

EVENING SITTING
COMMITTEE OF FINANCE

General Revenue Fund
Agriculture, Food and Rural Revitalization
Vote 1

Subvote (AG01)

Hon. Mr. Serby: — Thank you, Mr. Chair. My officials that are with me tonight, seated next to me is Mr. Gordon Nystuen, who is the deputy minister. Next to him is Maryellen Carlson, who is the assistant deputy minister. Directly behind me is Mr. Hal Cushon, who is the assistant deputy minister. And behind my deputy minister is Karen Aulie, who is the director of corporate services branch. And next to Karen, to her right, is Ross Johnson, who is the manager of corporate services branch. And seated in the back wing is Stan Benjamin, executive manager of research and development; Greg Haase, the director of lands branch; and Merv Ross, who is the manager of financial services branch; and Laurier Donais who is the manager of corporate services branch. And that's my officials that are with me tonight, Mr. Chair.

Mr. Elhard: — Thank you, Mr. Chairman, and good evening to the minister and his officials. We are happy to have this time to undertake the Department of Agriculture estimates again.

And when we last had an opportunity to speak, we were discussing the TLE (treaty land entitlement) land claims that were occurring in the region of Cypress Hills. Our last conversation, according to *Hansard*, on that particular issue I believe was April 30. And at the time the minister had made some reference to a number of areas that we weren't able to elaborate on properly, and I promised him then that we would get a chance to do it one more time and here we are tonight.

Mr. Minister, as part of the TLE claim process, there are two current claims in abeyance. And I asked you at the last opportunity what legal framework you had used to put the claims, the two most recent claims, into abeyance. Now I think that as part of your answer at the time you just indicated that as long as there was uncertainty in that area the claims wouldn't be going ahead.

But my understanding of the treaty land entitlement legal framework is that there is no authority given to the government under that legislation to put a claim into abeyance. You have to decide one way or the other whether it will proceed or be denied. And so I'm asking again, Mr. Minister, under what legal framework, what authority, your government decided to put those claims into abeyance.

Hon. Mr. Serby: — Mr. Chair, I think in the last occasion that we had to talk about this issue — and the member reminds me it's been a while since we've had a chance to talk about this particular issue — but there is a 90-day period of which we have the responsibility to respond. That of course is in the framework agreement in the guidelines. And of course there can be extra time that can be provided and that extra time would be discretionary upon our department.

Mr. Elhard: — Mr. Minister, through the chairman to you on a supplementary question in that regard. If there is extra time required as a discretionary element, I don't believe that I have ever seen that provision in the TLE.

So I must assume from what you are saying is that you have taken that time on the basis of some other piece of legislative authority, or I think the only other conclusion that I could draw is that you have some agreement — either agreement in principle, an informal agreement, or a tacit understanding — with the First Nations involved with this particular claim that would allow you to have that extra time. Which is it, Mr. Minister?

Hon. Mr. Serby: — Mr. Chair, to the member, where you have a situation as I described the last time we were together where you have — and I expect that you'll get to this next question — which is where you have willing seller, willing buyer to reach an agreement within that time frame, the guideline within the policy works.

Where you have a situation where you have a dispute, which has been the case here in some fronts here because what the situation that we're talking about really recognizes that people want to assume or should want to assume an entire parcel.

Where you have here is you have a land base where what's happened is that there's being a selection made where they're not selecting the entire parcel; they're taking most of the entire parcel but are cherry-picking and leaving some of those quarter sections of land out of the selection. And where you have that, then we have a situation where the individual who is wanting to part with their particular piece of property wants to part with the entire piece as opposed to only sections of it.

And so where you have a disagreement, where in this case we have a disagreement or we've had disagreements, we try to sort that out through a conciliatory process. And we've used that conciliatory process now on a couple of fronts. One probably best known is the Rosemount, I believe, the Rosemount pasture where you have a co-op. It's through that co-op, of course, that we've tried to settle it and we've had for some months now a process where we've had a conciliator involved in that.

On your side of the province we have a situation where there have been selections of land made, but in that selection there have been some omissions as opposed to taking the entire parcel. And it's that piece that we're working on and that's where the extensions have been.

Mr. Elhard: — Thank you, Mr. Minister. From your response, can I assume that the First Nations then have given their tacit approval or their explicit approval to this extended process of negotiation?

Hon. Mr. Serby: — Mr. Chair, to the member, it would be fair to say that about a month ago I had an opportunity to meet with First Nations bands along with the minister responsible for Intergovernmental Affairs and talked to them about the importance of trying to bring resolution to these. If the question is, has there been full tacit approval by the First Nations on the way in which we've extended the arrangement, the truth is that

there isn't full appreciation for the fact that we've extended it. But we've extended the agreements to try and find a compromise or a solution amongst both parties and it's from that framework that we've always taken the position that we want to settle these things that's in the best interests of both parties and so have used that process in order to try to achieve that.

But is there to date because there is not what we would call the willing buyer, willing seller arrangement fully endorsed by both parties who are using this method . . . And hopefully at the end of the day we'll get some resolution — or get a resolution — which will satisfy both parties where at the end of the day they'll say that, this is an arrangement that we both have respect for and are prepared to proceed.

Mr. Elhard: — Mr. Minister, would it be proper to characterize the situation then as having a First Nation buyer that is not completely satisfied with the way the process is unfolding and a reluctant seller which in this case is the provincial government?

Hon. Mr. Serby: — I think it would be fair to say that in the last six or eight months now it's been that I've met with both parties. We've met with First Nations people around this issue and I've also met now on two occasions with the advisory committee that's been established for the ranchers.

And it would be fair to say that there has not been in my view the kind of arrangement that I'd like to see in place to protect the interests that the ranching community has had and that when we're disposing of parcels of land we want to try to do that in a fashion that doesn't disrupt the package of which is currently both owned and leased on the part of the ranchers. Because, as you know, when ranchers on that side of the province or when ranchers decide that they want to part with their operations they want to do so both with the land that they hold title to and with the land of which they currently lease.

And that of course makes the entire package far more appropriate and far more saleable for the people who are wanting to move on. And so it's from that perspective that we're trying to satisfy the arrangement in so that those who are in fact making the choice about parting with their property that they can do so with the entire package as opposed to parts of it being negotiated out and then putting a great deal of stress or pressure on the current leaseholders and titleholders on trying to dispose of only parts of their property — which would make them far less valuable, as you and I both can appreciate.

Mr. Elhard: — Thank you, Mr. Minister. Through the Chair to the minister, one of the areas that we discussed was the lack of willingness or the unpreparedness of the provincial government to renew some of the leases that had been attached to the TLE claims.

And our argument at the time — and I've made this argument both publicly and privately — is that by renewing the leases with the current leaseholders, the provincial government is really stabilizing or strengthening the hand of the negotiation position of the current leaseholder and in fact would enable the leaseholder to get closer to market value for the deeded land that they have as part of the overall productive package.

And in making that argument, it occurred to me or it seemed to me, Mr. Minister, that the provincial government didn't appreciate, you know, sort of the suggestion I was making. It was as though the government wasn't really willing or prepared to give that kind of strength to the bargaining position of the leaseholder.

And if I'm listening to what you're saying tonight, you do seem to take into consideration or do seem to be expressing some willingness to work toward allowing a situation to develop where the leaseholder and the deeded owner would be able to get more value for his land.

I'm wondering if it's necessary under that circumstance for you to involve yourself to the extent that you are. Maybe the department should just take our suggestion and renew that lease and let the two parties negotiate freely between themselves.

Now I understand the argument is that the current leaseholder is not in fact the seller, the willing seller. In legal fact, he is not the willing seller. But by giving him a position of strength from which to negotiate, it would allow him to realize the monies out of his operation that he needs to get in order for him to even entertain an offer that might be forthcoming from a First Nation.

I guess I can't understand, frankly, how involving the provincial government in the middle of this deal is going to benefit the willing seller, willing buyer scenario.

(19:15)

Hon. Mr. Serby: — Well, Mr. Chair, I appreciate that you've come back to this point again because we had a conversation about it, now that my memory . . . I recall from the meeting that we had in April where in fact you have a selection made on a piece of property by First Nations, then we are compelled then to examine the renewals. We're compelled to examine them.

And I appreciate your suggestion, and that is that . . . and shared with you why it won't work over a longer run. And this is why, because . . . and we're making renewals today. Where you have a satisfactory arrangement between the rancher and/or the respective new owner, we've made those kinds of renewals occur. And we've been renewing where there haven't been selections right within your area.

Where you have a selection, however, the renewals have not occurred, to try to resolve these kind of issues that we've been talking about. Now if you say to us that what you should do here is renew the packages first and then have the prospective new owner try to sort this out with the current leaseholder, in the case of First Nations people what will happen if you do that the very first time is that they will make selection on all the land. They'll make the selection on every piece of property that makes itself available on the Crowns to protect themselves. And well they should because what will happen is that they won't trust the process in the way in which they trust the process today.

And so if you want to see all of the Crown land have a First Nations selection on it, your suggestion will make it happen. And that's what I said to you the last time that we had this

conversation. And you should not be encouraging an administration or a government to go there. You should let the process continue to work in the way in which it has because it's been successful on most fronts, except in those cases where there has been a selection made and we haven't been able to resolve it fully.

Do I think that at the end of the day we'll resolve many of these issues? I think we will. Now in some cases I think we'll find ourselves, as I said the last time we talked, we'll find ourselves in the courts. And it was never any intent for the government to be in the centre of these kinds of disputes, and tried as hard as we could when we set up the framework agreement of which ranchers and First Nations and various other stakeholders were a part of those conversations, as the new group that's been established to look at this whole piece, they too understand that we never wanted to see the government in this kind of a situation.

But the reality is, is that when you make a selection of cherry-pick, which is what's happened in some of these selections, it then makes it impossible to reach the compromise of a willing seller, buyer. And it's on those bases of which we've been trying to sort some of these out. Now they're not in large number today but I can tell you, if you ask us to exercise your suggestion, I can assure you that First Nations will make selections on all Crown land which is coming up for renewal. And they should and they would.

Mr. Elhard: — Well, Mr. Minister, I think that your assertion that they would make selections on all Crown land is hypothetical. And I think that it's a stretch to say that.

I understand that the TLE agreement, as has been formally recognized by the provincial government, the federal government, and First Nations people in this province, has worked very effectively and has resulted in First Nations opportunities with Crown grazing lease and private deeded land in some situations that has worked out to everybody's satisfaction. And there's the normal give and take of the willing buyer, willing seller, and there's the negotiations and the haggling that goes on with that kind of thing, but in the end everybody seems to part company in reasonably satisfied ways.

Now if you're saying that the only reason the provincial government has imposed itself on these most recent land claims is because of the cherry-picking of some of the claims, there's got to be a better way around this than the method that we're coming up with now because I think we're going to find nobody happy. And that's the worst-case scenario that we could possibly imagine.

So, Mr. Minister, I guess as a follow-up to this comment, I'm wondering whether your department, in its conversations with the First Nations applicants in the TLE process, whether your department has felt free or felt it had the opportunity to suggest some maybe new and creative and alternative measures that might help satisfy the First Nations people in meeting the mineral claims and the land claims that they have been seeking, that will not disrupt the ranching industry, and will not create the hard feelings and the ill will that seems to be generating from the current process.

Is the department open to new and creative alternatives that might come from sources completely outside of government to help alleviate some of the stresses that are developing in this particular process?

Hon. Mr. Serby: — Well I think the member asks an extremely important point. And I'm pleased to hear him say and will be looking for some response in terms of . . . along the way in what some of the new and creative ideas will be, and alternatives, in terms of providing First Nations people with greater access to their Saskatchewan resource base.

And it will be an interesting debate for you to take on in your own constituency, I can appreciate, where you might pose with some of the ranchers in your area what their views might be if they were to ascertain, the First Nations people were to ascertain some of the properties that we're talking about today and then have first right on some of the minerals and . . . on the minerals that are there — and maybe some of the gas reserves of which is an interesting place for you to take.

Because if in fact you're advocating that, then I expect what you'll be saying to me next is that you think that the . . . In northern Saskatchewan today where we have a thriving mining community, First Nations people are of the view that they should have a larger chunk of the resource revenue in the North, given that the mines are located in some areas right within the communities of northern Saskatchewan which First Nations would argue, whom should in fact be the benefactors of the resource revenue.

Where you have today pipelines or oil wells that are on First Nations land, you would be advocating, I expect here, that all of those resource revenues would make their way directly to First Nations people. And that will be an interesting debate for us to have along the way.

But as it is today, those resource revenues make their way to the province and then we distribute them in the fashion that we think is appropriate for all people in Saskatchewan. Because I think that's the way in which the future . . . That's the way in which we've provided resource revenues in the past to this province and I expect under this administration into the future that will continue to be the case.

But as it relates specifically to land claim, we're of the view I think today . . . My officials tell me that we now have 157,000 acres of Ag and Food Crown land that has been in fact passed to First Nations through a negotiated process. And so we have a history, and you're right, where it can work.

But we also have situations today where in fact, as I said to you, there are parcels of land within a lease, a leasehold that ranchers have today that First Nations people are not interested in. And they're not interested in it from the perspective that it may not have the kinds of resource revenues of which they want to have access on. And that becomes a different debate.

And it's from that perspective that we say, under our policy, that in the past where you've had successful arrangements, there have been selections of entire parcels. And we're trying to mediate that kind of a process today in a conciliatory fashion. And so far we've been successful in staying out of the courts,

been successful in making sure that the people who have that land base today are continuing to farm it, and we continue to provide assurances to those people that they will have some longevity in that arrangement.

Now we can get into a expediated debate here without any question simply by doing one of two things: not renewing or in fact allowing the selection to take place. We could do one or the other. Or allow the selection to take place or to allow a renewal to take place.

And I can tell you in those arrangements where there is dispute today, we'll be in the courts. And we're trying to avoid that because in those cases there are no winners at all and we're looking today for situations where it will be a win-win for both the people who are currently ranching it, and for First Nations who in fact are interested in acquiring that land.

Mr. Elhard: — Mr. Chairman, through you to the minister. Mr. Minister, a good answer in some ways but I'd appreciate it if you wouldn't put words into my mouth. We're not proposing anything. What I'm asking is, are you prepared to listen to new ideas, and not necessarily from us but from people outside the political system? There are people that have some ideas about how this might be addressed so that the needs of the First Nations are met without forcing the current leaseholders off the land and out of their lease.

And I guess the other question is, why is it that the provincial government would assume that by renewing these leases there will be no satisfactorily negotiated settlement? Why is that assumption the first one that the government arrives at?

Hon. Mr. Serby: — I'm sorry, Mr. Chair, if he assumed as though I was putting words in your mouth. I didn't want to . . . I'm not implying that all. I just thought that what I was hearing is a host of new ideas that were coming your way and I was shocked by it, to say the least, and so was paying close attention to it.

And so . . . And I thought there was some good ones. I thought there was some good ones coming so I was paying close attention to it and sort of rephrasing it to make sure that I was capturing the essence of your comments. But I was not for a minute offering any words of suggestion or advice from your part, and not intending at all to put any words in your mouth.

And I want to conclude my comments by saying that where you have, where we have a willing seller or a willing arrangement, we will make those, we will provide the necessary documentation to allow a renewal to proceed. And we've had some of those right in the midst of us negotiating some of the difficult ones that are outstanding, and we'll continue to do that.

Now is it the most satisfactory method today? Well this is the one we're using today. If there are other methods of which you or members of your party think that we should engage in, I would be happy to entertain any ideas on that front because our whole idea is to try to find a solution between the people who are wanting to acquire the property or those who want to renew it, or for that matter those who want to move on and make that land available to others. We'd be happy to entertain any ideas you might have.

Mr. Elhard: — Thank you, Mr. Minister. Through the Chair to the minister, I understand that there is a lease renewal process ongoing, that there are a number of Crown grazing leases being renewed on a daily basis. And I wonder if the minister can confirm for me the terms of those renewals.

It seems to me, if I recall correctly — and you can correct me if I'm wrong, Mr. Minister — but at one time if a lease traded hands, if it had been a 33-year lease when it was originally signed, on the assumption of the lease by the new leaseholder the lease was automatically renewed to a full 33-year term. Is that what's happening now with lease renewals?

Hon. Mr. Serby: — Mr. Chair, to the member. Where there have been 33-year leases in the past, where in fact there is a renewal being requested, if there is no selection on any of those properties we're simply renewing it again for that period of time of which the member makes note.

Mr. Elhard: — Mr. Minister, is there any exception to that rule? Are you making any allowances for special circumstances?

Hon. Mr. Serby: — There would only be where there is a question about the management of the lease. There would be some concern there. Or if there was. . . Where there would be new conditions that might be placed on a particular lease, those would be few and far between in my view.

Mr. Elhard: — Mr. Minister, in the case of the land transaction that involves a Crown grazing lease, where there would be no experience on which the new leaseholder might have the merits of his husbandry questioned or understood, is there any situation that you know of where a full 33-year lease would not be available?

Hon. Mr. Serby: — Mr. Chair, to the member, it's possible but my officials tell me that they're not aware of any.

(19:30)

Mr. Elhard: — Mr. Deputy Chairman, I've had brought to my attention a situation where an individual whose land is part of a transaction was not allowed to move to the new owner under the 33-year term agreement — that it was restricted to what was left, what was currently outstanding for the lease agreement. And I would be prepared to discuss this with the minister and his officials on a specific basis later, if that's all right.

Mr. Minister, we also heard from you that you had an interdepartmental group that was studying the issue of Crown grazing leases, and how they might be renewed and under what terms they might be restricted. Could you tell me what stage that review committee is at and have they reached any consensus? Where are they at in their deliberations?

Hon. Mr. Serby: — First, Mr. Chair . . . or, Deputy Chair, to the member, we'd be happy to look at the case that you raised. And I know that we'll find an opportunity to do that as quickly as you make it available to us.

Secondly, on the committee, I think I mentioned the last time we were together, is that the committees are Justice,

Environment, Agriculture, and Intergovernmental Affairs. My committee, or this committee, continues to proceed with the examination of work that they've been doing.

We had hoped or are hoping that we'll have resolve and recommendation on the work of this committee this fall. So we're not far from this period; we're about three months away from having the recommendations from this joint working committee. And as soon as I have them, I'd be happy to share them with the member.

Mr. Elhard: — Would the minister be willing to indicate to the House whether or not very clear guidelines might be included in the review that would allow for the direct sale of Crown grazing land?

Hon. Mr. Serby: — Currently, Mr. Deputy Speaker . . . or, Chair, we had, and you've heard me on this case, or on this issue before, that there are three options that we thought we might have.

One is the renewals, certainly the other is the selection, and the other is that there could be consideration here to actually part with some of the Crown land that we have today and make it available for sale. It's certainly one of the pieces that would be part of the examination.

We do not . . . We have not within our government a public policy to date to sell the Crown land. And I have not at this point in time prepared any paper for my colleagues to review within the cabinet.

The committee continues its work. When the committee gets done its deliberations, it will provide me with some recommendation . . . or us with some recommendations. And then what we'll do is bring that forward to my cabinet colleagues for an examination in caucus of which time we would then be examining whether or not, within the scope of this administration, we would be willing to place Crown land on an agenda for sale. But we are not at that point at this point.

Mr. Elhard: — Thank you, Mr. Minister. Through the Deputy Chair to the minister, under the current rules I understand that there is some conflict between the guidelines that the lands branch operates under vis-à-vis the sale of Crown land and the implications of ownership for non-residents who might want to buy land in Saskatchewan that has Crown grazing land attached to that package. Are the guidelines that are being developed by this interdepartmental committee going to try and address and resolve those potential conflicts?

Hon. Mr. Serby: — Part of, Mr. Deputy Chair, the work of the committee that we talked about a minute ago is not looking at the particular piece as it relates to the sale of Crown land to individuals outside of Saskatchewan. And now my memory doesn't serve me well on this piece when the all-party committee was examining the farm ownership in Saskatchewan as to whether or not we in fact made any recommendations as it relates to what we do with Crown lands into the future. I expect we didn't.

And so at this point what's in place is the current policy that we've had for some time now and that is that if you want to be

an owner . . . or a lessee of Crown land in this province that in fact you'd have to be a resident of the province. This is currently a position that I've taken. Clearly we would be open to suggestion or recommendation on this front. But at this point in time it seems to me that this is our provincial Crown land that people . . . We have a number of applicants on a regular basis that want to access Crown land in our province.

And so it's my view that if we're going to be transferring leases in Saskatchewan that it's most appropriate that we do that with our own Saskatchewan residents who should have first option on Saskatchewan farm land. And it's a position that I continue to hold and have not yet been convinced by anyone that we should be changing that.

Mr. Elhard: — Mr. Minister, have you any indication statistically how many applications might have come to the province, to the department, to obtain land that would involve Crown land from out-of-province purchasers?

Hon. Mr. Serby: — Mr. Deputy Chair, to the member, we don't have that record of the out-of-province requests that we have for the leasing of the land. We simply don't have that record. Even if we could go back to it and examine it, my officials tell me that we don't have that record in place. So I have no method of being able to provide that information to you.

Mr. Elhard: — There's one other area I want to touch on as part of our consideration tonight, Mr. Minister. We have referred to the legal opinion that your department has as it regards the treaty land entitlement issue. You have alluded to it on a couple of occasions in the House and during estimates and even in our private conversations. I think that you feel that that legal opinion has really kind of narrowed the scope of latitude that the government has to operate on the resolution of TLE claims. I would ask the minister: is that purely and simply an in-house legal opinion or is it an opinion that the department sought from outside of their own staff?

Hon. Mr. Serby: — I don't believe, Mr. Deputy Chair, that we have had a legal opinion outside of the Department of Justice. But it's my view and understanding that because we have such an absolutely outstanding and efficient Department of Justice who do good work for the people of the province, and I know that when we talked about this issue previously with the minister of Justice prior to the current Minister of Justice being here, it was his opinion — and I expect that is the opinion of the current Minister of Justice whom I have not had an opportunity to discuss this issue with any detail — that it is the only legal opinion that we've had to date. And it's one that we have been formulating our positions and taking our direction currently on.

Mr. Elhard: — Mr. Deputy Chairman, and through you to the minister, I trust my own personal physician implicitly, but if he recommends a line of surgery that I'm going to find rather painful or disagreeable, I'm apt to get a second opinion. And I'm wondering if the department, with the minister, with the provincial government, would consider looking at a second and third opinion. It's not uncommon.

Hon. Mr. Serby: — I think that when we come to making a recommendation of this magnitude, or for that matter other

decisions, we have a battery of people who work within the Justice department. So there would be a number of legal minds that would be putting their head around what an opinion would, at the end of the day, be made. And so it's on that basis that we take the position that we take today.

Clearly when this agreement was consummated, the framework agreement, I expect that there are still people there today who were there when the agreement was first crafted, so certainly the history remains solid and we continue to be guided by the direction of the Justice department.

Mr. Elhard: — Mr. Minister, I wish I would have had the benefit of hearing your whole answer but there was too much discourse behind me and I was unable to pick it all up, but I'll read *Hansard* for the full explanation that you gave in this particular case.

Mr. Minister, as you are well aware, the issue of treaty land entitlement has . . . I use the word provoked hesitantly, but it has resulted in the creation of the landowners/lessee rights group, the Saskatchewan landowners/lessee rights group. And I know that they've made many representations to you personally, to the government generally. I've had lots of correspondence in my office, many opportunities to talk to those individuals personally and in public venues as well. And of course we stood in this House and repeatedly presented petitions on their behalf.

They feel like their livelihood and their future is threatened, and they feel like their history is being ignored in this whole process. Now I'm not here to make any accusations in that regard, but I wonder, Mr. Minister, if you are in a regular mode of contact with that group. Do you have a regular opportunity to speak with them? Is somebody in your department in contact with them? If nothing else, Mr. Minister, to provide a form of reassurance for these people because, as you understand, that community has been hit with a whole series of different issues. We've had drought for two or three years; we've got the land claim; now we've got the BSE (bovine spongiform encephalopathy) scare.

That community, that agricultural component, the cattle component of the agricultural community, has been whipsawed badly in the last several years. And I think they . . . Not only do they need, they deserve your attention to their concerns and I'm wondering if you can give us that assurance today.

Hon. Mr. Serby: — Thank you, Mr. Deputy Chair. I want to say to the member that we have a number of things that are occurring to make sure that the landowner, lessee owner group sort of remain in the loop, which I think is the point you make. And I know that there's a variety of different mechanisms of which that's been happening.

It's been happening through my office and certainly through the work of my department. We have the intergovernmental committee that's actually going to be meeting with them next week to ensure that we have a fair and full appreciation of their issues and concerns. Likely we'll go over some of the legislative requirements that . . . or the legislative opinions that we've received. And we have the Crown land stakeholders group which is meeting at the end of June which, in fact, we've

invited the committee to make a presentation to.

And I know that through our dialogue here, that the dialogue that you and I've had, that you have done a remarkable job in making sure that that group of men and women have a full understanding and appreciation of the way in which this is moving forward. And I might say, which I think is an important statement here as it relates to the fact that we're looking for solutions so that we can have, at the end of the day, a win-win for all of the parties as best we can.

And I know that it's from that perspective that you've been looking at this issue as well and I very much appreciate that, that we've been able to have some dialogue around this outside of this Assembly in its sitting. We've been able to sit behind the bar and talk about these issues and I know that you've communicated a lot of that back to the folks who serve on this committee.

So it's through that process that I think that, at the end of the day, we'll find solutions. And I appreciate the manner in which we've been able to deal with this issue. It's a very sensitive one, a very difficult one, and I know the degree of importance that you attach to it and it's through that kind of dialogue that I think we can make a difference on this file.

(19:45)

Mr. Elhard: — I have just a few more questions on this particular vein and I think the reality is, Mr. Minister, that as difficult as this particular issue is, not only in terms of resolution and equitable resolution, as difficult as it is for the leaseholders and landowners and operators in the Cypress Hills constituency and other areas of the province, I haven't yet heard any of those individuals say that these treaty land entitlement settlements aren't important.

The assumption I would guess, on the part of a lot of people, is that we've got a group of people who are just bound and determined to protect their own rights and their own history and their own family traditions at the expense of the First Nations people. And I have not yet encountered one individual who has ever expressed that kind of a sentiment.

There's lots of realization among the ranching community that until the First Nations people of this province become full participants in the economy of the province, there isn't much of a future for them or us as peoples, and there's not a good future for the province as a whole.

So with that spirit in mind and with that desire to see a decent and reasonable and fair settlement achieved, I think that I would like to have an assurance from the minister and from his government that they are going to look at these situations on a . . . almost a case-by-case basis because each one seems to be rather unique. And wherever — as we talked earlier — wherever there might be unique or special arrangements that can be made or provisions that might be agreed to by all the parties, that they be investigated and pursued as diligently as possible, not to overlook any decent or equitable arrangement that might be decided upon or proposed by any given party.

And I believe, Mr. Minister, that as careful and thorough and

deliberate as the ranching community has been in their evaluation of this whole process and what it means to them personally and to the province as a whole, I also believe that many in the First Nations communities are equally determined to see the right thing done in fairness and in an equitable manner. Because they have certain benefits that might accrue to them through the treaty, they might have certain opportunities and obligations that might be realized through the treaty land entitlement process. But I really firmly believe that many of the First Nations people are looking for solutions that are satisfactory to all parties.

And so I really would encourage the minister to work toward solutions that could be reached, satisfying and recognizing the roles both parties want to play in the settlement of treaty land entitlements.

Mr. Minister, can you tell me if treaty land entitlement claims are anticipated by your government, your department, in any other part of the province in the near future? And if so, will they be also placed in abeyance under the terms of your previous position?

Hon. Mr. Serby: — Mr. Deputy Chair, there are a number of them and they're sitting in abeyance. So there's a number of these requests and they're sitting in abeyance. That's the short answer to the question.

I just want to make a short comment though about what you had indicated regarding the full participation of First Nations in the Saskatchewan economy. And I just want to draw your attention to the efforts that we've been trying to make and I'll use the Rosemount pasture as probably the best example. Because as you know, the Mosquito Reserve is right along the community pasture and the community pasture has been . . . or the co-op pasture has been in the hands of many of those ranchers for now going on 50 years.

And what the First Nations are asking here is that they would like to assume ownership of this pasture. And then what they say is that we'll want to do one of two things. We'll either want to ranch, use this land for ranch land for ourselves and grow the livestock industry, or we may in fact just lease it back in the same way that the government leases the land today to the ranchers. Why couldn't we, the Mosquito Band, lease it to the ranchers in the same fashion?

And all that would happen here in this case is that you'd have a change in owner. You may not have anything else other than a change of ownership. And we have not been able to resolve that for the better part now of I think going on three years . . . or two and a half years.

And it has something to do with the simple term called trust. Why is it today that First Nations people couldn't own the land and ranchers couldn't lease it from them, if nothing else changed? If nothing else changed, why couldn't that happen?

By the same token, why is it that First Nations have made a selection of that particular piece of property where they have in fact have cohabited as neighbours for the better part now of those 50 years that I'm talking about, where in fact livestock has been pastured there; from time to time there has been

arrangements where First Nations people have actually, I expect, may have worked on the pasture; where there has been that kind of arrangement?

But when in fact First Nations make the selection of the pasture, we're now into a dispute simply around the change of the ownership of the land. May have absolutely nothing to do with the fact that the same access would be allowed, the same operating privileges would be allowed, the fact that there would be a long-term lease agreement with people on the same basis. And yet we're not able to find a solution here on this particular issue.

And I guess it begs the question about, what stands in the way of that? What stands in the way of that kind of an arrangement? And it's been the issue of trust. And I've raised it with the ranchers who currently have the agreement with the government on the co-op pasture and I've raised it with the First Nations people. And it's through those efforts that we're trying to reach resolution. And it's from that perspective that we want to see a win-win for both parties.

And that would apply, not only in Rosemount, but certainly apply in the part of the province of which we had the current discussion with you and I. And I think it needs to apply in all of those other selections which have been made today. And we need to try to find solutions on them because there are many of those selections that have now have been made.

Mr. Elhard: — Mr. Chairman, through you to the minister. I think you've touched on a situation that is going to require a lot of development and attention on the part of all parties.

And I can't speak to the details of the Rosemount Grazing Co-op situation. I'm not as familiar with it as my colleague the member from Watrous is, and she may want to address that. But I think that that's true.

I mean there's an element of trust that has to be developed. But you have to understand that people don't move to a position of trust easily when they have had change thrust upon them rapidly.

You know, trust is something that develops over a long period of time. It doesn't happen just by happenstance or instantaneously. It's a culmination of a significant period of time where dealings and business relationships and situations have been ongoing between the parties. And I think that there's lots of room for development in that area.

I don't want to take up a lot more time on the issue of TLE. But I just was going through my papers here and realized that there was one specific case that I wanted to bring up tonight — that I promised I would — and I just about overlooked it.

I am referring specifically to the Heck livestock association co-op which is in my constituency. It's not far from the community of Fox Valley. And in early 2002 the gentleman who wrote me this letter, Stewart Bosch, said that he dropped off forms for his lease renewal with the Sask Ag and Food office in Swift Current and at that time he was assured that they'd have the new lease by mid or late summer. That was in 19 . . . I'm sorry, in 2002.

And the last correspondence I had from him was in April and at that point they had not been given their lease renewal. Apparently somewhere along the line it got caught up in the TLE and the review and so forth. But the question that Mr. Bosch asks is this: the area in question is 17 per cent of the Heck grazing association co-op and a lease renewal — not simply a one-year permit which they have been granted already — on the affected areas is still being awaited from Saskatchewan Ag, Food and Rural Revitalization.

He feels that this length of time is unreasonable and wants to know why it has taken so long, especially in view of the fact that this apparently is no longer a part of the TLE. May I have an answer to this particular, specific case?

Hon. Mr. Serby: — Mr. Deputy Chair, the member is right that it is caught up in the review, given that there are . . . there has been a selection made on parts of the land. Now I don't know whether or not the member can tell me about whether or not there's been a communiqué with Mr. Bosch recently. If that has not been the case on the part of our department — although my officials are certainly just advised me about what I have just indicated to you — so I think that would indicate that we're in contact with Mr. Bosch and providing him with some of the detail as to the reasons why there has been a delay here.

But clearly what we'll do is get back to Mr. Bosch and then I could copy you in on a correspondence just so that you're fully apprised of the work that's been done on the file.

Mr. Elhard: — Thank you, Mr. Minister, for that assurance. I appreciate your patience and the time you gave us tonight to discuss the issue of leasing and particularly as the treaty land entitlement is involved with the leases. Leasing is a very important element to the ag and especially the cattle industry in the Southwest, and my constituency is probably the benefactor of more leased land than just about any place else in the province.

So as you can understand we're very concerned about how that whole issue washes out, whether it involves treaty land entitlement or the potential to purchase lease land or how it's managed and how the current leaseholders operate. So thank you for your time.

Ms. Harpauer: — Thank you, Mr. Deputy Chair. Thank you, Mr. Deputy Chair. We're going to take a shift from the TLEs to bovine spongiform encephalopathy and ask some questions there. I still challenge the minister to use the full name.

Just to have the basic facts to date, can the minister tell us how many farms are still quarantined to date and in what provinces those quarantines are?

Hon. Mr. Serby: — Mr. Chair, there were 17 farms that were initially . . . And I took a minute here just to try to remember my answer earlier today. I think there were 17 farms that were initially quarantined. Three quarantines have now come off which means that we have left 14 farms that are currently under quarantine.

In which provinces are they? The two farms in Saskatchewan are no longer . . . or still may be under quarantine, but on each

of those farms the animals have since been depopulated so . . . There were three farms in British Columbia. The rest would have all been in Alberta.

Ms. Harpauer: — I thank you, Minister. Then how many animals have been put down to date? And of those, how many have already been tested? And I realize all the test results have been negative so far, so how many are we waiting yet for test results?

Hon. Mr. Serby: — Mr. Chair, there were right around 2,000 animals that were under all of the quarantined farms. My officials advise me that there're just over 1,000 animals that have in fact been put down. We have tests now, I believe about 800, just over 800 that have been tested. Those would include the last series of animals that came in from the Alberta farms, the British Columbia farms, and also from the McCrea farm, the McCrea farm at Baldwinton.

(20:00)

Ms. Harpauer: — I thank the minister. That would mean that there's approximately 200 test results that we're still waiting for?

Hon. Mr. Serby: — What's happened is that we're getting now since Sunday . . . I think Sunday . . . or Saturday, sorry, is when the animals from the Baldwinton farm were depopulated, and we've been getting some trickle effects from each of those. I think there were 200, just over 200 on that farm, or 250 from that farm. The results from those are trickling in with those from Alberta and from those from British Columbia. It's my view, as was reported I think earlier today, that we hope to have the rapid tests completed on all of those animals within the next probably 30 hours. And so we'll have then the full appreciation of all of the tests that were done on all of the animals, the thousand that I talked about.

Ms. Harpauer: — If all of the other tests come back negative, is there any indication that there will be requests to have any more animals put down?

Hon. Mr. Serby: — I think that, Mr. Chair, that CFIA (Canada Food Inspection Agency), and if I had the benefit this evening of Dr. Greenberg, who had to be out of town this evening meeting with some people in rural Saskatchewan, I think what she would probably say is that there may be additional need to put down additional animals from some of the other farms. But that course of action would be directed by CFIA.

Now within the initial 2,000 head that were initially quarantined, three of those farms have now been lifted. So that would mean that if we were to depopulate the other 14 farms we wouldn't quite get to 2,000. I don't know how many head specifically were in those farms that have now been . . . where the quarantines have been lifted, but if we were to proceed with the depopulation of all of the animals, that would leave whatever the difference would be from the 2,000 minus the quarantined farms. I don't have that exact number here but we certainly could provide that for you tomorrow.

Ms. Harpauer: — It's my understanding that the minister . . . all the ministers of Agriculture along with the federal Minister

of Agriculture had a conference call this morning. So was it discussed in that call if all of these test results are indeed negative what will CFIA's next move be? What will their next steps be at this point? Was that discussed? And further, was it discussed, is there any knowledge that you have of what it will take, what more will the US (United States) ask of our country in order for the borders to be opened?

Hon. Mr. Serby: — These are two very, very good questions. We had the conversation today with the Ag ministers and, clearly, our view is that if there are no other farms that are . . . or no other animals, sorry, that are tested, that test positively, it's our view that the scientific evidence that we've been practising under is the one of which the US is expected to adopt.

That's why we've been talking about the next 36 hours as being probably the most critical periods because we should have within the next 36 hours two things occur. We should have the results of the DNA (deoxyribonucleic acid) from the McCrea farm, and we should also have all of the testing that was done on the weekend from those animals that were put down.

And that, in our understanding from CFIA, should be the signal that we can then approach the United States government and say that this looks like this is an isolated case, or a spontaneous case, and as a result of that we will be asking, through the federal government and the federal minister, to lift the ban on US exports.

Now if the question is, what is our hope here, that the federal government in the United States will in fact honour that request, well up to date all they've ever said to us is that they will accept the findings of the CFIA, and will accept the scientific evidence.

And so it will be imperative then to recognize what in fact the US government will say to us after the next 36 hours or 40 hours in respect to the fact that we've completed our work, there are no other animals that in fact have been tested negative, and it would be our hope and our view that the borders would then be lifted. And then we could start to move back to the way in which we've been accustomed to doing work, or trade, with our American friends and get the industry back up and going again in the way in which it needs to occur.

The Deputy Chair: — Order, order. Why is the member from Athabasca on his feet?

Hon. Mr. Belanger: — To ask for leave to introduce a guest, Mr. Chairman.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Belanger: — Thank you very much, Mr. Chairman. To you and through you, I'd like to ask the Assembly to welcome a new staff member that we have working here in the city.

Often during our tenure as a minister, we look for young, aggressive Aboriginal people. And I'd like to introduce to the

Assembly and ask the Assembly to give a very special welcome to a new member of our staff. His name is Tyrone Ratt and Tyrone is from my home community of Ile-a-la-Crosse.

And Tyrone is said to be a basketball player, but I've gone through him a few times and a few fast breaks where he couldn't catch me. But I'd like to ask all members to give a very special welcome to our new staff member, Tyrone Ratt.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Agriculture, Food and Rural Revitalization Vote 1

Subvote (AG01)

Ms. Harpauer: — Thank you, Mr. Deputy Chair. The minister answered my next question in his last answer when I was going to ask him if he had the DNA or if he knew the DNA results, and he indicated that they did not have those results yet.

Does the minister know, in the conference call discussions, what if the DNA test is non-conclusive, which possibly it could be? Because my understanding is they only had DNA samples from the bulls and not from the cows. So if those results are not conclusive, has there been any indication of further investigation that would be ongoing in trying to find the herd of origin, or has there been any discussion of what further needs to be done?

Hon. Mr. Serby: — Mr. Chair, in the examination here, or the trace-back investigations, there were two sort of parallel tracks or trace-backs that were occurring. One of course was in the Saskatchewan herd; the other one was in the Alberta herd. And so there still may in fact be some opportunity here, or some expectation here is probably the better word, to then proceed more directly into an examination on an Alberta farm or farms. So the work could certainly continue in that area.

Ms. Harpauer: — There's been indication to different members in our caucus that there is already possible negotiations going on with the US to at least have a lift of the borders, sort of a restrictive list or lift that would allow for young animals or certain cuts of meat. And we've heard that rumour.

I was wondering if the minister had also had any indication that those negotiations were going on right now; if not a total lift, at least a partial lift of the ban. And I know during question period the minister said that he would support that. And has he heard that personally? Does he know of any negotiations?

Hon. Mr. Serby: — Mr. Chair, not much has changed from the question that was asked of me earlier today and the discussion that we had later this day from question period with the industry committee.

There has been good work done at the round table that met on Wednesday, Thursday of last week in Ottawa of which industry representatives prepared a document of which within the

document they were recommending to the Minister of Agriculture, national Minister of Agriculture, Mr. Vanclief, that we entertain the notion of providing to the US the option of allowing them to accept animals under 25 months into their country.

So that came out of the work of the round table last week. We talked a bit about that certainly in our press conferences today. The industry committee talked about it as well. Now this is a position that, one of the positions that we would entertain approaching the US government with, but our broader full intention is to have the US open up its border completely and allow our Canadian beef to start to make its way there in the way in which it has in the past.

There is clearly an opinion here that we would accept that; we would support it in Saskatchewan if we were not able to negotiate a broader expectation and that is to open the border.

We want to take that position lead, as I know Mr. Vanclief will, to the US government given that their position has been all along that if you show us the science and show us that the science works, as it has, that we're prepared then to examine reopening of the border.

And it's our view to date, and if the test results in the next 36 hours prove the way we think they will or hope they will, that we will then take that approach to the US government and say, we think now you should open our borders. Our science has worked. You've had a team of men and women here in Canada working alongside our scientists. You know what our system is like and you know what we've been testing, both the animals and the feed, so we think that you should be opening up the borders fully.

If we can't achieve that, then we'll move to a couple of other options that you had mentioned to try and get the . . . particularly the feeder stock out of the feedlots and into the market.

Ms. Harpauer: — Mr. Deputy Chair, I assure the minister that ideally we would all like to see the borders opened up entirely but this is what we're hearing from Alberta, that there might be negotiations going on at least for a restricted opening of the borders.

Has Alberta, to the minister's knowledge, taken on negotiating directly with the US themselves that he's heard?

Hon. Mr. Serby: — No, Mr. Chair, the negotiations have been . . . or any discussions have really been through Minister Vanclief and Secretary Veneman. That's really the channel for negotiations.

Individual provinces are not in a position to do this. I mean, we may want to from time to time and/or suggest that we should be doing it, and I expect even from time to time make our way to Ottawa or to Washington and have conversations with trade ministers or trade officials to promote our own interests.

I remember two years ago attending a conference in Washington and accompanied the minister of PEI (Prince Edward Island) when they were having some difficulties on the

potato war. And we met with officials from Washington and talked about the importance of the industry at that time — the potato industry — how in fact the ban on the potato industry in PEI would have effect on the seed potato in Saskatchewan, but we were not in a . . . we certainly were not in a position of influence where in fact policy would be changed.

That's really done nation to nation and as provinces we depend on our federal government to do that on our behalf but there's nothing that pre-empts us from being of assistance to the minister when he does his work. And certainly as provincial ministers, we would lobby hard on behalf of Canadians on this issue to our US colleagues to open up the borders as quickly as they can, particularly if the signs continues to be as conclusive as it has been of late.

Ms. Harpauer: — I would just like to ask a few questions on the activities of the industry advisory committee. How often has the committee met since it's been put together?

Hon. Mr. Serby: — Mr. Chair, the industry committee meets every day by telephone conference. They've been doing that since they were developed back about 10 or 12 days ago and I met with them face to face today for a meeting here in the building.

(20:15)

Ms. Harpauer: — Is the advisory committee indicating to the minister what the impact is? Has that been part of the discussions? Have they been able to evaluate what that is at all?

Hon. Mr. Serby: — There's two or three pieces here that are important to recognize. One is that our own department and officials have been trying to examine, or are examining what the impact might be, both directly on parts of the industry, and some of our department officials are working on sort of the broader perspective about what are the impacts on some of the ancillary services.

As you know, there are so many components of the livestock industry that are dependent upon the primary producer, from the chain into the feedlots, to those who provide feed for the industry, to those who provide the transportation, in this case to the rendering plants, and those who provide the feed for the industry. So there is a whole host of different characters here that are affected.

Clearly the industry has said again today, not only in Saskatchewan but nationally, that the biggest impact today is on the feeding industry, on the feedlots and on the rendering plants. And so it's those two perspectives of which there has been most of the discussion centred.

And my officials have been working closely with the industry, not only in Saskatchewan but my officials have also been talking with the representatives of other provinces, because we've taken the position all along that's been supported by, I know, yourself and that is that this is a national issue, that we need to try to find a solution to this on a national issue because animals move across the country. And so our solutions that we're looking for are ones that reflect a Canadian issue as opposed to just one that's regionally based.

And it's from that point of view that the industry committee is working with a national committee. My officials are working with this committee in Saskatchewan. My officials are working with interdepartmental people across the country, and ministers are meeting and talking on a regular basis across the country about how we can, at the end of the day, find resolve to a whole broad band of issues that we'll need to address.

Ms. Harpauer: — Is the minister aware . . . I heard from a very reliable source that PEI supposedly cancelled some meat orders that they had with XL Foods. And is the minister aware of this and has he heard of any other, basically, such regionalized actions?

Hon. Mr. Serby: — Mr. Chair, I'm not aware of this cancellation of a shipment of meat into PEI. I have not heard this. This is the first time I've heard it.

Ms. Harpauer: — Has the committee made any recommendations concerning compensation? And in particular, as the minister pointed out, the sector of the industry that's going to be most immediately impacted, of course, is the feedlot sector. They are quite honestly up against the ropes right now because a number of days have gone by. Has there been any recommendations concerning compensation?

And the other thing that I'm hearing from the feedlot sector is that although they value the industry advisory committee, there's no feedlot owner, to my knowledge, on that committee. So they are concerned that perhaps, you know, there needs to be a more immediate strategy put into place of what these feedlots can do four days from now; a week from now; ten days from now; because the timing is just that critical for the feeding industry.

So I guess that's sort of a number of questions rolled up into one. Has that been discussed with the industry advisory committee? Has the minister considered putting together a, you know, a group that could plan a strategy for the feedlots? And you know, has there been discussions concerning compensation?

Hon. Mr. Serby: — Well in the establishment of the advisory committee in the province here, one of the first considerations was to make sure that we had people who are from the feedlot industry on the committee. And I believe that . . . And one of the questions that was asked me last week by one of the members from your party, I provided them with a list of the members who sit on the committee. Now if the member doesn't have access to it I'd be happy to provide her with that list.

But the Chair of my advisory committee is Mr. Bob Ivey. And Mr. Bob Ivey is in fact a feedlot operator in this province from Ituna, Saskatchewan. Mr. Brad Wildeman is on my advisory committee and he is from your riding.

Mr. Wildeman today was named the individual who would represent Saskatchewan at the national table when we talk about compensation for Canada, and so Mr. Wildeman is likely on his way to an airport as we're speaking right now, to Ottawa where he will be meeting with a variety of other players across Canada who will be examining this whole issue of compensation.

What delights me about the fact that the national government is dealing with this from a national perspective is that we'll have first-hand probably some of the best people at the table, and they'll be coming from Saskatchewan to serve our population well and our industry well. So when the member asked me who it is that's providing me consultation today, who's sitting at the national table, I'm very, very confident, as I know you'll be, to know that Mr. Brad Wildeman is our representative at the national table.

And I couldn't be more pleased than to have Mr. Bob Ivey as the Chair of my advisory committee. He, in my view, has done a top shelf job over the last couple of weeks of representing our Saskatchewan industry in terms of communicating to the public, in terms of the progress, in staying in contact with the national committee. We have also, as you know, Mr. Jahnke, who is the president of the Canadian Cattlemen's Association.

I talked to him this morning in Yorkton where the stock growers were holding their annual meeting. Mr. Jahnke is well versed in the livestock industry in this province, and it will be their guidance that will be guiding me, of which I'll provide to my colleagues on this side of the House as we move down the path of compensation. And this will not be an easy exercise or an easy road, as you can appreciate, but this process is well engaged. It has been now for several weeks, or for the last 10 days. And we have exceptional representation from our province, in my view, helping us with the decision making, not only in Saskatchewan but at the national table.

Ms. Harpauer: — I'd just like to reinforce with the minister, I think all the members that he has on his advisory committee are valuable members. Originally Mr. Brad Wildeman was not one of those, so it pleases me to hear that he has now been added as a voice for the feedlot industry, and definitely an excellent spokesperson on the national level — well known and recognized at that level.

Has the committee . . . you said it's been ongoing discussions, so has the committee made any specific recommendations to date on what direction they would like to see compensation looking like, or has the discussion even become that detailed?

Hon. Mr. Serby: — The most pressing area where the committee has concentrated its work is clearly on the feedlot side because you have livestock today that are ready to move onwards to the packing houses and then into the retail marketplace, and it's the guidance that's been provided by the executive committee that this is where the energy be placed initially . . . immediately. And so it is from that perspective that . . . it is within that purview that they'll be doing their work.

The other is in the rendering . . . I think in the rendering plants where there is a tremendous amount of work that will need to be done.

And it's those two channels, or those two fronts, sorry, where we've asked the advisory committee and the compensation committee to really concentrate its efforts. And we raised that today in our telephone conference as well with Mr. Vanclief and it's there where the resources are going to be channelled over the next couple of days to see, you know, what the end result might be.

Now I said to the media tonight after our meeting with the advisory committee that there has been some good work done to date. There is some draft documentation that has been put together by the committee which has made its way . . . which will be making its way back to Ottawa for the compensation committee to review. It has I'm told . . . I don't know this for a fact, but the industry tells me that it has the endorsement of most of the cattle industry in Canada. Who yet needs to look at it with some detail will be the officials from across the country and also an examination by the ministers, fully, as well as an examination by the federal bureaucracy who at the end of the day we're hoping will be the people who will be making the compensation payouts.

Ms. Harpauer: — Does the minister anticipate that the province will be participating in the compensation in any way?

Hon. Mr. Serby: — Well my hope has been that provinces across the country will not have to participate, that in fact the federal government will assume the cost of compensation for Canadian producers . . . or for the feedlot operators. But I'm always skeptical when we get into negotiations with the federal government about who pays, that at the end of the day we have a history, as the member knows and has voiced over quietly here, that we have a history of every time we get into negotiations with the federal government that they revert very quickly to their 60/40 formula, that they're of the view that agriculture is a joint arrangement with the federal-provincial government, and I expect that very quickly they'll want to take us to that point.

Now my effort will be to try and negotiate this. This is not a natural disaster that happens through . . . that we're accustomed to dealing with. This is not about something similar to a hailstorm, or this is not like a drought or a flood. This is a health issue. This is a Canadian public health issue, and accordingly those kinds of decisions fall within the jurisdiction of the national government. And so ministers across the country will be making a case, I know, that the federal government should be providing the compensation package for the feedlots and renderers immediately.

Now we'll see what happens here in the next couple of days in relationship to the position that the federal government takes. And I expect however, as you can appreciate, that they'll want to establish either the current working formula to address the cost, or they'll want to try and negotiate a new formula that might fit a new situation.

Ms. Harpauer: — I thank the minister for that answer and wish him luck because he's right, the federal government is particularly difficult when it comes to cost sharing.

Does he feel that he has the support of the other provincial ministers on this issue? Will they be aggressively supportive that this is a national compensation issue or will they sit on the fence and basically not back us on this?

Hon. Mr. Serby: — It would be fair to say that there will be some provinces, who have a very small livestock industry, will be less concerned about what, at the end of the day, occurs.

Now clearly the big three — Alberta followed by Saskatchewan

and Ontario — will have a very, very large interest in the compensation package that would be federally driven. And for sure Alberta, given the size of their industry, the impact on their industry, and on the impact on their economy.

And then Saskatchewan of course would be affected in a similar fashion, given our proportion of populations. And so we have probably, the two provinces Saskatchewan and Alberta, the biggest chunk of concern here, or the biggest amount of concern as it relates to compensation. To date, we have had unanimity on who should pay the bill, whose issue this is and the fact that it is a national issue. We've had unanimity from the day we began talking about this. We've not had any demur from anybody, as I've pointed out on other occasions. And it's my hope that we will remain with that kind of unanimity across the country.

(20:30)

Now it's also been our view that there should be nobody stepping away on one-offs and currently there has been no one who suggested that they would. The fact remains that as the pressures mount for each of us, particularly in those three big provinces, we'll be under a great deal of political pressure from the industry and our hope is that we remain in the way in which we have in the past, unanimous in our decision making and in our deliberations. And I anticipate that to be the case.

Ms. Harpauer: — Going in a little bit different direction now, for the producers who have had their animals depopulated, they had a number of concerns and I know one of them was when they could restock, and the minister addressed that last week and he said, by all indication, they can restock immediately. So they were relieved to hear that.

But the other area that they're voicing concern is of the income tax implications. They will and are entitled to compensation — and if I'm understanding it correctly — to a maximum of \$2,500 per animal. But if that comes as one compensation cheque, it's going to be clawed back, quite frankly, through income tax unless they're allowed to defer it over, you know, more than one year and sort of manage it that way, the way they could financially manage their livestock by selling the cattle over a period of time. So does the minister know any details on how that will be handled?

Hon. Mr. Serby: — Mr. Chair, to the member, the way in which the policy, the federal policy reads today — and the member's right — that I believe there's a two-year tax deferral period of which they have to work within, in terms of how they deal with their revenues from the revenue that they receive on the depopulation of their herds. And also, there is a maximum level of return on each animal and I believe it is \$2,500.

Now when I had a chance to review the policy and my officials provided the detail for me, this works to some degree. The tax deferral piece, we're asking for some consideration here that there may be over a longer period of time. And I've since written the Minister of Agriculture and I expect others across the country have done the same because I've copied my colleagues in across the country to see whether or not we can get that tax deferral period stretched out.

But where there appears to be an even greater discrepancy is that where you have a farm like the one at Baldwinton where the animals are registered purebred animals, where you have herd sires that . . . and I have not had a conversation directly with the McCreas but I do know that I've heard that they've paid as much as \$20,000 for a herd sire. And that's not an unusual amount of money to pay for good breeding stock in the registered lines.

Where this policy, the federal policy, really penalizes producers is if only they're able to receive \$2,500 for a herd sire where they've certainly paid out a far larger amount, it seems to me that there should be some adjustments made here to the formula to pay people appropriately for what the value of the animal is. And I have written the Minister of Agriculture, asked him to review that policy, and it's my hope that I'll hear very quickly here before in fact the federal government decides to make compensation payments to those producers. If they're not prepared to change that, I'll be lobbying in a far harder way to make some changes or see some changes on that front.

Ms. Harpauer: — I thank the minister for that answer, and he very nicely answered the next question that I had which had to deal with the purebred herd. If the federal government refuses to compensate this one herd, is that something that the provincial government might look at in basically topping up the compensation for that herd?

Hon. Mr. Serby: — Well we've had situations in the past where there has needed to be on a rare occasion the depopulation of a herd, where in fact the federal government has not provided the additional compensation outside of their existing mandate and the province hadn't provided any additional resources either.

Who has provided the additional compensation has been the registered associations. So if, in this case, if this was an Angus — an Angus bull — then the Angus Association may wish to provide some additional compensation to this particular individual. But we have not from a provincial perspective done this in the past.

Clearly this is a federal responsibility and we're asking that the federal government make their policies more reflective of what the realities are because there's an element of fairness here. Clearly the McCreas would not have depopulated their herds. They would have not entertained from you or I if we showed up in their farm site and offered them \$2,500 for their bull or for their herd sire. They would view that as an insult. So they're having to deal with circumstances, in my view, that are outside of their purview and clearly we need to insist here that the federal government make appropriate allocations to the family.

Ms. Harpauer: — I thank the minister for that answer. And I guess what I needed to add or would just like to add is to remind him that he is a citizen of Saskatchewan and we have to take that into consideration as well.

I'm going to ask a question, and it's just one question I think, in an absolutely totally different direction. And I have to refer to my notes on this one. But there's been a number of producers who are asking for access to a chemical known as glyphosate. And it's a similar product to Roundup, but it's considerably

cheaper and it has a 30-year-old patent. It has the backing of the science community and meets the requirements of the Pest Control Products Act. It has proven chemical equivalency to Roundup but is considerably cheaper — I think it's around half price. And it is used extensively in other Commonwealth countries and the US. And yet PMRA, the Pest Management Regulatory Agency, will not approve it for use in Canada.

Considering the negative impact that this is having on our producers who are struggling quite frankly with rising input costs, that input costs that are accelerating far more rapidly than the prices of the grain, is the minister aware that there is quite a number of producers who are interested in being able to access this product? And if so, has he spoken to the minister who is responsible for PMRA about this issue or has he spoken to PMRA himself?

Hon. Mr. Serby: — You were fortunate, Madam Member, that you had a written question. I didn't have a written answer, and so what we were doing here is deliberating about the history of this particular pesticide. And fortunate on this side of the House, Madam Member, we have people who are older in the Department of Agriculture than this pesticide has been around, and they are able to recall the history on this.

And I want to thank my associate deputy minister for being able to provide this for me, because he has a long history here of course of being around this issue. And so the answer to this is that we have lobbied on many occasions to get the federal government to lift the restriction and to have the pesticide make its way into our province. The research of course continues to need to be done. That's the question that gets asked.

And we can continue to ask the question about getting this patent registered here in Canada; but as you rightfully point out, it has to meet the standard of PMRA, which is really federally regulated. And I'll have my official yet one more time make this request, because he knows this path quite well.

Ms. Harpauer: — Very good answer and I'm glad to hear that.

We're going to move from the TLE to the BSE now to the APF (agricultural policy framework) for the time that we have left so . . . (inaudible interjection) . . . Exactly.

A very bold and straightforward question: is the minister planning on signing the implementation agreement or the APF, and if so, when?

Hon. Mr. Serby: — Well we meet next, Mr. Chair, to the member, in July and it is my view that from the discussions that I've had with my colleagues across the country that we are moving down that path, not only in Saskatchewan but across the country.

My colleague in Alberta, I think, is preparing to sign the agricultural policy framework. My colleague from Newfoundland and Labrador has already signed the agreement. I'm told that Manitoba is in the midst of negotiating to sign the agreement, and for Saskatchewan, given this very important issue that we're dealing with today — the BSE — where the chapter that is going to require some additional funding will be food safety.

And, clearly, my position has always been that we have been unsuccessful in moving the federal government at all in additional funding. And so in order for . . . And we're currently today without a safety net in Canada and we're without a safety net here in our province. And so in order for us to get the work and the money flowing into the chapters, it seems to me that we've exhausted our avenues of encouraging the federal government to provide additional resources. And I think the models are now well set.

I know that as an agricultural producer, you probably got a mail out into your home from the federal minister — at least those of us that are farmers on this side of the House have received ours — of course which is the signal that I think what we have in Canada now is the consummation of the last piece of work that needed to be done.

The review that was conducted for the federal government by the George Morris Centre, Larry Martin, who is in Saskatchewan by the way to speak to my Farm Support Review Committee. The reality is that the federal government has now gone to the bank with his wisdom and I don't think there's going to be any more changes to the farm safety net as it's structured today, the business risk management APF.

(20:45)

And we need to see money flowing, in my view, to the other chapters. We need to see the federal money coming to Saskatchewan for renewal. We need to see money coming to Saskatchewan right now on the food safety piece. We need to see the federal share of the money coming on research and development, and we need to see the money coming on life sciences. And so without signing the agreement you don't get any of that money making its way to our province.

Now there are two or three things that we're going to remain, for a better word, bullheaded about. We are going to continue to press for trade injury, that the \$600 million that we got for the last two years, we're going to be suggesting and lobbying with farm organizations and farm groups and ministers across the country to see an extension of the \$600 million annually into the out years that correspond with the US farm Bill. Because it's our view that that package of money that's currently on the table today shouldn't fall off, given the kinds of commitments that the US government has made to their producers and given the fact that the, that our Canadian producers are competing directly into the US marketplace, that that US farm Bill should be honoured by Canada, and accordingly the \$600 million should continue to stay on.

I'm going to be lobbying for an indexing of the APF on an annual basis. There should be some kind of recognition here for index. We should not be building a five-year program that doesn't have any indexing in it at all, given the kinds of dilemmas that we're going to face and what the value of the cost of production is going to be into the future. There should be those recognitions.

So in a very long about way to a very short question that you asked me, it's my interest here to proceed to signing the agreement in July when I come together with the rest of my colleagues. I've not made a definitive decision on that but

clearly I am leaning in that direction, given that much of what we asked to get accomplished has now been accomplished, but there are two or three things that remain outstanding which I think we should put on an agenda for the out years, but trade injury being the biggest part of that.

Ms. Harpauer: — Due to time restraints I'm not going to go through all the detailed questions that I have on the risk management pillar of the APF because there are a number of questions. And if the minister is, you know, that close to signing it then he must have those answers. So I'm looking forward to having each of those questions answered.

But in general, excuse me, are each of the different pillars, envelopes, or what you'd want to call them, are each of them requiring a separate signature? Say, the food safety program, for example, or that particular sector of the APF, is that requiring a signature? And then the science, innovation, or research, is that requiring a signature to agree to that? Are each of the envelopes requiring separate signatures?

Hon. Mr. Serby: — Mr. Chair, to the member, this is a very good question. I wish they did, but they don't. It's one agreement and it encompasses all of the programs. And so that when you put your name to the bottom of the page, you get them all including the business risk management and the other four chapters.

So it's one agreement, one signature, and one bag of money that then breaks down into the various different sectors.

Ms. Harpauer: — The minister is correct. It's unfortunate that is what it is because we all agree that the food safety component is extremely important.

However, it's a consumer program so concerns, I'm sure, on that side of the House as well as this side of the House, is that it's not downloaded on the producers to have to fund the lion's share of that particular sector.

Research is also extremely important and needs to be funded and there are concerns that are being expressed of the details of what's in the environment package and who will be funding that.

I want to question for a minute the area that the minister brought up concerning the 600 million. And it was with humour I heard him once again call it trade injury, when the federal government has fought viciously against it being called a trade injury, considered a trade injury, or thought of as a trade injury. They're denying that it has anything to do with trade which of course then redeems them their sole responsibility of it, although I agree with the minister that we need to lobby for a specific trade injury and a trade injury payment is a federal government responsibility.

Has he heard how this year's 600 million will be paid out?

Hon. Mr. Serby: — Mr. Chair, the most recent update from my officials who have just come back from, by the way, from having a conversation around this and other pieces, is that it looks like Saskatchewan will get what we got last year which is about 183 million which is our 30 per cent which is an

important piece here when we go to have the debate or discussion about signing the agreement because we're now off Fredericton. And if you remember Fredericton, we were at 22 per cent.

So with this new arrangement we're now able to again see 30 per cent or 183 million coming to Saskatchewan producers which is about — well it's about 30 per cent — and that's the important accomplishment that we've been able to achieve here. It looks like the money this year is going to get paid out not into NISA (Net Income Stabilization Account) accounts like it was last year but it will go directly to producers this year and producers were asking for that to occur.

There was some conversation that CFIA — not CFIA — CFA (Canadian Federation of Agriculture) should provide some guidance as to how it is that the federal government should make the payout. My officials tell me that CFA has run into a bit of a log-jam in terms of how you would make a recommendation and how this money should flow because different provinces, different farm organizations in different provinces would have different views. But it looks like now it will be paid out directly to producers and then we'll take up the cause again, as we have been, to try and get that money extended for yet another three or four years.

Ms. Harpauer: — Could the minister tell us if it's paid out directly to the producers it is going to be calculated how? It'll be based on what?

Hon. Mr. Serby: — Mr. Chair, it looks like it will be based on the eligible net sales. On the eligible net sales.

Ms. Harpauer: — The minister brought up the Fredericton formula which was sadly unfair to Saskatchewan but I'm curious because when they used the Fredericton formula it was interesting that Saskatchewan and Manitoba got a separate program known as C-SAP (Canada-Saskatchewan Adjustment Program) and CMAP (Canada—Manitoba Adjustment Program) respectively. Why?

Hon. Mr. Serby: — The good work of Premier Doer and at that time Minister Romanow . . . Premier Romanow and the ministers of Agriculture in the two provinces, and also the support of various different leaders from political parties, we were able to accomplish two things: C-SAP I was to do with the transportation. This is the disappearance of the Crow rate and we made a strong case that the Canadian farmers, Western Canadian farmers were in fact at a disadvantage because of the disappearance of the Crow. The premiers of the day were able to make the case to the federal government and accordingly we saw a chunk of money flow to Western Canada.

CSAPII (Canada-Saskatchewan Assistance Program II) was strictly trade. This was a recognition by the federal government. Again a debate that was led by this side of the House, clearly by the Premier and the Ag minister to paint the picture that in fact trade has been injurious to our Saskatchewan producers; convinced the federal government of that and accordingly were able to get a payout for our farmers.

And I'm really pleased that you asked me that question because it really does recognize the good work that the government and

the members of this side of the House have been able to do in order to get more money for Saskatchewan farmers.

And the song just goes on and on if I were to sing it for a longer period because there are many other good things that have happened in Saskatchewan since those two in getting additional money for farmers. But I know that you'll want to sing those praises with me too and I look forward to how we might harmonize on it.

Ms. Harpauer: — You know, I must admit I always enjoy the jokes that the minister can tell at the end of estimates and we will definitely debate the different issues that he brought up at the end of estimates.

However, our time has run out. I want to thank him for his answers and his patience. And I want to thank all his officials for coming here tonight.

Hon. Mr. Serby: — Thank you, Mr. Chair. I want to take this occasion to thank my officials for being here this evening and thank the members of the opposition and my critic for the very important questions that we raised tonight as it relates to agriculture in the province. Thank you to members and to my officials.

Hon. Mr. Lautermilch: — Thank you very much, Mr. Chairman. I would move that the committee report progress on the Department of Agriculture, Food and Rural Revitalization, and that we would bring in the officials and the minister from Saskatchewan Property Management Corporation.

**General Revenue Fund
Saskatchewan Property Management Corporation
Vote 53**

Subvote (SP01)

The Chair: — I recognize the minister to introduce his officials.

Hon. Mr. Osika: — Thank you, Mr. Chairman. I would like to introduce to you and members of the committee, five officials from Saskatchewan Property Management Corporation who are here with me today.

And on my left is Ray Clayton, president; behind Ray is Garth Rusconi, who is the vice-president, accommodation services; Donald Koop, who's the vice-president, commercial services; Debbie Koshman on my right, who's the vice-president in corporate support services; and Paul Radigan, who's the director of financial services. And I'm very appreciative and I want to thank them for being here with us tonight.

(21:00)

Mr. D'Autremont: — Thank you, Mr. Chairman. I'd like to welcome the minister and your officials here this evening. I wonder if the minister could please give us an update as to any changes in directions or policies within SPMC (Saskatchewan Property Management Corporation) that you've implemented or . . . implemented in the past year or are looking to implement in this coming year?

Hon. Mr. Osika: — Thank you, Mr. Chairman. I'm pleased to respond to that question. I just want to point out that SPMC during this past year has reaffirmed its commitment to serving its clients, which also involves taking into consideration any and all service that is being provided. So in effect what that means is that we will continue, as stated in the 2002-2003 annual report, to continue to build client relationships and improve the way we do business, in whatever area that there can be some fine tuning.

And when that happens it means that you talk to the people that you provide a service for to determine whether or not it can be done better. You ask for advice from people, perhaps from outside the bubble looking in, with some perhaps suggestions and views of how business is carried out that may not have been considered.

So to achieve some of these objectives, SPMC has in fact embarked on an internal review of its operations to ensure efficiency. The review recommendations, some of them that have already been made, are being considered. Once all the appropriate levels and approvals have been received, SPMC will begin the implementation.

So we want to first and foremost continue to support the province's economic development initiatives in any possible way it can. And if it means . . . And it should, I believe it should include our customers, our clients, people that we provide services for and welcome constructive criticism in order to improve on our delivery of vital services in the best interests of the people we serve and the people of this province who we ultimately serve.

Mr. D'Autremont: — Thank you, Mr. Minister. We're always pleased to hear when a minister of the Crown is looking at putting efficiencies into government. I guess one of the questions that we have related to that is what efficiencies have you found and implemented within the department of SPMC?

Hon. Mr. Osika: — Mr. Chairman, in response to the question, there has been . . . and I believe the member will recall there has been some restructuring at various levels of government. And as a result of the restructuring initiative of last year, the staff complement of SPMC was reduced by 35 FTEs (full-time equivalents). And 30 positions were reduced last spring through the elimination of 16 vacant positions and 14 persons receiving layoff notices. So during the year, five other positions were reduced through attrition as well. Overall there was a savings of approximately \$2.1 million.

Mr. D'Autremont: — Thank you. That sounds very good, Mr. Minister. Certainly this government can utilize the \$2.5 million with the Minister of Finance running a deficit.

The 35 FTEs that you have eliminated, were those picked up someplace else within government because of the reshuffling that was done or were those completely eliminated and no one stepped forward to fill in a similar type position within another department or Crown corporation?

Hon. Mr. Osika: — Mr. Chairman, I'm advised these were net reductions and no transfers to any other departments.

Mr. D'Autremont: — Thank you, Mr. Minister. As part of the new policy direction within SPMC you talk about servicing your customer in a more efficient manner, that customer being other branches within government.

One of the concerns that has been raised to me by people in private industry that have also been servicing government departments in sales is the fact that SPMC has been moving into that area as well where they have been supplying. And let's use as an example, electronics, business machines. Does SPMC now purchase and supply the electronics and business machines to all of government? Or are you tendering with the other departments to supply those kind of services through SPMC as well as having private sources tendering as well?

Hon. Mr. Osika: — Through SPMC, Mr. Chairman, there are normal tendering policies that apply, that are applicable, and that are followed by SPMC.

Mr. D'Autremont: — I guess my question is really, in servicing the other departments of government and the Crowns, and I'm not sure whether you service the Crowns or not, that could be part of your answer, are you competing with private industry for supplying services to the departments or Crowns?

Hon. Mr. Osika: — Mr. Chairman, the Saskatchewan Property Management Corporation, and I believe as I outlined earlier, does in fact supply some services to both the Crowns and to departments.

As a Crown corporation in the purchase of a variety of office supplies that is warehoused, departments and Crowns have the option of either ordering at competitive prices from SPMC or in fact they can go out and order from whomever they wish. And once again, the departments rely on their own competitive nature of the locations that they may wish to be doing business with.

But there is a centralized warehousing for office equipment and office supplies that departments and/or Crowns may avail themselves of if they so choose.

Mr. D'Autremont: — Thank you, Mr. Minister. I know that in visiting with various private sector suppliers of office equipment, etc., at let's say the chamber of commerce trade shows, they have raised complaints with me that SPMC is entering into competition in areas that SPMC had not previously been in supplying services to departments and Crowns.

Now I don't know if that's the case or not but that's certainly the message that I've been receiving at these trade shows. And they're wondering why SPMC is doing that and felt that it was a threat to their businesses. That they had previously had a good relationship with the government in supplying those services.

It was still a competitive nature because it was more than one supplier. It wasn't a monopoly that was providing the service. There was still competition out there and that they were concerned that SPMC was moving in a new direction to establish a more competitive nature with those businesses and that SPMC somehow had an unfair advantage in supplying those services to the various departments of government.

So is SPMC moving into new areas that way, or is it just a perception that these businesses have?

Hon. Mr. Osika: — Mr. Chairman, the member's last statement is correct, that SPMC does not have any intention of entering into any competitive nature of business with the private sector. And the comments that perhaps the member has received from folks that are concerned about, whether real or perceived, we'd be very happy to have those people come to us and discuss the nature of their concerns because it is not the intention of SPMC to encroach upon the private sector and enter into competition with them. That's not the intent.

The intent of SPMC is to provide services for departments and Crowns and carry on the business of the day through proper tendering processes and not get into the business of competition with the private sector. And again, as I mentioned, if there are any public sector groups or businesses that feel this is happening, I would very much appreciate and I know that the officials at SPMC would appreciate and would be willing to discuss the nature of those concerns.

Mr. D'Autremont: — Well thank you, Mr. Minister. And when those concerns are raised, I will certainly pass them on and suggest that they contact you or the department for further information and for clarification and, perhaps and hopefully, for a resolution to their concerns.

Along the same line of purchases, I'm interested in the CVA (Central Vehicle Agency) program and how it's working and how it does work.

How many vehicles would the government have currently in their CVA program and how does that compare with previous years?

(21:15)

Hon. Mr. Osika: — Mr. Chairman, I have the figures for the year ending March 2003. For the previous year, we'll see . . . I'll get that information for you. But as of March 31, 2003 there was a Central Vehicle Agency fleet of 4,547 vehicles.

Mr. D'Autremont: — Okay. Thank you, Mr. Minister. How long do these vehicles normally stay within the fleet? Is there an age limit as far as number of years, or is it limited by the number of kilometres that the vehicle is driven? And does the repair cost to any particular individual vehicle play a role in the time it spends in the fleet?

Hon. Mr. Osika: — Mr. Chairman, the extent or the life expectation if you wish, if I can use that term, is a combination of both age and kilometres. As the vehicles get older there is less of a cost to a department for capital costs and therefore if the vehicles — and they are well maintained — if the department has indicated to them that the general guideline is an eight-year-old vehicle or 160,000 kilometres . . .

An Hon. Member: — That's one of the good ones.

Hon. Mr. Osika: — Those are the good ones. However if the vehicles are maintained — and they are — they are well looked after and serviced. And as I mentioned, again, if the department

. . . The department is notified that it's reached its life expectancy, if you would, but there's a reduced cost to the department. So if the vehicle is still in good shape, then it's more economical for departments to say, well look we're quite happy with this vehicle; it's eight years old, has 150 or 160,000 kilometres, and we'll continue to use it.

So there's no hard and fast rule as long as a department wishes to maintain vehicles that they have from the Central Vehicle Agency.

Mr. D'Autremont: — Thank you, Mr. Minister. Yes, I think my local ag rep has one of those. He seems to have had that same vehicle for a long time but he's happy with it, so.

The other question, Mr. Minister, is if there's a vehicle which is having an abnormally high rate of repair is it replaced sooner than the eight-year, 160,000 click limit?

Hon. Mr. Osika: — Mr. Chairman, yes. If there's a vehicle that . . . And I don't know whether you'd use the term, in that case, a lemon . . . (inaudible interjection) . . . Okay, we're on the same wavelength then, then yes. If it's found to be more economical to perhaps dispose of that vehicle then by all means then it would be more economical for the department involved as well because those repairs are charged back. So yes, it would use some common sense and reason to determine whether or not you continue repairing a vehicle or retire it.

Mr. D'Autremont: — Thank you, Mr. Minister. When it comes to the process of purchasing new vehicles for CVA, how many dealerships would the government have contracts with or do you have one dealership with each type of . . . each manufacturer? So you'd have one GM (General Motors) dealer, one Chrysler dealer, one Ford dealer, or are there multiple dealers within the same manufacturer that have contracts?

Hon. Mr. Osika: — Mr. Chairman, the vehicle purchasing process done through tender with some — not necessarily insistence — but some expectations that the vehicles would be supplied through local dealers, the tenders would go out to all the car manufacturers, the vehicle manufacturers, with the various specifications for mid-size vehicles, for trucks, or larger model vehicles. And those tenders, or the submission for the bids, would be received by each of those manufacturers; and then thereby, if the mid-size tenders from GM for example, were less than Chrysler, then that's how the tender would be accepted and so on.

It's fairly straightforward and a way that affords each of the car manufacturers through its local dealers to have an opportunity to supply Central Vehicle Agency with the variety of type of vehicles that are required to meet the needs of departments — whether it be in Agriculture, whether it be in Power, or whether it be for Legislative Assembly. So it's a wide open tendering process which is about as fair as you can get it, and everybody has the opportunity to compete against the different range of vehicles that SPMC . . . or Central Vehicle Agency would require.

Mr. D'Autremont: — So the government would put out a set of requirements to the manufacturers? Not through the local dealers but you would go directly to, let's say, GM or Ford or

Chrysler or whoever? They would send back their tender and you would get the supply of vehicles from whatever company through the local dealership then. I notice your official nodding his head so I gather I've got that correct.

Do the other manufacturers — the Asian manufacturers, as well as the European manufacturers — also participate in this or is this mainly a North American manufacturer that . . . the North American manufacturers that participate?

Hon. Mr. Osika: — Mr. Chairman, the opportunity is given, it's open to all the vehicle manufacturers. There are some that choose not to participate for whatever reason. And if in fact there was a manufacturer that felt they were not being given the opportunity, I'm sure we would hear about it, because there is quite a market and the competition in that market would trigger a concern not unlike, as a member mentioned earlier, if there was a business that felt they were not being treated properly by a government agency, they would certainly want someone to know about it.

So in answer to that question — and I'm sorry I can't be more specific on the dealerships or the manufacturers that you might be alluding to or referring to — nobody would be excluded from the opportunity to tender, to respond to a tender.

Mr. D'Autremont: — Well the reason I asked the question, Mr. Minister, is that most of the government vehicles that I've seen have been from the three big North American manufacturers and I can't think of another vehicle that would have come from another manufacturer. Now there may have been some, but I'm not, I'm just not familiar with it. That's why I was asking.

How much of a turnover would you have on an average year? How many new vehicles would you purchase? And I wonder if you could break that down just a little bit into automobiles, trucks, and large vehicles such as, you know, something more than a 1-ton truck?

Hon. Mr. Osika: — Mr. Chairman, and with all due respect to the member, those details — specific details — we don't have available but we can get them to you within 48 hours, within 48 to 72 hours. And I will make that commitment.

We may have some figures here with respect to numbers of vehicles purchased last year, but I believe you probably want a little broader . . . (inaudible interjection) . . . Okay. To make sure that it's accurate I would very much appreciate and beg your indulgence in allowing us to supply you with that information over the next couple of days. Thank you.

Mr. D'Autremont: — Yes, that would be fine, Mr. Minister. I'm not sure if SPMC would play a role in this or whether this is done by each department, but I'm wondering about what the eligibility is to have access to a CVA vehicle? Does SPMC play a role in that in determining who within government has access to the CVA vehicles? And who would have a CVA vehicle assigned to them on a regular basis rather than on a permanent basis? As it was explained to me once no one is a permanent employee, but we have regular employees. So people who would normally have access to a CVA vehicle on an ongoing basis.

Hon. Mr. Osika: — Mr. Chairman, that's largely up to the departments to determine who would have access to those vehicles, not unlike the Legislative Assembly determines the eligibility for vehicles.

So it's the departments that would determine what types of vehicles that would be appropriate for the responsibility of the various levels of staff personnel carrying out a variety of responsibilities within that department. So it would be up to the individual departments.

Mr. D'Autremont: — Thank you, Mr. Minister. From your experience or the experience of your officials, would there seem to be a reasonably common eligibility requirement or a common practice within the various departments of government? Or is there quite a variance, would seemingly be quite a variance, within how the departments operate their CVA vehicles?

(21:30)

Hon. Mr. Osika: — Mr. Chairman, to the member, there is . . . And for reasons that different departments have different needs, it would vary — the determination and economics — with respect to the people in departments that would require the usage of vehicles for the purpose of carrying out their responsibilities.

And in the case of pool vehicles as well, where there are a number of employees or a number of staff that may on different occasions, or from time to time require vehicles to carry out business on behalf of the department or an agency, those vehicles would be available on a needs basis.

And it's difficult to say specifically that there's across the board determination of who would have it. It's, once again as I mentioned, economics and need — primarily need.

Mr. D'Autremont: — Okay. Thank you, Mr. Minister. I understand that because it's not . . . You can't speak for every department. There is a variance there.

What happens within SPMC? How was the determination made as to who has a vehicle assigned to them individually on a long-term basis as opposed to someone who has to go to the pool to access a vehicle for use for a particular day? How was that determination made? For either a person who might have a vehicle assigned on a long-term basis or an individual who may access a vehicle occasionally, are they allowed to use their own personal vehicles? Who makes that determination?

Hon. Mr. Osika: — Mr. Chairman, once again SPMC, no different than other departments, based on economics and need. And preferably if an employee is travelling 30, 50 kilometres and beyond on an ongoing basis or a need to travel, it would be preferable to have a CVA, to use a CVA vehicle because it's more economical.

Throughout the province SPMC has 77 vehicles as of March 31 of this year, and those vehicles that are assigned, are assigned to people who on a daily basis are responsible or involved in providing services to clients or customers on an ongoing . . . on a daily basis. They would be the ones that would have access to those permanently assigned vehicles.

And, once again, it's based on economics and the need. The use of private vehicles, because it is a little more expensive is not the usual, is not the usual case. Preferably, if there's CVA vehicles available then those are to be used before a private vehicle.

Mr. D'Autremont: — So the criteria then for access within SPMC to an assignment of a vehicle to an individual is somewhere between 30 to 50 kilometres a day of travel? Is that the case?

Hon. Mr. Osika: — No, I apologize. I think I probably confused the member. That would be for individual trips, like if just the one trip for 30 to 50 kilometres, you know, on one occasion. Still, if there was a CVA vehicle available, it would be preferable to use it.

But once in a while, if it was 20 kilometres, 30 kilometres or less, and there was a need to travel that short distance, then there would be no grave objections for an employee to use their own vehicle.

Mr. D'Autremont: — What is the criteria then, Mr. Minister, for the assignment of a vehicle to an individual on a long-term basis?

An individual works in one of the offices some place and would have a vehicle assigned to them permanently — but let's use the word permanently within a very advised condition — so that they would understand it as being at their disposal at all times for work purposes.

Hon. Mr. Osika: — Mr. Chair, in response to that question, once again it's based on program needs primarily. And the manager from any operational unit may apply for permanent status of a vehicle for an employee that's engaged in ongoing program delivery.

And I apologize that I can't recite hard and fast rules because there aren't those hard and fast rules to say well, we're just going to assign you this vehicle under these terms and conditions. It would be based on the performance and the needs related to any specific program that a senior manager might see fit to apply for a permanent vehicle for an employee who on an ongoing basis, on a daily basis is involved in providing some service delivery to customers and a need for that vehicle to be at his or her disposal.

So it's again, not hard and fast rules, although having said there were no hard and fast rules for a determination there are still some guidelines with respect to vehicle usage and an appreciation that the . . . the economy of it as well. There's a capital cost involved plus the cost for mileage. There's a charge for the mileage on that vehicle and its use which is charged back to the department.

So again it's like being cautious with respect to costs and program delivery and in administration of a department, and being responsible for those costs and being able to answer for them.

Mr. D'Autremont: — Thank you, Mr. Minister. I would assume when you use the term performance, you mean duties

rather than how well the person performs or doesn't perform within their duty. I see the minister is agreeing that it's related to duties.

The cost that SPMC may charge a department for the use of a CVA vehicle, how does that compare with the cost that the individual, if they utilized their own vehicle, would charge the department?

Hon. Mr. Osika: — Mr. Chairman, the cost to departments will be dependent upon the size of the vehicle compared to the responsibilities that those vehicles are required for.

Now I'm trying to think what the question was with respect to — what do you charge departments versus individuals?

Well as you well know, Public Service Commission rates for individuals for private vehicles is considerably higher than what CVA would charge the departments for use of a CVA. And again, the charge would vary. There's no, there's no flat rate because it depends on whether it's a truck, whether it's a subcompact, whether it's midsize, and so on. But one thing, the differentiation here is the private, private vehicle rate to pay an employee for use of his or her vehicle is considerably higher than it would be for using a CVA. And that's why employees are encouraged to use CVA if they're going to travel any distance, kilometres.

Mr. D'Autremont: — Well thank you, Mr. Minister. We'll move on to a different area but still dealing with vehicles. This time aircraft.

I notice in the annual report that your net values for aircraft in 2002 were 17 million, up from 11 million in 2001. What was the reasons for that change?

(21:45)

Hon. Mr. Osika: — Mr. Chairman, the difference that the member is asking about is the purchase of an air ambulance — King Air 200 — which was approximately \$6 million. And that was an aircraft for air ambulance, and that would make up the difference from 11 to \$17 million.

Mr. D'Autremont: — Okay. Thank you, Mr. Minister. Did the department acquire access to any other aircraft besides the new air ambulance? Were there other new aircraft in the fleet?

Hon. Mr. Osika: — Mr. Chair, yes, there was a King Air 200 leased as well for executive air services, and that aircraft is in service and has been.

Mr. D'Autremont: — Thank you, Mr. Minister. On the aircraft owned by SPMC, how do you determine how long an aircraft would stay in the fleet? Is it based on the number of hours that the aircraft flies, is it based on the number of rotations, or is it based on the maintenance costs or advisories from air worthiness as related to that aircraft?

Hon. Mr. Osika: — Mr. Chairman, and I'm sure the member will appreciate very much that one of the — and I think you alluded to it when you said something about the air safety record or whatever then — yes, that's a very . . . that's a major

component. The others, the maintenance and reliability as well. And as you will appreciate, executive air has excellent maintenance services.

But all that being taken into account, after an excessive number of hours and excessive number of years, these factors play a major role in determining whether or not an aircraft should continue to provide the services, safe services for those that have access to it.

Mr. D'Autremont: — Does the department have any aircraft, and if so what makes and models that would be nearing the end of their life expectancy?

Hon. Mr. Osika: — Mr. Chairman, we do have an aircraft, a Cheyenne aircraft, that has a number of years of service. However that aircraft has been fully refurbished; some of the avionics from the Cheyenne that was retired and that were still in very good condition have been used as well to ensure that the Cheyenne that's still being used for fewer people and perhaps for shorter trips is still maintained in an excellent and safe condition.

Mr. D'Autremont: — Thank you, Mr. Minister. I'd like to take a look at . . . One other question in that. Does SPMC have any involvement with the fleet of aircraft that are flown by SERM (Saskatchewan Environment and Resource Management) and their water bombers? Is SPMC involved with those at all?

Hon. Mr. Osika: — Mr. Chair, the only involvement that SPMC has is assisting in the purchase of insurance for those aircraft.

Mr. D'Autremont: — Thank you, Mr. Minister. I wonder if the minister could please give the House any information that you would have related to any new properties that SPMC may have come into, have acquired. And I'm thinking of buildings or land.

I notice that you have an additional construction and capital purchase commitments of \$13 million this year. I wonder, in the past year, what new properties you may have acquired for SPMC. And are you looking at new properties? I would understand that you wouldn't want to specifically say you're going to go and buy the old Bay building when there may be competition for it or something, but are you looking at acquiring any new properties in the coming year?

Hon. Mr. Osika: — Mr. Chairman, the monies that the member refers to, it was not necessarily for new acquisitions but for upgrading and updating facilities that are currently owned. Now we also have a number of lease/purchase arrangements that are in existence that have not yet come to fruition as far as having the first option to purchase, but there's nothing in the last year that has been acquired under the question raised by the member.

So the monies are there for upgrading and restructuring, if you wish, of current facilities that are already owned by SPMC.

Mr. D'Autremont: — Okay, thank you, Mr. Minister. On page no. 16 of the annual report it lists investing activities. It shows in 2001 that there was investment activity in the purchase of

real estate of \$12.911 million. In 2002 it shows under purchases of real estate, 11.064 million. So did the department purchase an additional \$11 million worth of properties?

Hon. Mr. Osika: — Mr. Chairman, I'm advised that the \$11 million acquisitions were . . . entailed numerous purchases of properties — a variety, not just any one purchase.

And if I could, Mr. Chair, I beg the indulgence of the member once again to allow us the opportunity to detail specifically the costs incurred for the \$11 million that the member's referred to. And that can be done within the next couple of days if he'll bear with us to supply you that exact detail in response to your question.

Mr. D'Autremont: — Yes, that would be acceptable, Mr. Minister, if you can provide us with a list of those.

One of the areas that I'm interested in as far as capital reconstruction is concerned is the Legislative Building itself. I know we've had a \$20 million project here to renew the Legislative Building but I believe that there's been additional work done besides that. Looking at, I believe, it's the elevator system coming in here near the front entrance, has that reconstruction, that renewal, does it take that elevator up to the fourth floor?

Hon. Mr. Osika: — Mr. Chair, I'm told that there's no indication that there's any work done to extend the elevator services to the fourth floor at this time. So that's not anywhere in the mill, at least currently.

Mr. D'Autremont: — Thank you, Mr. Minister. So there is no plans from SPMC then to do any work in upgrading the fourth floor at all in the coming budgetary year?

Hon. Mr. Osika: — Mr. Chairman, and the member will know, that there have been plans put forward — proposals, suggestions, and ideas, and some good ones — but there's not been the financing put in place to proceed with that type of construction.

Mr. D'Autremont: — Okay. Thank you, Mr. Minister. On the same kind of issue of property, Mr. Minister, I wonder if you could tell us what kind of space SPMC has either owned or leased in the city of Prince Albert?

(22:00)

Hon. Mr. Osika: — Mr. Chair, I'm told that in Prince Albert we own the land titles building, the highways building and Saskatchewan Environment research management building, as well as lease space in the McIntosh Mall and the Federal Building. So those are the main ones.

Mr. D'Autremont: — Thank you, Mr. Minister. Which ones were leased? I'm interested in the leased properties that you may have.

Hon. Mr. Osika: — Mr. Chairman, we have leased facilities in the McIntosh Mall, in the SIAST (Saskatchewan Institute of Applied Science and Technology) Academic Centre and we have some leased space in the Federal Building as well for

offices.

Mr. D'Autremont: — Thank you, Mr. Minister. Are those long-term leases? And are the leases, do they have a fixed-term contract involved in them that the department has to maintain the contract for a certain period of time?

Hon. Mr. Osika: — Mr. Chairman, we have a long-term lease in the McIntosh Mall; then within the Federal Building about a one-year lease; and in the Academic Centre — that's one of the centres or one of the facilities that we have a lease/purchase arrangement — and that is for approximately 10 years.

Mr. D'Autremont: — The McIntosh centre, that particular lease, is there a fixed term to that that you have to maintain that lease for, or can it be rescinded with a particular amount of notice? And what would that notice be?

Hon. Mr. Osika: — Mr. Chairman, it is in fact a long-term lease that cannot be rescinded. It's been an arrangement since SGI (Saskatchewan Government Insurance) was involved and it's an ongoing long-term lease. And there are people moving in and out all the time, and any vacancies are . . . People are relocated as quickly as possible.

Mr. D'Autremont: — Well, thank you, Mr. Minister. The departments that are currently housed in P.A. (Prince Albert), are any of those particular departments requesting an expansion of their leases, the properties that they have available? Are any of them confined to too small a space and they're asking for more space?

Hon. Mr. Osika: — Basically, Mr. Chair, there's been nothing significant requested for, in response to your question. There's been no significant requests for extended spaces; none at this point in time.

Mr. D'Autremont: — When we first started our estimates, Mr. Minister, you talked about the mandate of SPMC to be more efficient. Has SPMC looked at the operations of SPMC in Prince Albert? Are there any efficiencies to be gained within the current structure that you have there or is the department operating as efficiently as is reasonably possible within the city of Prince Albert, the properties that you have there?

Hon. Mr. Osika: — Mr. Chairman, the SPMC is always conscientious about ensuring that spaces occupied by departments are economical and any spaces that are leased are adequately filled by tenants. So the efficiencies are always being looked at. And in trying to ensure that any movement that takes place is backfilled — and if necessary to backfill some of the spaces, that it's done perhaps more economically, moving out of some facilities that may cost more than others that become available, as, you know, as things unfold — perhaps movements take place.

So there's a constant attempt to make sure that those kinds of efficiencies and economics play a role in the providing of space by Saskatchewan Property Management.

Mr. D'Autremont: — Thank you, Mr. Minister. Mr. Minister, within SPMC's budget is SPMC looking to provide or to finance a new building downtown in Prince Albert?

Hon. Mr. Osika: — Mr. Chairman, I understand they're discussing a building that's already been named, but SPMC is not involved in any new properties and any new buildings.

Mr. D'Autremont: — Thank you, Mr. Minister. So you're saying that the named building, which I believe has yet to be built, the forestry centre — not the forestry research centre but the forestry centre, no research allowed — SPMC is in no way, shape, or form involved in that, either the ownership, the construction, or the leasing of such a building if it ever should be built?

Hon. Mr. Osika: — I guess the short answer, Mr. Chair, I'm told, is no.

Mr. D'Autremont: — Thank you, Mr. Minister. That's a good answer. It's not often I agree with a no answer, but this was a good answer.

Mr. Minister, I'm interested in some of the properties that are in Regina. How much space does SPMC have, either both owned and leased, and if you can break it down into both categories, in the city of Regina?

Hon. Mr. Osika: — Mr. Chair, once again I'm going to beg the indulgence of the member. Given the properties that I'm sure the member is aware in existence throughout the city in a variety of locations, and for my part wanting to be as accurate as possible to respond to his question, both leased and/or owned facilities, I would request if we're able to provide that information once again within 48 to 72 hours. I'd very much appreciate that and I'll make a commitment that that happens.

Mr. D'Autremont: — Okay. Thank you, Mr. Minister. That would be appreciated if you could. And I'm interested if the minister could include in that information what percentage of the space owned . . . let me back that up, operated by SPMC in Saskatchewan is actually leased space versus how much is owned, Mr. Minister. And if you could provide the same numbers in Regina, owned versus leased as well.

And further to that, if you could indicate how much of the leased office space right now in Regina is vacant, that currently either owned or leased by SPMC does not have a tenant in it?

Hon. Mr. Osika: — Mr. Chairman, I'll be pleased to supply that information. And again there could be quite a significant number of properties that need to be looked at specifically, both province-wide and from the city of Regina, if I understand correctly. So we will have that information, as I mentioned, within the next couple of days.

Mr. D'Autremont: — Thank you, Mr. Minister. We go on to another one of SPMC's many properties and that is dealing with the sound stage here in Regina. Mr. Minister, I wonder if you could tell us, if you would know — and perhaps your department would not be aware of this — but how many productions are currently using the sound stage for their projects?

Hon. Mr. Osika: — Mr. Chairman, with respect to and with all due respect to the question, SaskFILM manages the programming and the programs that are involved at the sound

stage and would be better answered by the member for that particular area.

Mr. D'Autremont: — Okay. Thank you, Mr. Minister. I guess a straightforward question. I believe that the sound stage is owned by SPMC. Is that correct?

Hon. Mr. Osika: — Another short answer, Mr. Chairman. Yes, it is.

(22:15)

Mr. D'Autremont: — Thank you, Mr. Minister. When it came to developing and building the sound stage, I'm told that the department did not put in place or did not do a feasibility study or a business plan on the sound stage, Mr. Minister.

I wonder if you could indicate what were the reasons then for the construction of the sound stage if there was no business plan or feasibility study in place to determine the viability of that sound stage?

Hon. Mr. Osika: — Mr. Chairman, there was in fact a feasibility and a viability study carried out with the Regina Regional Economic Development Authority. They commissioned the feasibility study that was in fact . . . in order to evaluate the potential for the development of a film and video production facility in Regina.

So based on those results, the Regina Regional Economic Development Authority submitted proposals to the Government of Saskatchewan and to the Government of Canada for the development of this more comprehensive study. So that's how this all came about. So there were studies that were in fact carried out.

Mr. D'Autremont: — Thank you, Mr. Minister. I would assume that as part of the proposal presented to you by the regional economic development that they would have presented those reports and those studies as well. Could you please table those documents for us?

Hon. Mr. Osika: — Mr. Chairman, I'm sure that the member will appreciate the fact, the confidentiality of these reports supplied in confidence by a third party and provided under those circumstances.

Mr. D'Autremont: — Well again, Mr. Minister, you could have used one of your one-word answers. In that case, no, would have sufficed, but you would not supply it.

Mr. Minister, that is one of the arguments that this government has presented too often when it comes to certain items such as the sound stage, hiding behind a third party requirement when the provincial government is putting up a large share of the cash to do this development in an area that, up until now, has seen very limited success.

And I think that protection of the taxpayers' money would be better served if the government was to provide those kind of evaluations to the public of Saskatchewan to determine whether or not the projects that, in this case SPMC is being involved with, have any viability and whether the success is there that the

plan's anticipated.

It's certainly easy to say that somebody else did the plan and we accepted it but we can't tell you what it is. I don't think that's acceptable, Mr. Minister, and I'm sure that the voters of Saskatchewan will judge accordingly.

Mr. Minister, on another issue, again for spending by SPMC, you bought 200,000 drink coasters — 200,000 drink coasters. And I'm not sure if the members on the other side can repeat that. But, Mr. Minister, what reasons — I understand that it was part of an anti-gambling program — but what methods did you use to determine that this was an appropriate expenditure and that anyone who sat their beer on a coaster actually looked to see what it said on it?

Hon. Mr. Osika: — Mr. Chairman, the SPMC under those circumstances provided the kind of service that we are expected to provide for departments when they ask for a particular type of specific items that they would like to have for promotional purposes.

SPMC receives the request for specific items. They in turn put out tenders to the suppliers of such items and have those suppliers reply accordingly and issue the purchase of those items to the best bidder. And in turn the items are turned back to the department that's requested that specific item without any review of what's written on it or the purpose of it. It's not for SPMC to question the department, the reasons, or the messages that are being sent on any particular items.

Mr. D'Autremont: — Mr. Minister, which department then ordered these and did they pay for them and if so what was the amount?

Hon. Mr. Osika: — Mr. Chairman, once again I beg the member's indulgence in allowing us to determine specifically the costs, the department, and whatever other details may be . . . the member may feel he'd require in response to that question.

Hon. Mr. Lautermilch: — Mr. Chairman, after what can only be considered a great deal of progress I would move that the committee rise and report that progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 22:23.

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