this side of the House do not take this issue lightly, Mr. Speaker. This is an issue that faces all the residents of Saskatchewan, Mr. Speaker. It isn't an issue of just those who live in rural Saskatchewan because those of us who live in the cities travel on those same highways each and every day.

Mr. Speaker, those are our family members, those are our friends, those are our relatives that use those roads. And when they talk about safety and indicate we're not concerned, we're every bit as concerned, Mr. Speaker.

What we're trying to do is deal with a highway system that was built some 30 or 40 years ago, Mr. Speaker, that was not built for the demands of today.

And as I heard the member opposite say, and I believe quite, quite honestly; that it would take 20 years for them to fix this problem. And, Mr. Speaker, I don't disagree with him. It took many, many years to build this infrastructure. It was built at a time when we used railroads for main, heavy hauling in this province, Mr. Speaker. The roads were designed for vehicles to travel over, not heavy semi-trucks pulling one or two or three B-trains behind them, Mr. Speaker. They were designed for that time in which they were built. And many things have changed since then, Mr. Speaker.

The Acting Speaker (Mr. Prebble): — Why is the member on his feet?

Mr. Kowalsky: — To request leave to introduce guests, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Kowalsky: — Thank you very much, Mr. Speaker. It is my pleasure to introduce to you today, sitting in the west gallery, two students from the E.A.G.L.E. program in Prince Albert. These two students are Miranda Naytowhow and Edwin Bear. The E.A.G.L.E. program, Mr. Speaker, E-A-G-L-E, stands for education is a good learning experience.

It's a program co-sponsored by the school board and Saskatchewan Social Services and it's for students who particularly want to get their way back to school. And as part of their program, they have been accompanied here today by Pat Ince and Morley Harrison from Prince Albert.

And I want the Assembly to welcome our guests to the Assembly today. And hope that they have a pleasant experience here in Regina.

Hon. Members: Hear, hear!

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

Mr. Wiberg: — Mr. Deputy Speaker, leave to also welcome guests.

Leave granted.

Mr. Wiberg: — Thank you very much, Mr. Deputy Speaker. It is with a great pleasure that I too would like to welcome the guests from Prince Albert. And most especially I'd like to welcome Mr. Morley Harrison who spent a great deal of years helping my children get through high school and I greatly appreciate all the work he put into it.

My daughter was significantly involved in provincial athletics at the time and without his significant input into her life at that time, achieving grade 12 would have been a great difficulty for her.

And I just want to thank him at this time and again join the member, my colleague from Prince Albert Carlton in welcoming Mr. Harrison to the legislature this afternoon.

Hon. Members: Hear, hear!

(1515)

Mr. Thomson: — Mr. Deputy Speaker, I too seek leave to introduce guests.

Leave granted.

Mr. Thomson: — Thank you, Mr. Deputy Speaker. It is a pleasure to join with other members in welcoming our guests to

the gallery. It's always nice to see young people come and witness the work here.

I do in particular want to welcome Mr. Harrison. Mr. Harrison was one of my high school teachers. I'd say he taught me everything I know but that might reflect badly on him. Mr. Harrison was, however, very instrumental in my gaining a real interest in public affairs and I think that it has — I'm not sure — served me well but it has certainly played a big part in getting me here.

So if you will also join with me in welcoming them.

Hon. Members: Hear, hear!

PRIVATE MEMBERS' MOTIONS

Motion No. 10 — Maintenance of Highways (continued)

Mr. Yates: — I'd like to continue my remarks where I left off, talking about the changing demographics of our highways system from when it was built to today, Mr. Speaker.

Mr. Speaker, I want to help the member from Kindersley opposite — who I have a great deal of admiration for in a number of ways — to understand that since 1984, as an example, we've had an 860 per cent increase in the hauling of grain on our highways, Mr. Speaker. And that is very, very significant. Very, very significant, Mr. Speaker.

Now, Mr. Speaker, I also want to talk a little bit about what we're doing in regards to highways and what we've done over the years. Mr. Speaker, this highway system was built some 30, 40 years ago — the thin membraned surfaces that are deteriorating so rapidly today, Mr. Speaker. And they were built at a time when vehicles went over them that weighed virtually 2, 3,000 pounds at most, Mr. Speaker — not near the weights of the vehicles that are expected to travel those roads today.

The other thing is, Mr. Speaker, that in order to rebuild these roads today is a phenomenal task, particularly burdened with over \$700 million of debt annually, Mr. Speaker.

Now it doesn't matter to place blame . . . it's easy to place blame on somebody, but the reality is that debt is there. And every single day we're paying \$2 million on that debt, Mr. Deputy Speaker. If we didn't have to pay that, Mr. Speaker, we could very, very easily deal with a number of the challenges facing the people of Saskatchewan.

And the reality is those same challenges would face the members opposite if they were government. They would face the Government of Alberta if they had the same debt. The reality is a debt is a debt and has to be paid, Mr. Speaker.

I just want to go through a few statistics from last year, Mr. Speaker. These numbers wouldn't be out for this year yet. But on spending per capita on highways, Mr. Speaker, last year, the province of Manitoba spent \$191 per person in the province . . . (inaudible interjection) . . . Manitoba. Mr. Speaker, we spent \$229 per person in the province of Saskatchewan. And Alberta spent \$189 per person last year, Mr. Speaker. Now that is a

significant difference, Mr. Speaker. Mr. Speaker, we spent more.

And, Mr. Speaker, I continue to hear the members opposite talking about administration costs. Again we don't have the numbers out for 2000 yet, but in the last fiscal year, Mr. Speaker, we had the cheapest administration costs in the country, Mr. Speaker. Now, Mr. Speaker, those are all things that indicate that we are trying to work within the available funds to do what we can to protect our highways system.

Mr. Speaker, I want to talk more significantly about the greatest challenge we have. And I want to point out that the Canadian government collects approximately \$5 billion in gas tax. And it spends 5.5 per cent of that on highways, Mr. Speaker.

In comparison the US (United States) federal government provides 31 per cent of all highway funding. And Britain, our friends across the ocean, Mr. Speaker, spend 100 per cent; they provide 100 per cent of the funding for highways.

I'd just like to talk about some of the other G7 nations, the other economic powers in the world. France spent 68 per cent; Spain, 64; Australia, 51; Italy, 44; Germany, 36; and we in Canada spend only 5 per cent of our national budget on highways. And, Mr. Speaker, they only provide 5 per cent towards the funding of highways in this country.

Now, Mr. Speaker, we are doing what we can to deal with a very difficult situation in highways. We are working towards resolving those issues that face us and those challenges.

So, Mr. Speaker, in that light, I would like to move the following amendment:

That we delete all the words after "Assembly" and replace them with the following:

endorse the government's efforts to obtain federal funding and involvement in the highways and transportation policy that would respond to the needs of Saskatchewan.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Harper: — Thank you, Mr. Deputy Speaker, and it's my pleasure to enter into this debate and to second the amendment.

Mr. Speaker, as I'm sure you know, and I'm sure that all of my colleagues in the legislature here know, that Saskatchewan is a very wide and extensive province and it enjoys — and I say enjoys — it enjoys twice as many miles of highway as the provinces of Manitoba and Alberta combined.

That, Mr. Speaker, is an extensive highway system that we have enjoyed in this province and continue to enjoy. But that highway system for the most part is . . . two-thirds of it is a thin membrane system. It was designed and built in 30 or 40, in some cases 50 years ago, and it was constructed to the requirements of the day. And it was oil surfaced in many cases as a result of the prosperity the Saskatchewan governments enjoyed both in the '60s and '70s, not to provide heavy-haul

road surface but to provide dust-free access.

For that reason, Mr. Speaker, two-thirds of the highways in this province were designed, built, and hard surfaced for light passenger traffic. Cars, half-ton trucks, and in some cases, the farm trucks of the day, which were in most cases two-ton and three-ton trucks, which carried loads that were adequately supported by that design of highway.

But as my colleague from Regina Dewdney has so eloquently pointed out, the farming economy, the farming situation has changed dramatically in Saskatchewan in the last 40 years. We have seen larger and larger farms. We have seen rail-line abandonment and elevator closures. And it's sad to see that, Mr. Speaker, but I suppose that it's known as progress or the changing times.

It's also saddened to have opposition politicians in Ottawa encouraging that to happen by lobbying the federal government of the day to reduce and in fact eliminate farm subsidies that would encourage the maintenance of rail lines. And with the rail-line abandonment, it forces farmers to move their product much, much further. With distances involved, farmers then look at the most economic way of moving that product, and that of course is in larger loads.

With larger semi-trailer units now replacing the two-ton and three-ton farm truck of 20 and 25 years ago, we now have these heavy loads going over highways that were built 40 and 50 years ago — built and designed to support two- and three-ton truckloads, now being asked to carry heavy semi-trailer units.

Well, Mr. Speaker, it simply doesn't work. It simply won't hold up.

So what are we experiencing? We are experiencing all across this province, thin membrane highway systems breaking up.

Reality is, Mr. Speaker, that we have to deal with this. We have to deal with this if for no other reason, for a safety factor. And if you speak to many of those truckers who are driving those trucks and hauling those loads . . . But many farmers who are doing their own trucking will tell you immediately that they would rather haul on a gravel surface than on a thin paved surface. It simply . . . the road simply stands up, but it's simply more economically beneficial to them because they're not first of all fighting holes, but they're also not fighting that soft surface where their truck is working much harder, taking more fuel.

They would rather haul that load on a good grid road, good gravel surface road than on a thin membrane oil surface.

And, Mr. Speaker, it's interesting to note that in the Saskatoon *StarPhoenix* today was a letter to the editor, and I'd just like to read part of that letter to you. The headline was "Good roads don't come free." The letter writer was Bessie Bury from Saskatoon, and in there she says:

. . . I sympathize with local residents who have to use the roads for their daily needs.

However, as we sympathize, I wonder if these same people

are the ones who have been pressuring government to cut taxes or who supported the Devine government which sold off road equipment and ignored many kilometres of road which needed ongoing maintenance.

Mr. Speaker, I think that is a very insightful point of view by that person because that happens to be the reality. We are suffering today from the results of mismanagement of the '80s, results of mismanagement by those people over there and their forerunners, Mr. Speaker.

In fact, Mr. Mandryk in his article in his column today, I think described it quite adequately when he said:

Since the province of Saskatchewan began running deficits in 1982 (not before, but in 1982), we have shelled out an amazing \$9.736 billion just to pay the interest on the accumulated annual deficit.

And it goes on to say:

What does this figure mean in the context of provincial budgeting?

At a cost of \$250,000 to pave a kilometre of Saskatchewan highway, we could have paved and rebuilt all the paved highways in Saskatchewan (20,000 kilometres), all the gravel highways (6,000 kilometres), and all gravel and dirt rural municipality (RM) roads, (159,000 kilometres) (and we could have done all this) *twice*.

Mr. Speaker, that is what this government has dealt with for the last nine years. I think this government has done a great job of it. I know this government will continue to provide excellent and quality transportation services for the people of Saskatchewan, urban and rural.

Mr. Speaker, at this point I'd like to adjourn debate.

Debate adjourned.

Mr. Kowalsky: — Mr. Speaker, I would now ask leave of the Assembly to move to government business, adjourned debates.

Leave granted.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 1

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 1 — The Farm Financial Stability Amendment Act, 1999** be now read a second time.

Mr. Boyd: — Thank you, Mr. Deputy Speaker. It's my pleasure to enter the debate on The Farm Financial Stability Act and the changes that the government is considering with respect to that.

I think when you look at the farm community in Saskatchewan today, there's a great deal of concern about stability in agriculture. We've seen in very graphic form last fall and played out through the winter months here in the legislature and across this province, the concern that farmers have about the viability of the industry and indeed their personal circumstances and their farm circumstances that they find themselves in.

(1500)

We have for a number of years on this side of the Assembly, have been telling the government opposite that there is continued fundamental problems in agriculture that must be addressed. We continue to believe that. We also have been expecting this government to move in a fashion that would address some of those concerns, and we have still not seen the government doing those kinds of . . . doing the kind of steps that we believe are necessary to provide financial stability for the agriculture community.

We believe that this Bill perhaps has some merit in terms of addressing some of the short-term concerns that are out there. However, there are many, many fundamental concerns in agriculture — whether you look at transportation, whether you look at crumbling highway network in Saskatchewan, whether you look at declining farm commodity prices, or whether you look at input costs. All of those kinds of things are on the minds of farmers these days in Saskatchewan.

So indeed farm financial stability is a very topical issue for farm families all across this province today, Mr. Speaker. Farmers that are in contact with us in the last few days feel that the . . . and months with us have felt that stability is something that they are extremely concerned about, whether it's the NISA program and the changes that have been made in it in recent months; whether it's the AIDA program and a failure to deliver adequate resources to the industry that just feels that it's been abandoned by a government opposite, and by the federal government for that matter.

Mr. Speaker, they also feel that their needs are being not met in marketing as well, simply not being met, providing them with the flexibility to make decisions about their farm future.

We feel that there are a number of steps, and we certainly will want to take up with the government opposite in committee, the concerns that we have been speaking with farm groups, farm leaders, and farmers themselves all across the province with respect to that.

So, Mr. Speaker, I'll close my comments by saying that we will be making the appropriate and raising the appropriate questions with the minister and his officials when we meet in committee to discuss this Bill further.

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

Bill No. 2

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 2 — The Animal Identification Amendment Act, 1999** be now read a

second time.

Mr. Boyd: — Thank you, Mr. Speaker. The piece of legislation before us dealing with animal identification is something that we have had opportunity to talk with livestock people and livestock industry folks in the province in the last while, since this Bill has been brought forward. Certainly it is something that the industry has been looking for for a period of time.

However, we have certainly some concerns with respect to the legislation, what kind of impact this will have on people — farmers and ranchers, livestock people across this province who slaughter their own produce, their own livestock for various needs, both for their families and for immediate sale to friends and neighbours, things of that nature — what kind of impact, if any, this piece of legislation may or may not have on them.

So there are concerns in that area, but generally speaking I think that if we can address the sort of the mechanical parts of the concern about ear tags and the very nature of ear tags, whether they're able to clearly identify and remain in place, whether or not it's necessary to make something of a different type of identification tool, remains to be seen.

But the industry, we understand, is looking at this from a fairly favourable standpoint. We have some questions that we'll be asking the minister in committee with respect to the mechanical issues surrounding it and the whole larger issues of whether this is necessary or not from an industry . . . or for an industry that largely likes to operate and operates very well on its own.

So, Mr. Speaker, we'll be addressing those concerns in committee and we'd have no difficulty with the Bill proceeding to the committee stage.

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

Bill No. 24

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lingenfelter that **Bill No. 24 — The Department of Agriculture Amendment Act, 2000** be now read a second time.

Mr. Boyd: — Thank you, Mr. Speaker. Again this piece of legislation is a piece of legislation that deals with the financial stability of farmers in this province, and that's always of interest, certainly to us and to the people in the industry in Saskatchewan.

We feel that the stability of the industry certainly is at risk and at question given the government's lack of commitment to agriculture, lack of commitment to the promises that they've made over the last number of years right up to including the recent Throne Speech, Mr. Speaker.

We've seen a government opposite who back in approximately '92 removed the GRIP program from farmers, removed the program that was in place that provided at least a bottom-line guarantee. I don't think anyone has ever argued the program was perfect but I think it was a big step. And I suspect we would not have seen the problems in agriculture today had a

program of that nature, at least a program similar to that, been in place. So stability is something that is of concern.

Again we have seen, and I think every year since the removal of the GRIP program, this government in throne speeches has promised that they would come forward with a program to replace it. We've seen absolutely nothing. Not a single thing of transition from that program to a new program has been put in place. And it's put our producers in Saskatchewan at risk compared to other jurisdictions.

And you only have to look to Manitoba or to Alberta on opposite sides of us to see the difference in farm stability that there has been over the last number of years. Largely there has . . . even though there's been a downturn in commodity prices, both Manitoba and Alberta have worked their way through the difficulties in a better fashion than producers have been able to here in Saskatchewan.

So we will certainly be holding the government accountable with respect to the farm stability Act and the concerns about fiscal security for farmers in Saskatchewan.

And again today in the legislature, Mr. Speaker, we spoke to the Minister of Agriculture in question period about when he was intending to bring forward a long-term safety net plan that he just simply refuses to put forward. And we were disappointed to hear that there is nothing in the works, nothing being discussed at the ministerial level that is likely to be put forward in the short term. If anything we were looking at years of a wait more before we will see the NDP's plans for agriculture. We recognize the difficulties in terms of coming up with a plan, but we think that the government, after eight years or nine years in office and promises continually to move in that direction, needs to do just that.

So, Mr. Speaker, we will be asking the government questions about Bill No. 24, An Act to amend the Department of Agriculture Act when we reach the committee level and we would have . . . at this time offer to move to committee for that Bill as well.

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

Bill No. 7

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hagel that **Bill No. 7 — The Student Assistance and Student Aid Fund Amendment Act, 1999** be now read a second time.

Mr. Hart: — Thank you, Mr. Speaker. Bill No. 7, by and large, is an amendment to The Student Assistance and Student Aid Fund Act of 1985. As the minister said in his introductory remarks when he introduced the Bill, it's basically . . . there's a number of housekeeping items that have to be looked after and to update the Bill and so on.

But I think I would be remiss, Mr. Speaker, if I didn't address some concerns in dealing with student assistance and looking at the record of this government in the past year.

This government pays lip service to student assistance in saying that it's a high priority on their agenda and all those sorts of things, but yet when you look at some of the things that they've done in recent days and months that doesn't necessarily bear out. Their actions don't bear out their promises.

We've seen cancellation of student employment programs which, granted, there weren't a large number of students, but there was a significant number of students and employers did take advantage of that program, and it did help those students who were able to gain summer employment and thereby were able to earn some money during the summer and therefore lower their student loan.

Another thing that this government has done in this budget is the cancellation of the six-month, interest-free period on student loans. Again a further hardship on students. Now when students complete their course of study and convocate, as many of them have done very recently here, the interest clock starts ticking immediately. Prior to this change there was some relief. It gave them an opportunity to secure a job because a number of students upon convocation did not have full-time employment or any employment. And they needed a little bit of a breathing space, Mr. Speaker, to find a job or make further plans for future studies and those sorts of things. Now they don't have that breathing space.

Tuition fees is another area that we saw some promises from the members opposite, and yet in reality very little if anything was done. We heard promises during the past election campaign of free tuition for one year, free tuition for four years — or at least a portion of tuition aid that would be free for a period of four years.

What did we come up with? A \$350 one-time tax credit which many students have told me really isn't a large . . . won't play a large role in their decisions as to whether they'll stay in Saskatchewan or not, and it doesn't really help very much.

One other area where the government says one thing, and on the other hand, does something else in the totally opposite direction, and that is when we look at the millennium scholarship. What does this government . . . In some other provinces, Manitoba for instance, the students in Manitoba, they get full advantage . . . or are able to keep the millennium scholarship for themselves. In other words, what happens is that their student loans were written down by the size of the millennium scholarship in addition to provincial bursaries.

What happens here in Saskatchewan? The provincial government reduces their provincial bursary by the exact amount of the millennium scholarships so the students gain nothing from the millennium scholarship. The provincial government gains \$9 million a year and that program is set up to run for a period of 10 years. So the provincial government takes \$90 million out of the pockets of students. In other words, students have \$90 million worth of student loans that they'd have to pay down.

And yet they . . . The government talks about working with students and helping them and having access to post-secondary education and all those sorts of things. And yet in many cases their actions don't support what they're telling students.

I'd like to read a quote, Mr. Speaker. Shortly after the budget was brought down, on the editorial page of *The Leader-Post* dated Friday, April 7, the one small sentence I think sums up this government's record on post-secondary education, and I quote:

The NDP's record on post-secondary education over the past few months leaves much room for improvement.

And as I indicated, Mr. Speaker, and I gave numerous examples of some of those things that that editorial was talking to.

(1545)

We do have a few concerns, Mr. Speaker, with this Bill. Clause 15 as an example gives immunity . . . is entitled, immunity. It gives immunity to the committee that is handling student funds. It's ironic that it seems nowadays many Bills that this government brings forward seems to . . . has an immunity clause in it and so on.

But I think on the whole, Mr. Speaker, the concerns that we have would be best addressed in the Committee of the Whole and we have no problems of moving this Bill forward to committee, Mr. Speaker.

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

Bill No. 39

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hagel that **Bill No. 39 — The Department of Post-Secondary Education and Skills Training Act, 2000** be now read a second time.

Mr. Hart: — Thank you, Mr. Speaker. This Bill as the minister said at second reading, what it does is it legitimizes or creates the Department of Post-Secondary Education. Up until this point in time, the minister's authority comes from a number of other Bills, and what the government is intending to do here is to bring all those powers into one Bill.

We on this side of the House, we feel that post-secondary education and skills training is a very important issue and deserves a high priority on a government's agenda.

With the addition of a number of responsibilities that the province has taken over recently in the area of skills training and those sorts of things, and there is a real need for additional skills training programs. And I've mentioned some of those needs in other statements in the House; I might reiterate some of them.

We've heard recently from employers who either are . . . who have in the past set up new businesses or expanded businesses in the province or are currently operating businesses in the province, and when they are looking for skilled workers to work in their businesses, quite often they find that there aren't enough people with the skills out there that are required.

So skills training, in addition to the traditional post-secondary education activities, is certainly an important activity that, as I

said, needs to be taken very seriously and requires for everyone, all members of the House, to look very seriously at this matter and give it the priority it deserves.

The minister made reference to the partnership program for prosperity, Mr. Speaker. And as I understand it, that is part of the . . . that strategy deals with those people on social assistance. And that's an area where there are some real problems, Mr. Speaker.

As I attended a number of the public consultation meetings that the Minister of Post-Secondary Education and the Minister of Education held throughout the province in January, there was a number of people I spoke to at these meetings who said there's a real problem with moving people off of social assistance into the . . . whether it be skills training or post-secondary education area.

Apparently the way the regulations and so on are set up now is that it seems that either the people are on social assistance or they are involved in skills training or post-secondary education through a student loan. And there are a number of people, particularly single-parent families, mothers with . . . young girls and women with children, who perhaps have been out of the education system for a while, aren't sure whether they can handle the study load on a full-time basis, coupled together with family responsibilities and so on, who would like to ease their way into the education system. And there is no mechanism right now that allows that.

So with all those concerns that those people have, quite often they opt for the security of staying on social assistance rather than going into the education and training areas.

And I think that's an area that really needs to be looked at very seriously and some changes have to be made so that we can move those people . . . help them move off the social assistance into the education areas. And they themselves will certainly improve their future, and it'll be for the good of all those involved.

Mr. Speaker, you will know that since the inception of our party, that we have always said that we felt that it would be more . . . that it would be a better idea, that more could be gained perhaps by having all education activities in one department. Not saying that we don't feel that post-secondary education isn't important; it certainly is. But we see sometimes where there's a failure to communicate between the two departments — K to 12 system and post-secondary education system and that sort of thing.

We look at administration costs of running two departments. We wonder whether those monies may be more wisely spent in helping students access the post-secondary education system, helping the universities with their budgets. We see them struggling to try and keep their tuition costs down so more students can enter the system and those sorts of things.

So we have some concerns in that area. But, Mr. Speaker, I think most of the concerns that we have can be addressed in the Committee of the Whole, and so we would move that Bill forward.

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

Bill No. 40

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hagel that **Bill No. 40 — The Saskatchewan Indian Institute of Technologies Act** be now read a second time.

Mr. Hart: — Thank you, Mr. Speaker. It's my pleasure to rise and speak to Bill 40, An Act respecting the Saskatchewan Indian Institute of Technologies. Mr. Speaker, we've consulted with third parties on the creation of this institute. We've talked to SIAST (Saskatchewan Institute of Applied Science and Technology) as an example, who don't seem to have a problem with this creation of this new institute.

We think it's important that people of Aboriginal ancestry enter into the education field and skills training field. And if this is something that will facilitate that, that movement of people to be more skilled so that they can go on with their life and possibly contribute to society, we don't have a problem with that.

I suppose there is a bit of a concern about duplication of services, and transfer of credits between various institutions, and all those sorts of things. But I think, Mr. Speaker, that most of those concerns we can discuss in the Committee of the Whole, and we would move this Bill forward also, Mr. Speaker.

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

Bill No. 13

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Melenchuk that **Bill No. 13 — The Education Amendment Act, 2000/Loi de 2000 modifiant la Loi de 1995 sur l'éducation** be now read a second time.

Ms. Draude: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased today to add a few words to those of my colleagues on Bill No. 13 dealing with education.

Mr. Speaker, it's interesting that education being one of the . . . supposedly the priority for government, or one of the priorities for this government, this Bill . . . this is the only education Bill that we've seen presented in the House this session and it deals with a few issues that are not the kind of issues, the pressing issues, that the school boards and the teachers and the students around this province are talking to me about.

Mr. Speaker, the most important issue that has been raised as a concern of course is funding. It doesn't matter if it's the boards or the teachers or the students, they all know that there's a serious lack of funding. And that relates to a lack of commitment to this government on education because there isn't the funding there.

Mr. Speaker, the teachers' salaries and the wage increases that are being negotiated this time are a cause for concern right around the province because of the cost. And we're not saying

everyone is waiting with anticipation to see what's going to be happening — I should say not just anticipation but fear on some parts. We have a lot of students who are saying are we going to have teachers going on strike if the government . . . if the commitment for teachers' salaries isn't given by this government.

Mr. Speaker, we have the issue of capital needs for schools that isn't being addressed by this government and by this budget; and this Bill, of course, does nothing to address it as well. In the trips that I've made around the province and visited a number of schools in this province, I've seen first-hand the number of schools that are really in dire need of repairs or additions to get their facilities in shape so we can provide education to our students in a way that we can be proud of and that will allow our children to go out into a global world and compete with the other students.

Mr. Speaker, the school boards that I've been talking to have been very adamant this government has not addressed the needs of integrated services. It's one area that we have heard the minister say that he is proud of his pilot schools in a number of locations in the province. But the other school boards that haven't had the luxury of being part of the pilot projects are experiencing the effects of what happens when we don't have the funding and the desire to work with all the different needs that the children have.

I know that the Bill addresses the word institution in Bill No. 13. They're saying they're removing all references to the word institution because they want all children to be within the school system. And we recognize this as important. It's the kind of step that we have to make to make sure that everyone is given the same type of education.

But by doing this, we're not . . . we're seeing it and hearing the words, but we're not seeing a commitment because there's no funding to go along with it. We have the Justice system and the Social Services system that are trying to work with students within the school system, and even health issues, and we're not seeing the funding given to the school boards to actually deal with many of the concerns that they have.

So although I do congratulate the government for working . . . taking the word institution out and making sure that our children are all dealing . . . have been dealt with on the same playing field, we can't say that we're dealing with the issue if we're not providing the funding that it requires to go along with it.

Mr. Speaker, the teachers and the school boards that I talked to are worried about class sizes. They're worried about teachers' aides; they're worried about even the materials that they need in the schoolroom when they have to deal with resource-based learning, understanding that many of the teachers have to buy their own supplies and bring them into a classroom so that they can give the material that students need, to be able to have a . . . carry on the class for the day.

I've seen, and I'm sure the minister recognizes too that there is an increase in the number of people that are home-schooling their children because of some of the concerns they have within the school system.

Mr. Speaker, this Bill, Bill No. 13, it does not address the needs that the people of Saskatchewan require if we are going to put education as a priority for the province for our children.

I know that the role of the school and the special needs study that has been carried on is . . . we're waiting in anticipation to see what the government is going to be doing with those studies. But there has to be room for them within our education system. And we're hoping that it isn't put on a shelf, those studies aren't just neglected, the money spent, and government saying we can't afford to deal with the issues and the recommendations they bring forward.

We're dealing with children, Mr. Speaker. And this issue, if it's going to really be important, we can't just give it lip service, we have to give it money.

Mr. Speaker, the Bill itself talks about getting rid of the post-secondary education . . . or setting up a post-secondary education department as a stand-alone department. And when I see the government making sure that we have another education system set up or a department set up, I'm wondering, is that a good way to spend the few education dollars that we have?

Everyone knows that to just have your K to 12 education is not sufficient, and post-secondary education and training is required all through one's life.

But at the same time I'm hoping that the administration that is required when you set up a new department isn't going to be spending some of the very much-needed funds that could be used on the actual curriculum that the students are looking for.

(1600)

Mr. Speaker, I'm also concerned about the problem . . . concerned with the setting up of the minority faith divisions in this Act, not so much the setting up of it as why the divisions are being set up. I know in my area there was a school division set up, probably one of the few new school divisions in the last few years. And they set it up as a last, desperate attempt to try and keep a community together.

In rural Saskatchewan we know that the schools are the heart of the community and without that central focal point, we feel our small centres are taken away from us. And this school and the school division that was set up in my area did so as an effort to make sure that the community could help raise the child.

I think sometimes when we get into politics, and sitting here in this building, we forget that it takes more than a building, it takes more than a system to educate a child. It takes a community as well. And by setting up their local school division, they have input from not just the parents but from the community as a whole including the business people.

And at graduation on Friday night I was absolutely amazed to see the gymnasium packed with people who were so proud to see their students graduate from their small school in Saskatchewan knowing that those kids were ready to face the world. Because they had not only some book learning but they had the education that comes from being part of a community and knowing what's happening in the world.

Mr. Speaker, the concerns of education are really not addressed in this Bill. The concerns of Bill 13 can be addressed in Committee of the Whole, so I will be moving this Bill on to Committee of the Whole at this 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

The Chair: — I will invite the hon. minister responsible for Sask Water Corporation to introduce his officials.

Hon. Mr. Sonntag: — Thank you very much, Mr. Chair. Seated immediately to my left is chief executive officer — or president, I should say, Clare Kirkland. Immediately to my right, Wayne Dybvig is the vice-president of water resource and infrastructure management.

Seated directly behind me is Wayne Phillips, vice-president of utility and engineering operations. Seated over to second left is Dale Sigurdson, vice-president of irrigation and agricultural services, and behind me and to my left is Dave Schiman, manager of financial planning.

Subvote (SW01)

Mr. Brkich: — Thank you, Mr. Chairman. I would like to welcome the minister and his officials here today. Hopefully, we can get a few answers to some questions. Before I would like to go into . . . with the Provincial Auditor's report coming out, which wasn't very favourable to SPUDCO (Saskatchewan Potato Utility Development Corporation), there's a few questions that I would like to ask along that line.

Basically, I won't go into the preamble of how SPUDCO was formed, Sask Water, all that, because I think our time is very limited. But there is some questions that I would like to address on the buildings there because that is still taxpayers' buildings, and I have been getting quite a few questions and comments from constituents in that area that would like a lot of answers to them buildings.

Basically I'll make a few statements and the minister can correct me if I'm wrong on some of them. I believe that SPUDCO and Sask Water or SPUDCO was formed in 1996 with the intention of expanding the potato business around the Outlook area. That the government then basically went into partnership with a group of investors and local potato growers and out of that one of the biggest companies was Lake Diefenbaker Potato Corporation, I believe.

Now with that, the expansion of that . . . the wing of SPUDCO, I believe, was agreed to build potato storage for these groups. But I'm asking, at that time, did they form a partnership with anybody to build these buildings. I know I've come across Con-Force Investments. Or did Sask Water basically just build them themselves, or were they built with another company, a private company, or another government agency?

Hon. Mr. Sonntag: — Thank you very much. First of all, I'll take a chance and say I was telling my officials earlier, I, finally I'm in a corporation — responsible for a corporation where potholes aren't all bad unless somebody wants them drained. So it's kind of nice to have that responsibility where they're not so bad for a change.

First of all, with respect to Con-Force in the construction of the buildings, they were jointly owned but they were entirely debt financed, and Sask Water, the SPUDCO division of Sask Water, subsequently bought Con-Force out.

Mr. Brkich: — Thank you, Mr. Chairman. While we're still talking about that, when you . . . then you took over ownership of the potato storage bins, at any time did you exchange or give to the financially — at that time — the financially troubled Lake Diefenbaker Potato Corporation a mortgage on some of the potato storage facilities?

Hon. Mr. Sonntag: — At that particular time, if I'm understanding the question correctly, at that time, we didn't. There were arrangements later on but not at that particular time.

Mr. Brkich: — Sorry, Mr. Speaker, I guess you specified, I think it was 1998, in that area. Is that . . . did you through that time at any time give a mortgage up on the bins?

Hon. Mr. Sonntag: — Yes, at the end of 1998.

Mr. Brkich: — And I guess, what happened with that mortgage with the bins? What would happen . . . Basically do they still have the mortgage on them bins?

Hon. Mr. Sonntag: — The Lake Diefenbaker Potato Corporation was leasing approximately 70 per cent of the space that we had available. And at that particular time — keeping in mind potato prices were fairly high — they certainly had a problem with cash flow, as they brought to our attention.

We worked with the Royal Bank and the Farm Credit Corporation in a . . . what we thought would provide a cash flow for Lake Diefenbaker, being one of our major lessees if you will. And at that time we provided a mortgage for them on one of the buildings that they purchased from us.

Mr. Brkich: — Thank you, Deputy Chairman. Mr. Speaker, basically what happened? Do they still have the mortgage on them buildings?

Hon. Mr. Sonntag: — No. They subsequently went bankrupt, as many of the public will know, and we took the building back.

Mr. Brkich: — Thank you, Mr. Deputy Speaker. What's the estimated loss on the mortgage on them bins? Do you have that, be for, I believe maybe for either in the '98 statement or '99 years, fiscal years?

Hon. Mr. Sonntag: — There isn't a direct loss on the building. When we took the building back, we wrote down the value of the building though by — if that's the question you're asking — we wrote down the value of the building by 1.7 million to more accurately reflect the value of that particular building.

Mr. Brkich: — So when you wrote it down, does that . . . I'm not sure, when you wrote it down, does that mean that you overpaid it at the beginning when you built it? Or what was the reason for writing it down?

(1615)

Hon. Mr. Sonntag: — In working with our private sector auditor and the Provincial Auditor, taking into account all of the buildings we owned, all of the storage facilities, it was deemed that that would be more reflective of the value, the writedown of 1.7 million.

Even the Provincial Auditor and, as I said, in working with our auditor, there wasn't a writedown of the other assets at all because they viewed that the potato industry was starting to grow again out in that area and therefore the buildings, the building values were accurately reflected.

Mr. Brkich: — Thank you. Mr. Deputy Chair, the buildings right now, what would you have them valued at in the Outlook area? And do you own any buildings left in the Lucky Lake area and what would they be valued at?

Hon. Mr. Sonntag: — The total value right now is 18.103 million. We're not sure if we have the breakdown per building with us, but we certainly would undertake to provide the breakdown, the value of each building for you later on if that's okay. Okay.

Mr. Brkich: — Mr. Speaker, getting back to when they were originally built with Con-Force Investments, I believe you had said that you'd bought them out at the time, that you'd gone in partnership. Was it . . . I'm wondering what kind of partnership? Was it a 50/50 partnership; a 60/40, kind of?

What were the arrangements on that? What were the initial costs — they would have been provided basically at the beginning — of what the construction would be? And what were the final costs after the buildings were built? Was there an overrun on budget, I guess what the question I'm asking, with Con-Force?

Hon. Mr. Sonntag: — Now keeping in mind that they were completely debt-financed as I said earlier, the ownership was Con-Force, 51 per cent, and ourselves, 49 per cent. And when we bought them out it was, as I understand, a dollar a share. So it cost us \$51 on each building to actually take over full ownership.

Mr. Brkich: — Mr. Deputy Chair, on the buildings right now, you have a value on them. What . . . I take it you're still leasing them out to producers in the area. How much was brought in last year with the lease arrangements, either through potato storage or, I don't know if you've used them for any other kind of storage for last year?

Hon. Mr. Sonntag: — First of all, just to be clear, this is to December 31, 1999 because we do it based on calendar years. The total revenue or rental income was 816,000, but that includes buildings and equipment.

Mr. Brkich: — Thank you, Mr. Chair. On that when you say

buildings and equipment, do you mean you still own potato-producing equipment that's being rented out?

Hon. Mr. Sonntag: — We don't own any farm field equipment if that's what you were asking. But we do own a little bit of handling equipment — that would be pilers and conveyors.

Mr. Brkich: — It would be under the equipment then. How much of the 800,000 last year was actually used for potato storage rent and how much was used for other storage, of that money you had gotten?

Hon. Mr. Sonntag: — About 700,000 of the amount that I listed, which was 860,000, was potato storage and the rest was almost all was equipment rental then . . . or equipment rental income.

Mr. Brkich: — Thank you, Mr. Chairman. The only reason I asked, I was there one day and there was hay there stored in the one bin. Was that free storage or why were they there if there was no money received?

Hon. Mr. Sonntag: — I'm told that you're correct. There was a very small amount of hay stored there but apparently because of client confidentiality we're not allowed to reveal the exact amount, but it was a small amount of rental income.

Mr. Brkich: — Thank you, Mr. Chairman. I don't know why it would be . . . or like why it would be so secret at that end. I believe that it's . . . especially it being a public building, being open for rent or lease, it should be open to all the producers in the area if you can't fill them. But I'll leave that for another day.

On the buildings itself, are they debt-free right now?

Hon. Mr. Sonntag: — No, they're not.

Mr. Brkich: — How much money is owed right now on them?

Hon. Mr. Sonntag: — There's about five and a half million in mortgages that are directly associated to the buildings.

Mr. Brkich: — Do you have them advertised for sale in this upcoming year? And if you do, do you have an idea what you would like for the price if they are listed, or the value of them right now for resale?

Hon. Mr. Sonntag: — Their strategy from the very beginning was to kick-start the potato industry, if you will. The strategy from the very beginning was always to exit this to the private sector. We've done that partly by moving it over to the Crown Investments Corporation as a going concern.

So if the question — and I don't want to assume anything here — but if the question is if somebody wants to buy an individual building, that's probably not an option. We would want to sell it as a going concern, largely because the producers in that area would want it, to buy it . . . largely because the producers in that area will want to ensure that there's a viable industry out in that area.

As for value, if you look at the annual audited report, auditor's

report as well, they say that the value is exactly what we've listed it as book value, something in excess of 18 million. We're always, as CIC (Crown Investments Corporation of Saskatchewan) is now I'm sure — and I'm sure the minister would corroborate this — we'd be happy to sell it for that, for the value that is now listed as book value.

Mr. Brkich: — Thank you, Mr. Chairman. I'm glad to hear that you plan to get the full value out of them for the taxpayers. Many of the people in the area would be very happy to hear that, and also that you would be willing to sell them also to private investors at any time.

I guess my next question is, when did they go under CIC's direction?

Hon. Mr. Sonntag: — The decision to move them over to Crown Investments Corporation was actually made in late March and they're just in the process of doing that now. We think that will happen probably in the next — so it actually hasn't happened yet — we're thinking that will happen in the next three weeks to a month.

Mr. Brkich: — Thank you. What's the main reason moving them to CIC? Are you shutting down SPUDCO? Is what you're saying, and basically going to, I would say, dissolve the company itself?

Hon. Mr. Sonntag: — We are of the view that CIC has a lot of expertise in working with the private sector. And we think that CIC is a vehicle that would more easily and more readily move it to the private sector, and it's for that reason that we moved it over to CIC.

Mr. Brkich: — Thank you. On the second part of the question, without the buildings, does SPUDCO still lease any potato land in the Outlook-Lucky Lake area?

Hon. Mr. Sonntag: — Yes we do. These leases will though, however, along with the buildings, will be assigned to CIC as well. We are of the view — we don't have the numbers right here I guess — but we are of the view that it would be under 300 acres right now that we're leasing.

Mr. Brkich: — My next question is, getting back to SPUDCO, are you planning to dissolve it entirely?

Hon. Mr. Sonntag: — If selling it as a going concern means dissolving it, then that's our intention. It's moved over to the Crown Investments Corporation to, as a vehicle, as I've said earlier, to facilitate movement to the private sector and also to maximize returns for the taxpayers of Saskatchewan.

Mr. Brkich: — Thank you. You say roughly 300 acres leased — I don't know if it would be on a three-year lease or a five-year, what you have left.

When that lease expires, obviously then there would probably be no indication to have SPUDCO around any more because without the buildings under them, without any leased land under them or any equipment under them, there obviously would be no reason to have SPUDCO. Is that correct?

(1630)

Hon. Mr. Sonntag: — Yes. If I'm understanding your line of questioning, if you're asking if there's going to be potato activity carrying on under SPUDCO in Sask Water, the answer to that question is no.

But are we committed to supporting a development of the potato industry? Yes, through CIC. And whether the name SPUDCO or not continues to exist, I think that's to be determined yet. But there will not be continued potato development under Sask Water.

Mr. Brkich: — Basically I just wanted to know, yes, if you had planned to lease any more lands, if you have any more plans, which I take it your answer is no, that basically you're not going to lease any more potato land, grow any potatoes yourself under Sask Water or SPUDCO? Okay. Thank you.

There was a plant, I believe, that was sold at Lucky Lake to Pak-Wel of Alberta. Can you give me some particulars on that — on when it was sold? Did you own the whole plant to begin with? Did you build it? And what was the cost when you sold it?

Hon. Mr. Sonntag: — In the beginning the Farm Credit Corporation and the Royal Bank wanted to simply auction off Lake Diefenbaker's buildings. And we were of the view that we should . . . that we had a viable industry out there, and many of the producers certainly articulated that position as well with us.

So what we determined that we would do in an arrangement with Pak-Wel is we actually acted as a flow-through. We actually bought the buildings for \$1 million from the Lake Diefenbaker Potato Corporation, and then sold it right back to Pak-Wel for \$1 million as a going concern. Otherwise there is no doubt in my mind that the industry would have shut down entirely out in that area.

Mr. Brkich: — Thank you. With the auditor's report on that, was there any money lost to the taxpayers on that deal?

Hon. Mr. Sonntag: — No, there wasn't. It was just a straight flow through.

Mr. Brkich: — You say a straight flow through. Who owned . . . you bought the building back from the creditors, I believe? Who built the building originally is, I guess, what I'm looking for, and the cost of that?

And I take it then there was a mortgage on it which you assumed or took over, and then passed that on to Pak-Wel? Am I correct in that?

Hon. Mr. Sonntag: — Well we wouldn't know the original cost of that building. It was constructed, owned, and operated by Lake Diefenbaker Potato Corporation, a private company. We bought it from the receiver for a million dollars, and in an attempt to keep everything going as a going operation, and sold it to Pak-Wel for a million dollars.

Mr. Brkich: — Thank you. That's what, basically, what I was looking for — who owned it originally. Okay.

I'll make just one statement on the auditor's report — that it was quite scathing. Do you plan to do a public inquiry into the whole SPUDCO affair?

Hon. Mr. Sonntag: — While I'm very respectful of the Provincial Auditor's report and auditors' reports, I've had some considerable experience in auditor's statements from my history in the credit union system, and I wouldn't describe it as a scathing report. I've seen scathing reports, auditors' reports in the past.

Oh, the public inquiry? Sorry. No, we don't. There is . . . if the question is with respect to Lake Diefenbaker Potato Corporation, they are a privately owned company. I don't believe there's any jurisdiction for a government to do a public inquiry.

We've had three provincial audit reports that have essentially been clean, of Sask Water and the SPUDCO division. There is the Public Accounts, Crown Corporations. The Provincial Auditor did a special audit which has been provided to the legislature and to the public of Saskatchewan. We think that that is a full and complete accounting of what went on within Sask Water and SPUDCO for the people of Saskatchewan.

Mr. Brkich: — Thank you. Is SPUDCO still being . . . going. Do you have a . . . Is there a SPUDCO board, a separate SPUDCO board? And if there is, who is on it?

Hon. Mr. Sonntag: — No there isn't.

Mr. Brkich: — It's solely under the direction of Sask Water?

Hon. Mr. Sonntag: — It's a division of Sask Water.

Mr. Brkich: — Basically I'm looking . . . Is there a president? Or when you say division, is it right under you, or is it a division of a few other officers of Sask Water that just look after SPUDCO?

Hon. Mr. Sonntag: — It's a division of Sask Water, as I said, and it's under the direction of the vice-president, Dale Sigurdson, right now.

Mr. Brkich: — Thank you. Basically just going back through, you know, when things started to fall apart — it looked like it was in 1998 I believe — there seemed to be almost a change in direction of Sask Water and SPUDCO with the potato industry.

I was wondering at that time was there any correspondence between you and the United States, or the United States Trade Commission, or any potato producing states indicating that they would bring trade sanctions forth against Saskatchewan because they believed there was unfair subsidies in place by the government?

Hon. Mr. Sonntag: — The US government actually did do some preliminary work to determine whether or not there was unfair trade practices taking place. And with, I guess, a very small amount of preliminary work they ascertained that there was no unfair trade at all and dropped it.

Mr. Brkich: — Mr. Minister, I would like to carry on with

maybe Sask Water. And I can always come back to SPUDCO after if I have some more questions.

I see the budget being doubled this year. Are you planning any major infrastructure projects coming up in the following year?

Hon. Mr. Sonntag: — Yes, we're looking at some significant infrastructure capital investments this year. I don't know if you'd like me to read the major ones into the record. It won't take long.

Dam safety investigations — \$230,000; Rafferty dam, that's on enhancing the embankment — 1.5 million; Alameda — 445,000; Buffalo Pound dam — 2.809 million; Lumsden channel — 28,000; Blackstrap South dam — 13,000; Brightwater Creek dam — 13,000; Broderick West dam — 23,000; Zelma dam — 80,000; Star City dam — 15,000; Summercove dam — 8,000; and Makwa Lake — 20,000. And that would be the larger ones.

Mr. Brkich: — Thank you, Mr. Minister, Deputy Speaker. That handles any major dam repairs. Do you have any major irrigation projects coming up? I know that you've been approached from different areas on them. Are you looking at any infrastructure in any areas of the province?

Hon. Mr. Sonntag: — No, there's nothing budgeted for.

Mr. Brkich: — Any major drainage projects?

Hon. Mr. Sonntag: — As I understand it, the Jordan River drainage project up in the Nipawin area at about . . . we budgeted for about \$60,000 this year.

Mr. Brkich: — On that particular one, are you draining farmland from marshland? What's the kind of . . . what is your objective there, I guess is what I'm asking.

Hon. Mr. Sonntag: — I'm told it's primarily to enhance agricultural land.

Mr. Brkich: — Thank you, Mr. Speaker. Also I've come across when I've . . . reading a lot of the information on Sask Water, there's the Assiniboine River basin study you've done. I'm not sure exactly how long this has been carrying on. Can you tell me, are you planning on doing anything with that with the future? And how much so far have you spent studying this particular problem?

Hon. Mr. Sonntag: — First of all, I want to be clear that this is a joint initiative by the province of Saskatchewan, province of Manitoba, and the federal government. The total cost of the study is anticipated to be 412,000 so that's cost shared between the three levels of government.

We believe that the study will be complete somewhere towards the end of this year, 2000. And it's a long-term study to determine, I guess, a whole range . . . because the study is, as I understand, fairly broad, which will include issues around drainage; it'll include issues around water management for that whole Assiniboine basin.

Mr. Brkich: — I have a concern here with the RM of Marquis. I

think they've written to you several times about damage to bridges due to water flow from Diefenbaker Lake to Buffalo Pound, going through the Qu'Appelle River. The RM of Marquis and the RM of Craik jointly own the bridges referred to above.

They believe that you've increased the water running through that creek in the last number of years, which has caused damage to the bridge system. And they feel that since you're the one that is increasing the flow of the water; plus with the increased flow of water, basically it flows all year around now. At one time it never — it froze. With the constant flowing of water underneath it's causing damage to the bridges.

And they have approached you on different times to look at helping to repair these bridges, because the Department of Highways has told them that these bridges have to be repaired. And they feel that since they didn't cause the damage, that they shouldn't have to bear the brunt of trying to fix these bridges.

(1645)

Hon. Mr. Sonntag: — First of all, my officials tell me that we have not increased the water flow through that system at all. The concern around the bridge from our perspective, is simply a factor of the bridge itself getting older, and that's just going to occur.

But from the broader perspective, we are looking at infrastructure rejuvenation through that whole area in the next five to seven years. So we're looking at that area very seriously in the long term.

Ms. Julé: — Thank you, Mr. Chair. With leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Julé: — Thank you, Mr. Chair. Mr. Chair, it's my pleasure today to introduce guests that are seated in the east gallery. We have with us today a friend of mine, Mr. Bill Thurmeier from Saskatoon. And accompanying him is his sister and her husband, Denise and Ernest Thebo, and their children, Adrienne and Meg.

And we have these wonderful folks visiting with us from Boise, Idaho and they are visiting Saskatchewan, visiting their parents, and will be going to my hometown of Bruno on Thursday to visit with the good folks there. And so I would ask the Assembly to welcome these fine people, the member from Saskatchewan, as well as the visitors from Boise, Idaho to the provincial legislature today and wish them a very good stay in our province.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

**General Revenue Fund
Saskatchewan Water Corporation
Vote 50**

Subvote (SW01)

Ms. Julé: — Thank you, Mr. Deputy Chair. Mr. Chair, I'm going to be taking just a few moments to address the minister responsible for Saskatchewan Water on an issue that a constituent of mine has brought to my attention, and may not be able to be resolved, I guess, without the assistance of a lawyer.

However, lawyers do cost a great deal of money and so this constituent of mine, whose name is Dean Matkowski — I'm sure that the minister might have or the deputy minister might have heard from him by now. The story is, Mr. Minister, that Mr. Matkowski is being told that some of his land must be expropriated in order to accommodate the overflow from the waste that's coming from the pipeline that stretches from Wakaw to Humboldt.

Initially, there was a lagoon within the limits of Wakaw, Saskatchewan that was to accommodate the waste material from the treatment plant and as it is, it appears as though there is too much waste and the town of Wakaw has notified him that his land would be expropriated in order to deal with this waste.

First of all, it may be a bit of a justice question, Mr. Minister, but I was wondering what recourse Mr. Matkowski might have to deal with the expropriation. He doesn't want to have his land expropriated. He has cattle on his land.

Apparently the area that they would like to dump the waste water on, right on top of his land from what I understand, is close to his home and he does have cattle on that land. He has wells on that land and he's afraid and concerned about contamination of his wells. And he is also concerned about the resale value of the land should this expropriation take place.

Now Mr. Matkowski was told that three years ago there was a meeting that was, you know, where they determine that if there was going to be an extra area for water to be — or waste water — to be run off it would be accommodated through a pipeline that was going to be basically installed and piped to an alkalized slough about seven miles away.

Now it seems that as far as Mr. Matkowski's concerned, that whole idea has been thrown out the window and he is simply being told that he has to allow his land to be expropriated.

There are two other farmers who are also involved in this. This involves a 200-acre piece of land. When I phoned your office, or phoned your officials and talked with them about it, the area supervisor out there, I was told that this would be in . . . this waste would be basically dumped on the land in . . . but it would be in marshland so it wasn't of any significant value.

Mr. Matkowski's story to me is a little bit different. It's going to be dumped into a slough that is fairly close, in fact a few hundred yards from his yard site. And he has these concerns.

Now I'm wondering: does Sask Water own this pipeline? And if that's the case, would it not be imperative upon you to ensure that possibly the plan that was determined three years ago to issue the waste material through a pipe seven miles away into an alkalized slough not be a higher responsibility of yours than to just simply come to property owners and tell them that they

would have to have their land expropriated, when they clearly do not want this to happen?

Hon. Mr. Sonntag: — First of all let me say, that while I certainly have sympathy for Mr. Matkowski's concerns, the issue is really an issue between Wakaw and the landowner, or owners in this particular case as I understand it.

Sask Water's role is simply that we won't approve any construction until there is an agreement between the town of Wakaw, in this particular case, and the landowners.

I want to just speak briefly as well to the issue of the line that you referred to. That was a temporary line that was used during the Wakaw-Humboldt construction period. We would never as a corporation approve that long term. And I think that's simply, that we would not have approved that long term.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, is Sask Water not the owner of the pipeline and the treatment plant? Why is the town of Wakaw taking the responsibility to expropriate that land?

Mr. Minister, Sask Water put \$32 million into that line; I would assume that they would own it. And I would assume the responsibility would be Sask Water's to take care of any kind of inherent problems that have incurred because of that pipeline being constructed by Sask Water.

Mr. Minister, while I'm on my feet I want to make one more point. It has come to my attention that the town lagoon that is servicing that waste from the treatment plant has no liner in it. There's seepage happening there. The ditches are full. Apparently snow is melting on top of the ground there because the lagoon can no longer accommodate that. There is seepage happening because there is no liner there.

So I think these are some issues, Mr. Minister, that you would have your officials look into. This is clearly the responsibility of Sask Water and I would like you to respond clearly on the record — put it on the record — whether or not Sask Water owns that line. And if you don't, I'd like to know why Sask Water put \$32 million into constructing that line.

Hon. Mr. Sonntag: — The answer to your first question is, first of all, because Sask Water . . . the reason is because Sask Water doesn't own the lagoon. The lagoon is owned by the community of Wakaw.

Now with respect to the seepage in the lagoon, the lagoon itself was actually designed so that seepage would occur. This process has been examined by professionals and this is a design that they actually use. It's been determined that in fact there isn't any cause for concern with respect to contamination.

With respect to the slough, where apparently, I understand — I've been told by my officials — that it actually seeps into, that slough was already not safe water for livestock use in the past as well.

Ms. Julé: — Mr. Minister, that is not what my constituent tells me. So I think that that's certainly a matter for debate, and I'd like to know on whose assumption that that statement comes to

be justified and true for Sask Water when, in fact, Mr. Matkowski indicates that that slough is there and it's very close to his home. He's concerned that the waste material from the treatment plant is maybe unsafe and it's going to alter the safety of the water in his wells on the land also.

Mr. Minister, I'd like to also ask: when this initial pipeline was installed and there was an agreement to use the lagoon in the town of Wakaw, was it not considered whether that existing lagoon could handle all of the flow? Certainly there must have been some sort of consideration and testing done to ensure that that lagoon would handle all of the flow.

If not, there should have been alternative measures put in that would not be an infringement on the rights of property owners as far as having to be responsible for expropriation of their land in dealing with this flow when, clearly, they may not have ascribed to that kind of activity.

Hon. Mr. Sonntag: — Let me say, first of all, that I think the town is acting responsibly in trying to acquire land control because, as I said earlier, the lagoon was actually designed for seepage into the slough area.

With respect to the contamination as well, the authority that determined whether or not this is the way it should work was a private consultant hired by the town of Wakaw. And again I think the community or the town of Wakaw is being responsible in trying to acquire that land to ensure that there isn't public or people or livestock using that, because they knew that the water would be seeping into, and it was designed for seepage into the slough area when they originally built the lagoon.

(1700)

Mr. Brkich: — Thank you, Mr. Chairman. I want to ask, do you have a leasing arrangement for the treatment plant in Wakaw? And do you have other leasing arrangements with other water treatment plants through the province, or do you own any water treatment plants through the province?

Hon. Mr. Sonntag: — I just want to go back to the line of questioning that you had as well. If you want to pursue this further with us and with the officials, we'd be happy to try and address some of those concerns, so please feel free to come to my office or to speak with the officials about that as well.

With respect to your question, we own that treatment plant outright, Sask Water does.

Mr. Brkich: — Thank you, Mr. Chairman. Is that the only water plant you own? And what did you pay for it? And what's its value worth right now?

Hon. Mr. Sonntag: — We don't have the absolute . . . we don't have the exact value, but we estimate it to be valued at about \$3 million — something like that. It worked very well for the . . . this is the fourth year of operation and it's worked very well. The other two communities that we own treatment plants in are Gravelbourg and in Melfort.

Mr. Brkich: — Mr. Chairman, I would take it at the end that you plan to sell them back to the people, let's say in Wakaw,

that particular plant. Or do you plan to just keep owning it? And how basically do you recover the cost that you have of that \$3 million, either through resale or rental to the town?

Hon. Mr. Sonntag: — We're very flexible within the corporation. If the communities want to, they can either rent or buy at any time.

Mr. Brkich: — And basically the question I asked was: how were you planning on recovering that \$3 million? Do you rent to them right now at Wakaw or are you just building and planning to sell it to them at some particular time to recover your 3 million?

Hon. Mr. Sonntag: — With the Wakaw as an example, which is a fairly large project, we would rent. It's amortized largely over roughly, on this particular project, about 30 years, with the intent of recovering our costs.

But if at any time along the way, it would be my understanding, if the community wanted to purchase the plant, we would ensure that the public of Saskatchewan recovered the value.

Mr. Brkich: — Mr. Chairman, just one comment I would like to make, and that I've had numerous calls from different firms that feel that they'd maybe approach you to put in irrigation or pipelines to towns, and then shortly after you come along and want to build them a treatment plant.

Do you believe that's in kind of competition with local businesses or engineering firms in that area? That you have one side saying that, of Sask Water, saying we will go out and we will build . . . we will help you build this pipeline, and then before this town can even tender out a water treatment plant, your people are in from another division, coming in offering to build them one.

Hon. Mr. Sonntag: — I think you want to be absolutely clear here. We just simply respond to community requests. We wouldn't be proactive on this at all. If the community wanted us to be constructing a treatment plant, we would do that. But we wouldn't go out ahead of the community and try and do it ahead of a private contractor. If they want to use a private contractor, they can absolutely do that.

Mr. Brkich: — Thank you, Mr. Minister. Do you charge rent for water? Is that how you recover some of the costs of your water treatment plants that's administered to the towns through water meters?

Hon. Mr. Sonntag: — Mr. Speaker, we don't charge for the water, we charge for the delivery of the water to the residents.

Mr. Brkich: — The only reason I just would mention that is because, like you said, you have 3 million tied up in this particular water treatment plant — I'm not sure what you have tied in others — which is taxpayers' money. So there's always a concern out there of how you would recover that money back if something happened — that the town couldn't buy it back.

Or if you're just picking and choosing towns — this one can have a water treatment plant; no, this one can't — is more the concern I get from constituents worried about their investment.

And basically it's an investment that you're making in some communities, some you're not.

Hon. Mr. Sonntag: — Again, I just want to be clear. We're not proactive — we've been reactive all the time. If a community wants assistance where we can help them, we will. But we've not, we've not gone out ahead of the communities to try and develop something for them that they're not interested in having developed in their community.

Mr. Brkich: — I'm good that you're going out and helping these communities with their water problems. But only I want to bring up is just as long as you don't get into too much investment out there and lose some money on some water treatment plants, on that end of it, because obviously you keep saying over there money is tight. So I'm hoping that you look after our taxpayer money very good.

Another question I'd like to talk about is Lake Diefenbaker. Have you did any studies into — I think you've been contacted about erosion on the lake shore there — have you did any studies over the past few years of your effect of the dam there, if there is going to be any future erosion.

Hon. Mr. Sonntag: — When the construction originally took place, the studies were undertaken at that time fairly extensive as well, there was anticipated erosion at that time. That erosion has occurred, not at any accelerated at all . . . accelerated rate at all. It's been eroding at about the rate that we would have believed it to erode at.

It will continue to erode for a number of years into the future. And that's largely why the province acquired ownership of land immediately around the lake.

Mr. Brkich: — Mr. Minister, I'll forward that information on. Do you — just getting back to that again — do you have how far the erosion will go in the next 5 or 10 years, a study on that plan?

Hon. Mr. Sonntag: — Yes we do have that information but, to the member, we don't have it here, so we'll gladly provide it for you if you'd like.

Mr. Brkich: — How much irrigation pipe miles does Sask Water own or operate for irrigation throughout the province?

Hon. Mr. Sonntag: — Just in the interests of time, if you have more questions just go to those and we're looking it up here for you, okay?

Mr. Brkich: — Thank you, Mr. Minister. Can you supply me a list of consultants used by Sask Water over the past fiscal year?

Hon. Mr. Sonntag: — Yes, we can.

Mr. Brkich: — Mr. Minister, looking at your department salaries through the global reports, which I appreciate you've got . . . you got them to me this morning. I requested them I think if I could have them before. Looking at department salaries and severances, I see one person with a severance package of \$115,000. Another with a severance of \$86,000. Another with a package totalling \$102,000. There's another

with a severance of \$94,000. Another is \$45,000.

I'm wondering if the minister can explain why these packages seem so high? These severances total almost a half a million dollars. I wonder how the tax . . . you know, I wonder how the taxpayers really feel about that.

And could you please explain to our taxpayers how you can shell out half a million dollars in severance packages to just five people after the problems in SPUDCO?

Hon. Mr. Sonntag: — These severance packages are just government policy which are now established by law. There wouldn't be anything exceptional about those severance packages from any other department or corporation.

Mr. Brkich: — Thank you, Mr. Minister. Some people might disagree with that, but we'll have to leave it at that.

On your channel clearing program, how much money is slated for that for this upcoming year?

Hon. Mr. Sonntag: — First of all, the channel clearing, to the member, is cost shared so . . . I believe 50/50. And the amount is 191,000. Some of that would obviously be staff costs and I think a few other associated costs, but our share is 191,000.

Mr. Brkich: — Thank you, Mr. Minister. I know dealing with Sask Water I've had hundreds if not thousands of complaints of drainage problems in the South, all through the province, channel problems, obviously . . . as also with the markers with the highways and that. And I know a lot of these problems I will address with you. And some of them I have addressed with you.

But one other question I'd like to ask is, you have a pumping rent . . . equipment rental program. Is that still in effect this year?

(1715)

Hon. Mr. Sonntag: — Yes. Yes, that still is in effect. I guess I just want to say just as a . . . very parenthetically with respect to the issue of complaints, there is absolutely no doubt that the public of Saskatchewan and you and I as individuals, we have a very emotional attachment to water. And whether you have too much or not enough, it obviously gives rise to concerns and complaints legitimately.

Mr. Bjornerud: — Thank you, Mr. Chair. Mr. Minister, I'm glad to hear that you have an attachment to water. I can understand why roads would be not at the top of your list, and probably potatoes would fall in that category, so water probably is an easier way to go.

Having said that, Mr. Minister, I have a couple of questions. It affects my area and it has to do with the RM of Churchbridge being in court, and I believe being in court because the reason being that Sask Water has got them there.

I have a problem with this, Mr. Minister, when I see local officials out there in rural Saskatchewan trying to do something to help survive in that the agriculture situation is as bad as it is.

And the area I'm talking about, Mr. Minister, and I'm sure you're aware of this and probably heard of this, but for an example, once last summer they called me down to the Langenburg area — Churchbridge, Langenburg. And they'd had seven inches of rain in one short span. Now as you know there's the Langenburg C&D (Conservation and Development) out there that was organized and being held up by the Assiniboia valley study. Now we have the Churchbridge RM council being taken into court because of clearing drainage ditches and that.

And I wonder, Mr. Minister, if you'd want to comment on that? And then I have a couple more questions for you.

Hon. Mr. Sonntag: — There might be some misunderstanding. The issue is actually — with respect to Churchbridge — is actually between the Department of Environment and Churchbridge, not Sask Water.

Mr. Bjornerud: — Okay. Thank you, Mr. Minister, because that was my next question. I was trying to find exactly who has these people in court — whether it's Sask Water or SERM (Saskatchewan Environment and Resource Management). And to start with I'd heard it was Sask Water, and then the last indication I had that it's actually SERM. So I'll actually have questions for one of your other ministers to do with this.

I believe my counterpart from . . . friend from Arm River had asked you this question a minute ago. Did I understand you right that the Assiniboia valley study will be done in the year 2000 or 2001?

Hon. Mr. Sonntag: — I guess in answering the question, just understand that we at Sask Water don't determine exactly when this ends but we are fairly confident that it will be completed by the end of this year, 2000.

Mr. Bjornerud: — Thank you, Mr. Minister. I'm glad to hear that because I think there's a lot of farmland being wasted out there especially in these wet years. There's a lot of farmers out there that need every inch of their farm to make ends meet. And I think sometimes by us — and by us I mean government and the things that we do out there to interfere with everyday life — are costing many of my farmers money out there and I think in many other areas.

At this time to let Education take over in estimates, Mr. Minister, I want to, on behalf of the Sask Party, thank your officials today, and we'd like to report progress at this time.

Hon. Mr. Sonntag: — I just want to take the opportunity to thank the members opposite for their very thoughtful questions and also thank the officials here today as well who provided the information for us.

And I think we have one outstanding question for the member from Arm River that I undertook to get to you, and we'll get that answer for you, unless we have that here . . . No, we don't. We'll get that answer to that other question for you as well. Thank you.

The Deputy Chair: — We will then just wait for the officials from Education to come into the Assembly.

General Revenue Fund Education Vote 5

The Deputy Chair: — Members of the committee, the estimates before us are for the Department of Education. The estimates are found on page 39, starting at 39 in the *Estimates* book. And I'd like to invite the Minister of Education to introduce his officials.

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. With me today I have Craig Dotson, deputy minister; Ken Horsman, associate deputy minister; Michael Littlewood, executive director; Larry Allan, executive director; Cal Kirby, director facilities planning; Sheila Engele with finance and operations; and John McLaughlin, executive director, Teachers' Superannuation Commission, at the back of the row.

Subvote (ED01)

Ms. Draude: — Thank you, Mr. Chair. And welcome to the officials, Mr. Minister. It's been a while since we've had an opportunity to talk about education. I know that when we spoke last time we talked about the priority for this government for funding education. And I expressed my concerns at that time that the government has not put enough money into education to address the concerns that so many of the teachers and the boards of trustees have around this province.

Mr. Speaker, I think . . . Mr. Minister, I believe that the top concern right now for everybody, whether it's teachers or board members, is the talks, the union talks for the teachers right now, the wage negotiations that are going on. I know that in the last . . . yesterday, and I believe it was today as well, there was negotiations being undertaken.

And I'm wondering if there's any level of commitment that you can give to the people of this province to let us know what's happening at this time?

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. Certainly negotiations have been ongoing for some time. We're looking at teachers and the government trustee negotiating team actually starting negotiations last October. A lot of the negotiations that did occur culminated in a tentative agreement which was not ratified by the teachers by a narrow amount.

Negotiations . . . After the non-ratifications, the government trustee committee indicated that they were willing to go back to the negotiating table and they did have a bargaining meeting yesterday which I understand went very well, was frank, was dealing with the important issues before teachers and students in the province of Saskatchewan and I'm hopeful that we can have a negotiated agreement.

Ms. Draude: — Mr. Minister, but I understand that tomorrow and the next day the teachers are still going to be taking the vote which would give them the mandate to strike. Is that true?

Hon. Mr. Melenchuk: — Yes, it is true. The teachers have indicated the negotiating team for the teachers' federation has asked for a sanctions mandate from its membership which is not unusual in collective bargaining circumstances where you have

had rejection of a tentative agreement.

It's often important for that negotiating team to renew its mandate with its membership and by asking for a sanctions vote, which will occur tomorrow and the following day, really what they are asking for is a mandate to continue on with negotiations and as we've indicated, negotiations are ongoing and future dates have been set.

Ms. Draude: — Thank you, Mr. Minister. Then I take it from that that you weren't surprised that the vote still was taking place. If negotiations are taking place at this time, are you still hopeful that we will be able to have a negotiated settlement? And if not, are you expecting if the teachers do go on . . . decide to go on a strike, would you be expecting it yet this year in the month of June?

Hon. Mr. Melnychuk: — Mr. Deputy Speaker, certainly the . . . it's part of, I think, a process where we recognize that there will be a sanctions vote by the entire membership that will go forward. We don't know what the outcome of that sanctions vote what will be. That needs to be determined.

If there is an outcome that provides for a sanctions vote, that will in no way defray from the commitment of the government trustee negotiating team to continue on with negotiations.

And for me to speculate on any other outcomes at this time, of course, is premature and I remain confident that we can have a negotiated agreement.

Ms. Draude: — Mr. Minister, the settlement that was negotiated but not ratified was 7.2 per cent, and I believe that 1.2 per cent of that was health or it was a health plan. Maybe you can break down the actual settlement that was discussed at one time. And can you tell me the total number of dollars that would be effective this year for this budget year as well as next budget year?

(1730)

Hon. Mr. Melnychuk: — Thank you, Mr. Deputy Chair. Certainly we are continuing on with negotiations, and as a practice, an agreement at the negotiating table, recognizing that the tentative agreement may very well be part of the overall package for a future agreement.

I can relate some of the numbers that were made public. For example there was amounts that would have been put onto the grid in the range of 2 to 2.5 per cent for year one and year two. There was also a 1.6 per cent health plan which would have become effective on January 1 of 2001, and there was also smaller amounts allocated for allowances for principals and vice-principals.

So the overall package, as indicated by the member opposite, would have been 7.2 per cent. But I must reiterate that that particular package — because negotiations are ongoing — we really don't know anything in terms of global amounts or how that would apply really would be speculative on my part because we don't have an actual firmed up, signed ratified agreement.

Ms. Draude: — Thank you, Mr. Minister. Let's just take this 7.2 per cent there as suggesting that this is the amount that

we're working with right now. Can you give us . . . can you tell me how much that would have cost the government or how much money that does mean for the province at this time if we would be accepting 7.2 per cent?

Hon. Mr. Melnychuk: — Thank you again for the question, Mr. Deputy Chair. The 7.2 per cent was a tentative agreement which wasn't ratified. It would have applied to two years. It would have been retroactive to January 1 of 2000 when the contract would have begun.

The 1.6 per cent health plan would have been entirely funded by the provincial government — 100 per cent. The remainder, roughly 5.6 per cent, would have been a direct transfer to school divisions through the foundation operating grant.

If you look at the total package of 7.2 per cent, it would have amounted to around a \$35 million increase over the life of the two years of the contract.

Ms. Draude: — Thank you, Mr. Minister. Then taking roughly a third of it I guess, we're looking at somewhere around \$20 million for the cost of the health plan this year plus the increase that was rejected in the settlement. Can you confirm that 20 million would have been the approximate number for this year?

Hon. Mr. Melnychuk: — No, actually the way the tentative agreement was broken down, there was an amount applied to the grid this year, and some of it also applied to vice-principals' and principals' allowance. But the amount for this calendar year would not have been \$20 million; it would have been less than that.

Ms. Draude: — Mr. Minister, I don't know if this is a question I'm not supposed to be asking you or if you just don't want to answer it. But again I'm asking you, then how much money would it have amounted to for this year?

Hon. Mr. Melnychuk: — To answer the member's question, I'm advised that the costs to school divisions this calendar year, for the first year of the tentative agreement, would have been approximately \$14.5 million.

Ms. Draude: — Thank you, Mr. Minister. So then in the budget when we've talked about \$18.5 million was put into the budget this year for increase in operating expenditures, out of that, \$14.5 million would have been — if that contract would have been accepted, that settlement would have been accepted — we would have had . . . there would only have been \$4 million to work on some of the other programs and initiatives that we've been talking about in the last . . . since the budget was brought down.

And that is when we divide it between the special education needs and that type of thing, then there wouldn't have been the funding that we've heard the minister talking about for the last four months or three months since the budget came down.

Mr. Minister, then can you give me an idea, the number of school divisions that actually will get the amount of money that they would have to pay the teachers, how many of them will get that amount of money from the government this year with the funding split that is in place at this time?

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. Some of what the member opposite said is correct. Certainly the tentative agreement would have allowed for roughly 14.5 million of the 18.5 million in the foundation operating grant that would have covered teachers' salaries. But we also recognize that the foundation operating grant is an equalization formula.

The way of putting money into the foundation operating grant has been approved by all stakeholders within the education system and as recently as March of this past year, where the external reference committee agreed that any increases that were brought about because of a negotiated settlement with teachers should be applied to the foundation operating grant.

So we have all the stakeholders in the province who basically say this is the way it should be dispensed. But we also recognize that there is some diversity within school divisions on their ability to raise money for K to 12 education. And they have the right, the authority, and the autonomy to apply the mill rate to the assessment within their jurisdiction.

Now recognizing that all of the school divisions knew that a negotiated settlement was ongoing, that it would be reached at some point in time and there would be cost implications for divisions, a lot of divisions went into a best guess for this fiscal year in terms of what the implications for their division would be. And as we know, some divisions receive little or no operating grant so they had to anticipate the possible impact of a settlement with teachers and I understand that most divisions did do that.

But again it's speculation on our part to know where the final package is going to be, what will happen with the first year. I know, and the member opposite has commented as well as myself, with regard to some of the difficulties that school divisions who have already set their mill rates would find if they found that the first year of an agreement exceeded what they had allotted for, putting them in a position where they might have to draw down reserves.

So it is a difficult situation that we're aware of, and everyone I think at the negotiating table is also aware of that situation.

Ms. Draude: — Thank you, Mr. Deputy Chair, and Mr. Minister. Mr. Minister, I know that you're aware, as well as I am aware, that there's a number of school divisions who don't have the luxury of having reserves to draw down on at this time.

We also know that whatever the teachers' settlement comes up with, there's support staff that will also be requiring an increase so that would again be funding requirements for the school divisions. We also know that with the fuel increase this year, we also have school boards that are very concerned about those kind of costs.

So once again, Mr. Minister, I'm just going to ask the simple question again. I know that you've indicated that the government is going to cover the cost of the teachers' salary increase. How many schools are actually going to receive enough money to cover the cost of the teachers' salary increase if the settlement of 7.2 per cent had been accepted?

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair.

Certainly the member opposite has indicated some points, but just to read from a letter from the Saskatchewan School Trustees Association, from March 5 of 1998. This was provided to indicate their ongoing and continuing support for the funding arrangement of the province of Saskatchewan and I quote:

Any increase in funding therefore should be applied to the basic rates. This results in maintenance of the integrity of the foundation grant program, and for most school divisions the amount of grant received that might be attributable to the aforementioned salary cost increases would be similar to an amount that would be received if a specific line item were added after calculation of the operating grant.

And with reference to the reference committee, "the department should continue . . ." —this is a quote:

The department should continue the practice of the past several years of providing any increased grant funding to cover the cost of any teacher salary increase through the equalizing operating grant formula.

Now with regard to comments with regard to increased fuel costs, I'm sure that divisions recognize that fuel does increase the cost of transportation and, of course, it has an impact on rural school divisions specifically that have higher transportation costs.

But these transportation costs are recognized within the foundation operating grant formula, and it's my understanding that that amount of allowance is roughly equivalent to the actual costs of providing that service. So it's not like there's . . . the foundation operating grant specifically penalizes rural school divisions or provides any advantage based on transportation issues.

Ms. Draude: — Mr. Deputy Chair, Mr. Minister, I guess I mustn't be making myself very clear. I don't have any problem with the foundation grant. I wasn't talking about it. I just asked the question: how many school divisions will not receive the amount of money it will cost to cover the school . . . the teachers' salary negotiations even at the settlement that wasn't reached?

Could you please indicate the number of school divisions who will not receive that amount of money?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, the foundation operating grant really is the crux of the question that she's asking us, because what we find is that there is no specific line item for teachers' salary increases.

So there are many, many factors involved with the foundation operating grant, and one of the factors, of course, is enrolment. The other factor, of course, is the actual expenditures within that school division and also the assessment base that they have to draw on.

So if we have a school division who saw a decrease in enrolment, their foundation operating grant would go down. But we also recognized that they have the opportunity, because there really . . . there are two pots to look at. There is the

original budget that comes from the provincial government, equalization formula; all stakeholders agree to that. And then of course they're allowed to set their mill rates.

Now if they had a decrease in enrolment, then the foundation operating grant would subsequently also be decreased. If they had an increase in enrolment, then they would have got an increase on the recognition from the foundation operating grant. The per student allotment in the foundation operating grant was increased \$262 per student. We also . . . And the member opposite is aware of the increased funding for special education.

And the other point to remember is that it's not quite as simple as saying 14.5 million for teachers' salaries, 18.5 million for the foundation operating grant. Because you have to look at the entire pot of \$426 million for the foundation operating grant because there are reallocation within that pool of money, there are priorities that have come to the end of their lifespan which are then reapplied to other priority areas.

So it is possible to put an emphasis on distance education, on learning technology, on special education, and still have an increase with regard to the global amount of money that went into the foundation operating grant.

But the main principle to remember here is that school divisions retain the autonomy and the authority for raising funds and delivering services to the K to 12 system in Saskatchewan.

Ms. Draude: — Mr. Deputy Chair, Mr. Minister, I'm sure that you are well aware, just as I am aware, that as of May 5 the school divisions had to have their tax levy into the RMs. They had no opportunity after that date to put any more . . . ask for any more money from taxpayers.

You also are aware, just as I am, there's been a large number of tax revolt meetings around this province so the school divisions were very careful that they didn't try and tax their ratepayers any more than they could.

So as of May 5, the school divisions had a set amount of money in their mind that they were going to be paying for teachers' salaries. And it doesn't matter what kind of factors you take in effect, at the end of the day there's still a number that they're going to have to spend for teachers' salaries.

And I know that we don't know what that number is, but I'm just asking you to use your best guess and tell me how many school divisions will not have the amount of money in their budgets as of May 5 or whenever to actually pay for the increase in teachers' salaries? Could you give me that number, Mr. Minister?

(1745)

Hon. Mr. Melenchuk: — No. Again the question from the member opposite, Mr. Deputy Speaker, doesn't recognize the fact that all of the school divisions are aware that a negotiation was going on. And most of these school divisions from what I understand are also aware — because of the high-quality work that is done by secretary treasurers throughout the school divisions within Saskatchewan — that the amount of money that would have come on a teachers' salary increase was

factored in to the amount of money they received from the foundation operating grant and also in assessing their mill rates.

So there really are no school divisions who would be penalized in any way, recognizing that the foundation operating grant is completely transparent and that the provincial government has made a commitment that, whatever the amount of the teachers' negotiated settlement would be, that that would be provided on the global pool through the foundation operating grant.

So there are no school divisions disadvantaged. They are all aware of the situation, and they all had made certain, obviously best guesses in terms of what they thought would be under previous public sector guidelines, and what might be in the future in terms of what per cent might be appropriate for them to look at. And it is my understanding that school divisions have made those calculations and have adjusted their mill rates and their budgets accordingly.

Ms. Draude: — Mr. Deputy Speaker, Mr. Minister, they made their budgets and negotiations as well as they could; as well as you and your bargaining team felt that 7.2 per cent was going to be enough. And obviously it wasn't. And that came long after May 5 that this decision came forward.

And, Mr. Minister, what I'm trying to let people know, because the idea of equalization, foundation grant formula; the fact that taxes, assessment, and mill rates — most individuals out there, their eyes just glaze over. They don't know what we're talking about. They just want a simple answer.

Mr. Minister, I'm well aware of how the foundation grant operates. I've been given lessons by many people telling me how it works, and I know that it's not as simple as just saying, this is a bottom line. It's a factor of enrolment and assessment and all the rest of it. But at the end of the day, somebody still has to pay the teachers' wages and have to pay the wages of the support staff.

And there's been this amount of . . . this is a figure that is not written in stone at this time, but we do have to have some kind of idea of where it's going to come from. So I know that your department has all the figures, just as the SSTA (Saskatchewan School Trustees Association) does.

Do you have any kind of idea at this time how many school divisions are going to be short of what they had considered was the number at the end of . . . or when they put the budgets in at the end of May?

Hon. Mr. Melenchuk: — Mr. Chair, the simple answer is no because we don't have an agreement. So we know what the school divisions have had the opportunity to allow for. We know what the foundation operating grant is providing this year — \$18.5 million. We know that the capital allotment for this year was over \$30 million from the Department of Education plus an additional \$5 million from the capital centenary fund. We also know that there's \$25 million of tax relief provided to rural ratepayers.

So if you look at the overall mix provided for education, K to 12 education in this particular budget, and you make comparisons to neighbouring provincial jurisdictions, you will

find that Saskatchewan's increase overall of 7.2 per cent is one of the highest across the nation.

And I'd like to point to the commitment of the Saskatchewan Party in the last election for rate of inflation for the Education budget. And the member opposite asks about how we would arrange or how we would allow or how we would calculate teachers' salaries increase which we have done within the foundation operating grant. But they make no provision for that in their budget. And certainly their cousins in Ontario and Nova Scotia and Alberta have not made provision as well. Thank you, Mr. Speaker.

Ms. Draude: — Mr. Deputy Speaker, Mr. Minister. Mr. Minister, go on a rant about what the Saskatchewan Party would do when they're government. You will find that out. We will be here. You may not be sitting in this legislature but you will know what's going to happen. At this time I'm asking what you're going to do.

Some Hon. Members: Hear, hear!

Ms. Draude: — I've been sitting here for 20 minutes trying to get a simple answer out of you, Mr. Minister, and I know with 285 people in your employment like I see in this book, somebody must be working with those numbers.

Mr. Minister, could you just please give me the simple answer about how school boards and some of them — and I think it's about 45 school divisions — are not going to be getting the funding to cover the teachers' contract.

Mr. Minister, on one hand you're talking about \$14.5 million as the basis, minimum teacher salary increase and then bragging about \$18.5 million being put into the operating grant then \$4 million is what the extra is going to be for all the extra needs that these schools have.

Mr. Minister, I'm going to ask . . . I guess I'll just continue to ask you if you can give me that number.

Hon. Mr. Melenchuk: — Mr. Deputy Speaker, she asks the question and she gets the answer repeatedly, but she doesn't seem to understand the answer. And I'll quote again from the reference committee of all stakeholders. The quote:

The department should continue the practice of the past several years of providing any increased grant funding to cover the cost of any teacher salary increase through the equalizing operating grant formula.

So what that means, Mr. Deputy Speaker, is that we have school divisions who have high assessments. And to give you an example, Weyburn Central has an assessment of well over \$700,000 per student.

We have Ile-a-La-Crosse, which has an assessment of only \$18,000 per student. Ile-a-La-Crosse gets a large sum of money on an equalizing basis to provide for student services in their community. And almost 100 per cent of that comes from the foundation operating grant.

Whereas the high assessment school divisions would receive no

dollars from the foundation operating grant. But should all . . . should the poor school divisions be penalized because we have some school divisions with high assessment? And the answer is no. And all stakeholders have agreed that the foundation operating grant should function on an equalizing basis.

So when she talks about school divisions who may have had decreases in the amount on the foundation operating grant, it could be related to increasing assessment, new businesses, an inland terminal opening up, or it could be related to decreased enrolment, and that shifts every year.

So some school divisions will have got more money this year and some of them had significant increases. Some school divisions would have got less money this year, based on enrolment and recognized school expenditures. And that's the way it's been. That's the way it's been agreed to.

And what we have said, and I'll reiterate again, is that if there was a global amount of money to cover the teachers' increases this year, that the provincial government would provide that on the foundation operating grant, as agreed to by all the stakeholders.

Ms. Draude: — Mr. Minister, the foundation operating grant is the mechanism for dividing money out across the province that all the stakeholders believe in. And I guess because I can't get the number from you, I'm just going to indicate to make sure that people are aware that even though the government is saying that they're going to cover the exact cost of the teachers' salary increase, not all school boards will get it. We know that.

We know that they can cover the cost in another way. If they have high assessment, they can raise their taxes. I was making the point that as of May 5, they had no opportunity to again raise the taxes; that number was already in. If they don't have surpluses, they're going to have to find ways to cut costs, cut teachers, cut something, because of negotiations that are out of their control.

Mr. Minister, let's go to a black and white answer that you can probably get for me. How many portable schools are owned by the school system and how much money was spent relocating them last year?

Hon. Mr. Melenchuk: — Just a clarification. Are you asking for the number of relocatable classrooms located within school divisions in the province? Okay.

Mr. Deputy Speaker, the number of relocatable classrooms is not something that we have that information before us at this very point in time. We can certainly poll the school divisions and get that information for the member in the very near future.

But the numbers of portable classrooms attached to any particular school will shift on a yearly basis because that is the design of relocatable classrooms, to be able to provide that environment for changing enrolments. And I'm not even too sure at this point in time to even give a best guess. So we'll have to get that information by polling school divisions.

Ms. Draude: — Mr. Minister, have you had any school divisions concerned about the cost, the initial cost of purchasing

the relocatable schools?

Hon. Mr. Melenchuk: — Mr. Chair, certainly I can provide some information in general terms. Last year there were 13 . . . 13 in total relocatable classrooms that were moved.

And the general sort of policy is that within the larger urban school divisions, relocatable classrooms are moved within schools that are actually within the boundaries of that division. But in rural Saskatchewan it's not uncommon for changes in enrolment, where relocatables in one school division are moved to neighbouring school divisions within the province.

Ms. Draude: — Mr. Minister, I believe that the cost of relocating the schools are actually considered part of the capital budget. So if the cost is \$60,000 to move it, then it actually comes out of the capital costs. Am I correct in that belief?

Hon. Mr. Melenchuk: — That is absolutely correct, yes.

Ms. Draude: — Mr. Minister, I thank you for the list you've been providing for me of the capital expenditures to date. I'm not sure if all the funding has been authorized to different projects so far this year for capital funding but I don't believe that the centenary fund has been allocated. Has there been conditions set on that at this time? Has there been any money spent out of that fund?

Hon. Mr. Melenchuk: — The member opposite asks a question with regard to the application of the Centenary Capital Fund into the allocation with regard to capital expenditures within the Department of Education.

The Centenary Capital Fund was created over a four-year period. It will be providing \$5 million this year, and \$5 million in the next three subsequent years to cover capital projects.

The allocation and prioritization of those capital projects remains within the department. And the department's process for allocation is based on a very transparent and agreed-to formula that identifies health and welfare needs of students as the top priority; critical shortage needs as the second priority.

(1800)

So all of the projects allocated in a given year are prioritized on that basis. And with the Centenary Capital Fund being applied, this allowed for a number of projects that would not have been approved this year to be approved.

And I know that in some of the announcements that we've made recently with regard to sod-turning of new schools . . . In fact, we were in Kennedy the other day, announcing a new school for Kennedy. One of the . . . a village that will be combining from a K to 6 school and a 7 to 12 school from Langbank and Kennedy into a K to 12 facility. And this of course, all of these announcements — with regard to the new school in Silverspring for example in Saskatoon — were because of the Centenary Capital Fund and the increase in capital allocation of over 20 per cent to the capital budget this year.

Ms. Draude: — Mr. Minister, I think that I must not express

my questions in a way that's clear to you. I know that we have \$24.1 million in capital funding available through the Education department. I'm also aware that there's another \$5 million through your fund.

My question was, have you also spent that \$5 million?

Hon. Mr. Melenchuk: — And again the answer that I just went into previously here — we talked about the global amounts. If specifically . . . With regard to the allocation for this current budget year, \$3 million of the Centenary Capital Fund has been allocated. There is still \$2 million yet to be allocated from that fund.

Ms. Draude: — Thank you very much, Mr. Minister. Mr. Minister, I'm wondering with the amalgamation of school divisions that was initiated a few years ago, I know that there was some school divisions did work towards and did amalgamate. Are there any more school divisions working on that at this time?

Hon. Mr. Melenchuk: — The process of voluntary amalgamations of school divisions have seen a decrease of roughly 120 school divisions several years ago to 100 school divisions today. And currently school divisions in several areas are undergoing negotiations about amalgamation.

There haven't been any recent announcements with regard to amalgamations. But we have had feedback from several divisions that have amalgamated, and they have reinforced the positive nature of these amalgamations. And so we can . . . the policy of course is to continue with the voluntary process, and let the school divisions sort out what is best for them in providing services to the students of Saskatchewan in the K to 12 system.

Ms. Draude: — Mr. Minister, has there been a written cost-benefit analysis done when the amalgamation has proceeded in districts so that the information is available to other school districts that are considering this move?

Hon. Mr. Melenchuk: — Mr. Chair, certainly the department has not engaged in a cost-benefit analysis, but the school divisions who have amalgamated have done this undertaking. And that information is available to any other school divisions who might be anticipating.

But certainly, depending on which school divisions are amalgamating, the efficiencies and the cost savings associated with that amalgamation would be unique for that particular amalgamated unit.

And what we've seen is that some of the amalgamations did provide for greater efficiencies and cost savings, which of course were redirected to front-line services for students within the amalgamated division. And some other divisions may not have experienced the same extent of savings. But I know of no amalgamations that actually resulted in increased costs.

Ms. Draude: — Mr. Minister, how many of the new amalgamated school divisions have negotiated a new local agreement?

Hon. Mr. Melenchuk: — Mr. Deputy Speaker, the department doesn't keep track of local agreements negotiated, and we have no record of that.

Ms. Draude: — Has your department been contacted, and have concerns been expressed by any of these amalgamated school divisions that they're having difficulty reaching a new local agreement?

Hon. Mr. Melenchuk: — The simple answer is yes. But it's not specific to amalgamated divisions; it tends to be more widespread than that. And certainly this is something that we see on an ongoing basis with school divisions who do have some difficulty in actually having their local agreement.

So the way the question was framed, it's not that it's because of amalgamation; I think it's more the reality of some of the situations in Saskatchewan today.

Ms. Draude: — Mr. Minister, the formula for recognizing expenditures compared to actual expenditures — can you give me an idea of what that formula is this year?

Hon. Mr. Melenchuk: — Mr. Deputy Speaker, the question with regard to the formula and recognized expenditures and the actual expenditures of school divisions: first of all, we do not know the actual expenditures for this year because we don't have the audited financial statements.

There was changes to the recognized expenditures within the foundation operating grant. These were increased to provide greater equity to the foundation operating grant.

Ms. Draude: — Mr. Minister, one of the concerns that I've heard around the province is the issue of schools, native schools on reserves. And when I was in Saskatoon I was advised that there is consideration for an urban reserve school in the city. Can you tell me how negotiations are going?

Are you in on these kind of discussions and how is the province working with the FSIN (Federation of Saskatchewan Indian Nations) and the federal government on this concern?

Hon. Mr. Melenchuk: — Mr. Chair, the department is not part of any negotiations with regard to an urban reserve in Saskatoon.

Ms. Draude: — Mr. Chair, and Mr. Minister, I would assume from your words that you are aware that it is happening and I imagine this is going to be a . . . it's going to impact education in the urban centres greatly as it does in the rural centres.

Have you been talking to FSIN at all? Have you been talking to any of the Native leaders to decide how this would take place and what impact it's going to have on the other schools that are being built in the cities?

Hon. Mr. Melenchuk: — Mr. Chair, certainly the department and government are in constant ongoing dialogue with the FSIN on a range of issues. But I can tell the member opposite that we are unaware of the situation that she refers to in Saskatoon where there may be a school situated on an urban reserve. We're . . . we're completely unaware of that particular topic.

Ms. Draude: — Mr. Chair, Mr. Minister, I guess we'll go . . . I'm sure that there is discussions taking place and it's too bad that you weren't part of them, because I imagine it would be very interesting for you and your department seeing that it's going to have an impact on the whole province.

But, Mr. Minister, maybe then we could move on to the special needs assessment that you are . . . that your department undertook. And I know that the report was something that was long awaited, and the idea of special needs children in this province requiring attention has been brought to the forefront not only by the STF (Saskatchewan Teachers' Federation) but also by the school boards.

The recommendations that they suggested were many, and I'm wondering how your department is considering or how you are going to be working these recommendations into the department's plans for the future.

Hon. Mr. Melenchuk: — Mr. Chair, I thank the member opposite for the question and the interest in this area.

Certainly we are very pleased with the report of the Special Education Review Committee. They made a number of recommendations. We have organized meetings which have allowed for stakeholders to respond to the report itself. We are compiling feedback from the stakeholders now, and we will be in a position to provide a formal response to this issue by the end of August.

And for the information of the member opposite, I just recently met with the group representing disabilities within the province of Saskatchewan to . . . for them to provide an oral feedback to me directly with regard to their response to the Special Education Review Committee report. They were quite pleased with the report.

They were concerned that this report would be shelved; that implementation would not occur. And my response to them in that, it is the government's intention to take very seriously the report and the stakeholder's feedback and to provide timelines with regard to implementation with regard to this report.

(1815)

Ms. Julé: — Thank you, Mr. Deputy Chair. Good evening, Mr. Minister, and I too would like to welcome your officials.

Mr. Minister, I was wondering about the allotment of funding that is provided for home-schooling in school divisions. I would like to know basically what consideration, I guess, and what right is given to parents that home-school, as far as the allotment of money that goes to a school division for this purpose? What are they entitled to when it comes to that allotment?

Hon. Mr. Melenchuk: — Mr. Chair, certainly the question with regard to home-schooling. The department, through the foundation operating grant, provides a recognized expenditure of 50 per cent for a home-based student. The division of course has the authority and the opportunity within that recognized budget, because it is provided to them in an unconditional manner, to either add to or however to direct that funding.

Some home-based educators I'm told find that they don't need to access the resources of the school division to any large extent, whereas other home educators do access these resources on an increased amount.

Ms. Julé: — Thank you, Mr. Minister. Mr. Minister, is there a legal entitlement that parents can assume or do have in regards to accessing that money that is allotted for home-schooling?

Hon. Mr. Melenchuk: — Mr. Chair, certainly parents have the right to home-school. The allocation of financial resources though is to the school division; it is not to the parent.

Ms. Julé: — Mr. Minister, is there any provision in The Education Act, 1995 or any other Act that would state clearly that parents do have an entitlement if they home-school — an entitlement to a portion or all of the funding as it pertains to the number of children that are being home-schooled? And would they get an equal portion of that or do they have a legal entitlement to that amount of money?

Hon. Mr. Melenchuk: — No they don't have a legal entitlement. The foundation operating grant funds school divisions; it doesn't fund individuals.

Ms. Julé: — Thank you.

Ms. Draude: — Mr. Minister, can you give me an idea of the unfunded liability of teachers' pensions. Is it continuing to grow?

Hon. Mr. Melenchuk: — The member opposite asked specifically with regard to teachers' pension liability. Currently the teachers' pension liability sits at \$2 billion, roughly \$2 billion; and yes, it is continuing to grow.

Ms. Draude: — Mr. Minister, I'm aware that as the teachers continue to retire . . . or the baby boomers like us continue to retire, the amount required each year then is going to increase so where that funding that goes into education is going to require more money just to take care of the liability, the pension requirements.

In the next few years, has your department indicated or have you come up with some kind of a plan as to how you're going to deal with this concern as well as the very many needs that the province has for education priorities?

Hon. Mr. Melenchuk: — Thank you for the question. Certainly the Department of Finance and the provincial government takes very seriously the unfunded pension liability within teachers and within the public sector. I have had meetings with the teachers' federation, myself, where the Department of Finance was represented by the Minister of Finance. We have reviewed their concerns.

We've also reviewed the Mercer report and certainly it is our intention to try and deal systematically with the unfunded pension liability, and this is a concern that we'll try and address in the very near future.

Ms. Draude: — Mr. Minister, is this pension liability type of a formula that you can determine in the next say three years how

much it's going to increase when you're looking at the retirements of the teachers? In other words can you tell us . . . are you aware of how much this liability is going to be in each of the next four years?

Hon. Mr. Melenchuk: — Certainly. There needs to be some separation between the current teachers' retirement plan which is a funded plan, and the old plan which is the superannuation plan. We know . . . we have estimates that can be determined in terms of the number of teachers who will be retiring. We also can calculate the costs with regard to these retiring teachers. And what the formula in the curve shows is that there would be quite a significant increase in the requirement of the provincial treasury to deal with teacher retirements as we move into the years 2010, 2015.

There is a process recognizing that . . . you know, recognizing the rate of inflation that we can actually determine in terms of, you know, year 2000 dollars what the costs would be to the treasury if everything was left alone. And we also know what the cost would be if we decided to put . . . to deal with some of that unfunded pension liability now to help even out that hump that we'll see in outgoing years.

Ms. Draude: — Mr. Minister, the previous minister discussed this last year in estimates and he talked about the fact that by I think it was the year 2015 there was going to be an additional \$200 million required in the Department of Education to fund the pensions.

Now that is a considerable amount of money when you look at the total budget for Education being less than 500 million right now. It isn't that long a time frame and I'm sure that the \$200 million . . . we're going to work our way up to that quite quickly.

Mr. Minister, again I ask, in the next four years can you indicate to us how much money — keeping everything at the status quo — how much money it's going to cost each year for the pension liability?

Hon. Mr. Melenchuk: — Certainly the actual requirements have gone down in the past few years and they will continue to go down to roughly the next four or five years. But at that point they will start to increase reaching a peak after that — 2015, 2019.

So there is an opportunity, recognizing that the need in the next four or five years is less, to provide those extra funds and also have that impact, because any of the money put in at this point would grow. And the fund managers have been doing a commendable job. And certainly that's one of the factors you need to look at is that the funds within the plan at this point in time are invested and are growing.

If we add to that pool of funds that have been invested and are growing, then the demands on the provincial treasury in the outgoing years will decrease as well.

Ms. Draude: — Mr. Minister, then you had indicated that the fund is increasing, and now you're saying that the government is putting some funding towards this.

So right now is your government adding extra money into this fund so that it can actually grow and help offset the liability in the future years? If so, how much are you putting in?

Hon. Mr. Melenchuk: — Oh, that decision hasn't been made, and I wasn't trying to confuse the member opposite. But the thing is that when we're talking about the unfunded pension liability and the requirements — the statutory requirements of government to meet its pension liability on an annual basis — that that number, which is roughly 100 million, \$100 million this year, would actually decrease over the next four or five years into that 70, \$80 million range.

But what we're saying is that if we were to keep that amount constant . . . (inaudible interjection) . . . Yes, it is. If we were to keep that amount constant at \$100 million, then that money that is provided would then go into the pool and could be invested. And so what . . . (inaudible interjection) . . . No, we're talking about the overall . . . the actual expenditures and the actuarial valuation.

So what we're talking about here is that that demand, that statutory demand, will decrease over the next 4 or 5 years, and then it will increase steadily over the next 10 to 15 years.

Ms. Draude: — So, Mr. Minister, you're saying that although you haven't put any money in right now, you're going to put money in to meet these statutory obligations. Right now you're just meeting those obligations.

But trust me . . . I'm to trust you because you're going to put money in in the next three or four years when those obligations have actually gone from 100 down to 80. Is that what you're saying?

Hon. Mr. Melenchuk: — What the government has been doing is it has been meeting its statutory requirements. It hasn't been providing any extra amounts. But discussions between the Department of Finance and the teachers' federation are ongoing. We've reviewed the Mercer report.

And what we would like to do is provide that additional funding now and over the next subsequent years so that we don't end up with that huge peak in 2010, 2015.

Ms. Draude: — Mr. Minister, I think most of us would like to make an extra payment on our mortgage as well, because we know that's going to save us money in the long run, but often this can't be done.

So, Mr. Minister, I know that with the requirements that we have for education, when it comes to operating grants and the capital and all the rest of it, is enormous. And yet at the same time we're facing a \$200 million pension liability there in the not-too-distant future. So education priority in this province has got to move around so that we put education at the top of the list somewhere and not just giving it lip service like we've been listening to in the last hour.

Mr. Minister, I'll just add one other issue that we'll . . . I have a number, but I guess for now maybe one other issue that we'll be discussing, and that's the historical schools in this province.

I understand that there is eight historical schools and I'm wondering if they are . . . I believe that they are funded at a different level, each one of them. Can you give me an idea of what level they're funded at.

(1830)

Hon. Mr. Melenchuk: — Mr. Deputy Speaker, the member opposite is correct. There are eight historical schools, seven of which basically receive a grant per pupil that is variable. The maximum amount is roughly the \$4,000 range. And some of the historical schools receive a per pupil grant of a little over \$2,000.

Gravelbourg, which is a historic school, receives significant funding with regards to the federal government's obligations.

Ms. Draude: — Mr. Minister, I . . .

The Chair: — Order, order.

Hon. Mr. Van Mulligen: — Mr. Chair, I move the committee rise, report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 6:32 p.m.

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