

The Assembly met at 10:00.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Ms. Draude: — Thank you, Mr. Speaker. I rise again today to speak about Highway No. 49 and its deplorable state.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway No. 49 in order to address safety concerns and to facilitate economic growth in Kelvington and the surrounding areas.

The people that have signed this petition are from Lintlaw and Kelvington.

Mr. Gantfoer: — Thank you, Mr. Speaker. I rise again this morning on behalf of citizens of the Moose Jaw area who are concerned about the lack of dialysis services. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause government to take necessary action to provide the people of Moose Jaw and district with a hemodialysis unit for their community.

The signatures on this petition again this morning, Mr. Speaker, are from the city of Moose Jaw, and I'm pleased to present on their behalf.

Mr. Stewart: — Thank you, Mr. Speaker. I rise to present a petition signed by citizens concerned with the dangerous and disgraceful condition of Highway No. 43. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 43 in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

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

Mr. Speaker, this petition is signed by individuals from the communities of Gravelbourg, St. Denis, Climax, Glenbain, Swift Current, Assiniboia, Limerick, and Regina, Saskatchewan.

I so present.

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition to present on behalf of citizens of the province. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary actions to provide the people of Moose Jaw and district with a hemodialysis unit for their community.

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

Mr. Speaker, this petition is signed by people in the Moose Jaw area.

I so present.

Mr. Wall: — Thank you, Mr. Speaker. It's a pleasure again to rise on behalf of Swift Current residents who have a constructive alternative for the government's plan to put a used CT (computerized tomography) scanner into the regional hospital there.

The prayer of their petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to reconsider its plan to allocate the used CT scanner to Swift Current and instead provide a new scanner for the Southwest.

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

Mr. Speaker, the petitioners today are all from the city of Swift Current.

I so present.

Mr. Huyghebaert: — Thank you, Mr. Speaker. I'm pleased to rise again in the Assembly with a petition from citizens who are deeply concerned about the condition of Highway 43. And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to repair Highway 43 in order to address safety concerns and to facilitate economic growth in rural Saskatchewan.

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

And, Mr. Speaker, this is signed by the good citizens of Vanguard and Swift Current.

I so present.

Mr. Weekes: — Thank you, Mr. Speaker. I also have a petition from citizens concerned about the fairness of Crown leases.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take the necessary steps to ensure current Crown land lessees maintain their first option to renew those leases.

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

Signed by the good citizens of Wilkie, Saskatchewan.

I so present.

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, I rise in the Assembly today to bring forth a petition signed by citizens of Saskatchewan that are concerned with the government's handling of the crop insurance premiums.

And the prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to have Saskatchewan Crop Insurance reverse the 2003 premium increases and restore affordable crop insurance premiums to our struggling farmers.

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

The signatures on this petition, Mr. Speaker, are all from Spiritwood.

I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and are hereby read and received:

A petition concerning the new cellular telephone tower at Coleville; and

Addendums to previously tabled petitions being sessional paper nos. 13, 18, 36, 41, 114, no. 120, and 124.

NOTICES OF MOTIONS AND QUESTIONS

Ms. Bakken: — Thank you, Mr. Speaker. I give notice that I shall on day no. 58 ask government the following question:

To the Minister of Health: what is the current funding for the methadone program; who administers this program; what locations is methadone available under this program; what are the criteria for receiving methadone under the program; what is the cost to the person receiving methadone under this program; and what portion of the cost is paid for by the Department of Health and/or other government departments?

Ms. Draude: — To the Minister of Learning, I give notice I shall on day no. 58 ask the government the following question:

For the year 2002 what is the total amount of money collected in Saskatchewan through the education portion of property tax; of this, how much was collected for each of the commercial property, agricultural property, and residential property; are there any other classifications of property for taxation purposes; if so, how much is collected on each of these classifications; are rental properties such as apartment buildings classified as residential or commercial property; if such properties are classified as residential properties, how much of the total education tax collected on residential properties is collected on these types of rental properties and how much is collected from home owners living in their own homes; what are the projections for each of these classifications, commercial, agricultural, residential, and others as to how they are to be collected in 2003?

I have the same question for the Minister of Government Relations and the Minister of Finance.

INTRODUCTION OF GUESTS

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to introduce to you and through you to the members of this Assembly, 16 grade 10 to 12 students from the school in Maryfield. They're accompanied today by their teacher, Dave Bircher, and bus driver, Harold Friesen.

I know the students and everyone in the Maryfield area are certainly pleased to see construction moving forward now on Highway 48.

And I would look forward to meeting with the students a little later on for photos and taking a moment just to answer some questions if they haven't had them answered on the floor of the Assembly today.

Mr. Speaker, I invite the members of the Assembly to welcome the students from Maryfield today.

Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Thank you, Mr. Speaker. In your gallery today I'd like to introduce Dr. Don King, who was the Chair of the Saskatchewan Provincial Advisory Committee on Older Persons. He has presented to me today the framework on an action plan for older persons. He's accompanied by Laurie Weiman, who is from the Department of Health. And I'd like all members to welcome them here to the legislature today.

Hon. Members: Hear, hear!

Mr. Gantefer: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to join with the Minister of Health in welcoming Dr. King to the Assembly today and to acknowledge and thank him for all the work that he's done in preparing this very important report. I'd ask all members to join in again welcoming Dr. King.

Hon. Members: Hear, hear!

Mr. Kasperski: — Thank you, Mr. Speaker. Mr. Speaker, it's my pleasure to welcome a group of grade 4 students from St. Josaphat School in my constituency. They are sitting in the gallery opposite. I'm looking forward to meeting with them a little later today after they've had a chance to tour and go to the legislature. They're accompanied by their teachers, Mrs. Pack and Ms. Moldovan. And I'm looking forward to talking with them a little later.

And I'd like to ask you and all members to please welcome them here today.

Hon. Members: Hear, hear!

Hon. Mr. Osika: — Thank you, Mr. Speaker. I would like to introduce to you and through you to all the members of the Legislative Assembly and ask you to welcome a long-time friend and this is — you make acquaintances and create bonds of association with people during your lifetime — as a former colleague with Saskatchewan Crop Insurance Corporation, a former mayor of the great city of Melville, my good friend, Jim Walters, who's seated in the west gallery, Mr. Speaker.

I'd ask all members to please welcome him to the Assembly today.

Hon. Members: Hear, hear!

The Speaker: — Members, it's my pleasure at this time to welcome a group of parliamentarians from the United Kingdom who are seated in the Speaker's gallery. These parliamentarians are doing a tour across Canada. They started in British Columbia, have come to Saskatchewan, and they're going to stop in at Winnipeg, and then on their way to Ottawa. And I would ask them to rise as I introduce them.

They are led by the Rt. Hon. Lord Morris of Aberavon, who is the leader of the delegation and has had 44 years of service in the House of Commons before he became a peer. Also in the group is Baroness Hooper, who is a Member of the European Parliament, for the area, I believe, of Liverpool. The Lord Bhatia is a Member of the House of Lords, became a peer in 2001; he is an independent member, or member of a minor party, and given the title, cross-bencher. Also we have as a guest is the member for Motherwell and Wishaw of Scotland, Mr. Frank Roy. And the member for Derby North, Mr. Robert Laxton.

They are accompanied today by two Ottawa staff people, staff of the Commonwealth Parliamentary Association, Ms. Carol Chafe and Karen Thrieland. Also seated with them is Monique Lovatt from the Clerk's office.

I would ask all members to extend a warm welcome to our special guests from the United Kingdom.

Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I want to, I'm sure on behalf of all members in the government caucus, to also welcome our visitors from Great Britain, the parliamentary visitors that we have with us today. And we sincerely hope that they enjoy their time in Saskatchewan.

I understand from, Mr. Speaker, your introduction, that they began their tour in Canada in British Columbia, now Saskatchewan, then to Winnipeg, and then to Ottawa. Well clearly you will be . . . have seen the best now that you've been to Saskatchewan. Welcome.

Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. And on behalf of the official opposition, I would also like to welcome the British parliamentarians to our Assembly here in Saskatchewan.

I had the opportunity a little over a year ago of visiting Westminster; it was very hospitably welcome by members from both sides of the House. We hope you are receiving that same warm welcome here in Saskatchewan.

We understand that you lost your luggage but it's been found. We're glad that Canadians have been able to work this out on your behalf.

Welcome here and enjoy your stay in Saskatchewan.

Hon. Members: Hear, hear!

Ms. Hamilton: — Thank you, Mr. Speaker. Mr. Speaker, I would like to introduce to you and through you to all members of the Assembly, someone I've known throughout my career on city council and now into my duties as an MLA.

Seated in the west gallery is Mr. Dale Wiesbrot. Dale is also the son-in-law of the Betteridge family. And Dorothy Betteridge and her family, I was privileged to be on their farm to celebrate the Century Family Farm Award.

So it's indeed a pleasure for me to introduce to all of you a very strong community activist and hard worker, Mr. Dale Wiesbrot. Welcome.

Hon. Members: Hear, hear!

STATEMENTS BY MEMBERS

D-Day Anniversary

Ms. Draude: — Mr. Speaker, 59 years ago today the great push to liberate northwestern Europe and put an end to the Nazi regime began on the beaches off the Normandy coast of France. The effort was many years in planning and was the turning point in the defeat of the Germans and the end of World War II.

As morning broke on June 6, 1944, 9 battleships, 23 cruisers, 104 destroyers, 71 large landing craft of various descriptions, as well as troop transport, minesweepers, and merchantmen, nearly 5,000 ships of every type, the largest armada ever assembled stood off the Normandy coast ready to begin the final assault. Allied air forces carrying three airborne divisions into battle protected the forces that crossed the English Channel.

Naval bombardment began at 5:50 that morning, detonating large minefields along the shoreline and destroying a number of the enemy's defensive positions. In the hours following the bombardment, more than 100,000 fighting men swept ashore to begin the largest epic assaults in history. President Franklin D. Roosevelt described it as a mighty endeavour to preserve our civilization to set free a suffering humanity.

As a daughter of a veteran, my childhood years were spent in the company of people I consider heroes. Some of those men were on Normandy beach on June 6. People like my dad came a few weeks later.

Mr. Speaker, we have our freedom today because of the sacrifices of the Allied armed forces who went into battle knowing that casualties would be high. Many near disasters were averted by the courage of unsung sailors, soldiers, and air force men. The only way we can repay our debt to these individuals is to strive to maintain the continued freedom of our country.

I ask this Assembly to join me in remembering and thanking these individuals for their sacrifices which ensured our freedom.

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Thank you very much, Mr. Speaker. Today is the 59th anniversary of D-Day, the longest day, and the day when Allied troops hit the beaches of Normandy to begin the final push towards the liberation of Europe and the end of World War II.

One of those beaches was Juno, the responsibility of Canadian troops, including the Regina Rifles. Fourteen thousand Canadian soldiers landed on that day; 340 died and 574 were injured.

(10:15)

Mr. Speaker, three separate but connected events are taking place today to remember that day and I want to mention quickly each one.

First, today in Yorkton I have the opportunity, as I have done on several years, to join the veterans and friends of veterans on this annual Decoration Day service. We will gather at the Fairview school and march to the city cemetery for a brief ceremony of remembrance, not just for D-Day soldiers but for all who have and still serve in the preservation of peace and order around the world.

This ceremony will also be taking place in other parts of our country. As we speak, on this same Juno Beach, halfway across the world, the Juno Beach Centre is being dedicated by the Prime Minister and many of the veterans who particularly as children brought honour to Canada and freedom to Europe. Mr. Speaker, many individuals, groups, governments, and businesses contributed to this lasting memorial.

And finally, Mr. Speaker, while the memorial in the town of Courseulles-sur-Mer is taking place, a simultaneous ceremony took place downtown at the Cornwall Centre, hosted by the Cadillac Fairview, one of the memorial's sponsors.

Mr. Speaker, this is a proud but sober day and sombre day in our history, and I know that all members of the Assembly want to join me in honouring all of those who fought and the many men and women who lost their lives on this important date.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Juno Beach Centre

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, just a short while ago the Leader of the Opposition and a few members of this Assembly had the privilege of attending the ceremonies at the Cornwall Centre here in Regina, commemorating the official opening of the Juno Beach Centre in Normandy, France.

Mr. Speaker, as my colleagues have indicated, today marks the 59th anniversary of D-Day and we must never forget the important role our country played in this strategic manoeuvre of World War II.

It's been a long time in coming, Mr. Speaker, but for nearly 1,000 men and women, or men that were killed or injured that

stormy day 59 years ago on the beaches of Normandy, the Juno Beach Centre will serve as a national tribute to their strength, their courage, and their ultimate sacrifice.

Mr. Speaker, as the Juno Beach Centre officially opens to the world, we must remember the efforts of Mr. Garth Webb, president of the Juno Beach Association. Mr. Webb campaigned tirelessly on behalf of his organization to secure funding for the memorial and to raise awareness of the important role the Canadian army, navy, and air force has played.

Mr. Speaker, this \$8 million memorial would not have been possible without funding from all sectors — private, public, national, and international. The French and Canadian governments contributed more than \$2 million, while the provinces of Ontario and BC (British Columbia) each contributed 1 million. Canadian Wal-Mart stores also raised more than \$2 million toward the building of this national memorial and information centre.

Mr. Speaker, Saskatchewan also contributed to the building of the Juno Beach Centre, although it was only after public outcry over an initial request that had been turned down. It's a small price to pay for victory, Mr. Speaker, and we owe those who fought for our freedom so much more.

I ask all members of the House to recognize the official opening of the Canadian Juno Beach Centre in France. Thank you.

Some Hon. Members: Hear, hear!

Saskatchewan Job Statistics

Mr. Yates: — Thank you, Mr. Speaker. Next Friday is Friday, June 13, but today is the 13th consecutive month on which we can happily report to the Assembly that once again jobs in Saskatchewan are up. Jobs up, Mr. Speaker. Doom and gloom are on the way down.

In May, say our good friends at StatsCanada, 7,600 more people were working than a year ago, and there were more than 800 people employed than the previous month, Mr. Speaker.

More jobs, Mr. Speaker, in a number of sectors — manufacturing, transportation, finance, and service. Overall, non-agricultural jobs are up by over 10,000 from a year ago.

Our unemployment rate is the second lowest in the country. Regina's was the second lowest among Canadian cities; Saskatoon, fourth.

And here you are. The Leader of the Opposition says that kids cannot be employed in our province — 1,700 more of them than a year ago are working today, Mr. Speaker.

Mr. Speaker, some more good news, along with the rain, to take us into a fine summer's weekend.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

2003 Training for Excellence Award Winners

Mr. Allchurch: — Thank you, Mr. Speaker. Mr. Speaker, yesterday my colleague the member from Cypress Hills and myself attended the ninth annual Training for Excellence Awards luncheon in Saskatoon at the Delta Bessborough Hotel.

The Training for Excellence Awards was developed in 1995 to recognize organizations that contribute to the economic and social prosperity of Saskatchewan. It was an opportunity to network, build partnerships, and discover new and innovative training programs across our province.

The keynote speaker for the luncheon was Shirley Seward, CEO (chief executive officer) of Canadian Labour and Business Centre. The centre's mission, Mr. Speaker, is to improve business and labour practices in Canada and to provide public policy advice on labour markets, skills, and training issues.

And now, Mr. Speaker, for the 2003 Training for Excellence Awards winners, and they are: for promotion of Aboriginal participation, Treaty Four Education Centre; for educational partnerships, SaskTel and Scott Collegiate; for human resource planning and career enhancement, SIAST (Saskatchewan Institute of Applied Science and Technology), Weyerhaeuser Hudson Bay & Carrot River Operations, and Industrial Wood and Allied Workers Local 1-184. For human resources planning/succession planning, the winner was SaskTel; for recognition of prior learning, it was SIAST. And last but not least, workplace essential skills development, AIMS, which is Agriculture Institute of Management in Saskatchewan.

We applaud the organizations for their outstanding achievements. I would ask all members of the Assembly to help me congratulate all the nominees and the winners in the ninth annual Training for Excellence Awards.

Thank you.

Some Hon. Members: Hear, hear!

Scleroderma Luncheon

Hon. Ms. Crofford: — Thank you, Mr. Speaker. It is Scleroderma month and tomorrow I'll be speaking at the scleroderma luncheon at the Copper Kettle Restaurant here in Regina, who is supporting this event.

And, Mr. Speaker, scleroderma is a chronic and sometimes fatal disease, as I can attest by the recent loss of a friend to this disease. The word itself means hard skin but it can affect the skin, joints, blood vessels, and internal organs. It's relatively rare but it affects women three to five times more often than men.

Mr. Speaker, the lunch will be informative but fun. A silent auction fundraiser and entertainment by Jack and Tara Semple; the recent award winning Bob Evans; and Roberta Nichol, who has been Pemmanic Pearl before, who will also give a short talk on scleroderma. And after lunch Dr. Todd Sojonyk will speak.

So I want to take this opportunity to thank everyone involved in organizing the event, raising the profile of this disease. And I'm

looking forward to attending and sure it will be a huge success.

Thank you.

Some Hon. Members: Hear, hear!

ORAL QUESTIONS

Federal Response to Distress in Beef Industry

Mr. Hermanson: — My question is for the Premier. Earlier this week the Premier indicated that he had followed up his initial contact with the federal government with a letter to the Prime Minister, once again asking the federal government to waive the two-week waiting period for Unemployment Insurance applications for workers affected by the BSE (bovine spongiform encephalopathy) case.

Mr. Speaker, my understanding is that the Premier has not yet had a response. I would suggest that the time for waiting for the response is over. Mr. Speaker, workers at XL Foods who were on vacation time have now officially been laid off. The cattle trucking industry is at a virtual standstill. This is having a tremendous impact on our economy and there appears to be no quick resolution on the horizon.

Mr. Speaker, what does the Premier intend to do now to secure a commitment for help for workers in the beef industry from the federal government?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, I will be, a little later this morning, making quite a public statement about my intention to make this the first priority of Saskatchewan's position going into the Western Premiers' Conference which begins Monday . . . Sunday, Monday, and Tuesday in Kelowna.

The Leader of the Opposition unfortunately is correct. We have not had a response from Ottawa in terms of our request for the waiving of the two-week period for Employment Insurance. The Premier of Alberta and the Government of Alberta have felt the same disappointment and I'm . . . After having conversations with the Premier of Alberta we both intend to make this our number one priority — not simply the matter of the two-week waiving period for EI (Employment Insurance), but the much broader picture of the national government's responsibility for compensation to an industry in Western Canada, across Canada, that has been significantly hurt.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. Well the Premier's comments lead me quite nicely to my next question, because earlier this week the Minister of Agriculture said that the beef industry had indicated that about June 4 would be a benchmark date, especially for feedlots in the province. That day of course has come and gone and we know that some feedlot operators in Saskatchewan are now in a full-blown cash crunch. They have cattle that they can't market and their feed costs are breaking the bank.

We know that industry people are in Ottawa working with the

federal government on assistance to help them weather this difficult situation. But there is still no indication that any help is coming and what that amount of help might be — and more importantly, when that help might be delivered.

Mr. Speaker, based on what he's hearing from the federal government — and I hope that he's communicating with the federal government prior to his ministers' meeting next week — when does the Premier expect a meaningful compensation package will be in place to help feedlot operators and others in the beef industry who are now in a severely difficult time?

Some Hon. Members: Hear, hear!

Hon. Mr. Calvert: — Mr. Speaker, there is absolutely no debate in this House or across Western Canada or Canada generally. I think that the livestock industry has been severely impacted and we are seeing the outcome of that. We're seeing the pressures as predicted in the feedlot. We're hearing today about trucking firms that are having to lay off some of their staff where . . . We've known the circumstance with XL in Moose Jaw, and we've seen the circumstance in the processing and packing industries in Alberta.

I wish, Mr. Speaker, I could be more definitive for the Leader of the Opposition and for the people of Saskatchewan on just precisely what is the federal government's response. I tell you, Mr. Speaker, the response I am not going to, I am not going to tolerate, is a response which says — and it was hinted at yesterday — that we may use, quote “existing programs” to try and support this industry. This is, Mr. Speaker . . .

An Hon. Member: — Not on.

Hon. Mr. Calvert: — Not on. Not on, as the Minister of Agriculture says.

We have existing programs to support the food producing and agricultural industries across Canada. This is a unique, rare circumstance of particular need. And when these rare circumstances come along, whether it be a SARS (severe acute respiratory syndrome) in Toronto or an ice storm in Quebec, it is precisely the role of a strong national government to reach out and assist — not with existing programs but with special measures.

Some Hon. Members: Hear, hear!

Mr. Hermanson: — Thank you, Mr. Speaker. I was appalled when I heard our federal Agriculture minister, Lyle Vanclief, suggest that by somehow signing on to the agriculture policy framework agreement that this would resolve our problems for a cash crunch in the cattle industry and related industries around the beef industry. Mr. Vanclief obviously was misleading the people of Canada because these programs will not come into effect for many, many months, if in fact all the provinces sign on.

Given this very negative message coming out of Ottawa yesterday, has the Premier in fact been on the phone talking to Mr. Vanclief and his people since those comments were made, and can he assure us that Mr. Vanclief has changed his position and will not be counting on the APF (agricultural policy

framework) to resolve the funding crisis in the beef industry in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, not only have I been on the phone speaking with my colleagues across the country, Mr. Speaker, but I have also written to Mr. Vanclief and copied all of my colleagues in this week, indicating to the federal government that the agricultural policy framework and the business risk management file is not sufficient, Mr. Speaker, funded today in order to support this individual one-off issue that we have in Canada, Mr. Speaker.

This is a disaster to the industry. The industry should be supported in a different way, Mr. Speaker, not within the \$1.1 billion which we've always said, Mr. Speaker, is underfunded. This package is underfunded by the national government first of all, and we should not be expecting the safety net today, Mr. Speaker, to pick up the difficulties on that side, Mr. Speaker.

And I say that this can be helpful on the part of the opposition, Mr. Speaker, as well. We've talked to the federal national party, the NDP (New Democratic Party), and asked them to raise it in the House. I think that the opposition can raise it with their colleagues in the House as well, with the Canadian Alliance and with the Conservative Party. They should be raising it in the parliament in Ottawa, Mr. Speaker.

The Speaker: — Time has elapsed.

Some Hon. Members: Hear, hear!

Consequences of Occurrence of Bovine Spongiform Encephalopathy

Mr. Stewart: — Thank you, Mr. Speaker. My question is for the Minister of Agriculture. Throughout the search for the herd of origin for the cow found to have BSE, two Saskatchewan farms were named, quarantined, and depopulated by the CFIA (Canadian Food Inspection Agency). Tests for BSE in all of those animals have come back negative, yet the CFIA is also searching out all animals that were sold off those two farms, and they are also killing those animals. In fact we assume they are both doing trace-outs from all herds on both sides of the lines of inquiry in both Alberta and Saskatchewan and destroying all of those animals.

Mr. Speaker, will the minister explain how many Saskatchewan farms have lost animals related to trace-outs from this BSE case and how many animals have been put down as a result of this trace-out investigation?

Some Hon. Members: Hear, hear!

(10:30)

Hon. Mr. Serby: — Mr. Speaker, I heard the very last part of the member's question and will try to address it from what I heard, Mr. Speaker. And I believe that the minister asked me . . . or the member asked me how many animals in Canada or in Saskatchewan, Mr. Speaker, have been put down from the Saskatchewan farms. I can report, Mr. Speaker, that all of the

animals from the Saskatchewan farms have been put down and been tested.

When the net was first cast across the Saskatchewan, Alberta, and British Columbia farms, it included about 2,000 head. To date, Mr. Speaker, or by the end of the weekend, there will be from those three provinces approximately 1,600 of those animals will have been put down. And all of them will be tested by the end of the, we anticipate will all be tested by the end of Sunday, Mr. Speaker, the end of the weekend. And our anticipation is that all of those reports will come back, Mr. Speaker, as continuing to be negative.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Mr. Speaker, all during this investigation the CFIA has said they are either looking for a genetic link as a source of the BSE case or a possible feed contamination. One can reasonably presume there can be no maternal genetic link between all of those trace-out animals and the one infected cow. But at no time has the CFIA indicated that they found a problem with feed at one or more of these farms, meaning that all of these animals that may have had access to that feed should be destroyed.

So, Mr. Speaker, will the minister explain what science is behind the CFIA's decision to destroy all of these trace-out animals when there's no genetic link or no apparent feed source of concern?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Well, Mr. Speaker, the CFIA, when they began their work early at three weeks ago, made it very clear that the most scientific way of determining whether or not any of the animals had any of the disease, BSE, would be to put them down and check the animals and examine the animals, Mr. Speaker.

That's what the CFIA said initially and they proceeded down two tracks. One track was to examine the animals after they slaughtered them, Mr. Speaker. And secondly was to examine the feedstock from the ruminant. And CFIA has done, in my view, an outstanding job of doing that examination in three Prairie provinces. We've had people here for a three-week period. We've had resource people from the US (United States) doing that work.

And at the end of the day, Mr. Speaker, I'm not about to call into question the work of CFIA. They've been in this province, Mr. Speaker, for the better part of three years now. They've been working on the . . . For three years, Mr. Speaker, because they were here working with the elk industry. We put down a number of animals, Mr. Speaker, from the elk industry. So the CFIA's guidance will be taken, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Thank you, Mr. Speaker. There are Saskatchewan cattle producers who have had a great number of cow-calf pairs or individual animals recently taken by the CFIA in relation to this BSE case and one Alberta cow. They don't understand why these animals have had to be removed and

tested when they apparently have no genetic connection to the infected cow, they weren't from either of the two suspected source herds, and there has been no finding of a possible feed source connection reported by the CFIA.

In fact, Mr. Speaker, the CFIA has even taken down animals that only went through one of the quarantined farms this spring. If the feed ban placed in 1997 is working and no animal renderings are being fed to ruminants, why are animals going through straight cattle yards — not mixed livestock farms but strictly straight cattle yards for a short time this spring — being destroyed in this investigation?

Can the minister explain how destroying all of these animals will help this investigation to progress? And how many animals this will ultimately mean the CFIA is going to put down to ensure all connections to any of these farms are completely wiped out?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I'm actually shocked by the question that the member asks me, Mr. Speaker. I'm shocked by the question because for the better part, Mr. Speaker, of three weeks now we've been doing press conferences to our Saskatchewan meat industry and Saskatchewan people.

The CFIA every day, Mr. Speaker, are on the airwaves across Canada with Mr. Evans leading the information, Mr. Speaker, from CFIA. And he has been very clear in saying why it is that we're putting the animals down at the end of the day. Because the most scientific way of assuring Canadians and the international marketplace of which we do huge trade, Mr. Speaker, is to put the animals down and determine whether or not they have the BSE. That is the final and best and most accurate fashion of being able to show that.

And as they proceed through the track, Mr. Speaker, of examining the animals and examining the feed where's there's been exposure to the feed, those animals to date, Mr. Speaker, in majority have been put down. And I say to the member opposite we need to be guided by the work of CFIA and the science, and today is not the day to be questioning the work of the CFIA, particularly in this province.

Some Hon. Members: Hear, hear!

Mr. Stewart: — Thank you, Mr. Speaker. Some of the producers who have had animals taken by the CFIA as a result of the trace-out investigation are frustrated by the lack of information they are getting about the compensation they will receive for the loss of these animals. Especially, purebred breeders are questioning what level of compensation they will be able to expect for the animals the CFIA has selectively removed from their herds this week.

The minister had indicated earlier that he would support reviewing compensation rates, specifically for purebred livestock destroyed in connection with this investigation. Mr. Speaker, will the minister indicate today whether a new level of compensation for purebred animals has been agreed to by the federal government and what level of compensation that is?

Some Hon. Members: Hear, hear!

Hon. Mr. Serby: — Mr. Speaker, I have not yet received a response to my correspondence to Mr. Vanclief regarding the different kind of compensation that I think, Mr. Speaker, that needs to be provided to animals that are coming from purebred herds.

The federal government has had a history, Mr. Speaker, of how much money should be paid to individual producers when animals are having to be put down and I said, and we've said on this side of the House, Mr. Speaker, that that compensation is unfair.

And so I've written the federal government, Mr. Speaker. I've asked them to examine that formula today and provide a greater compensation for those producers, Mr. Speaker, where in fact there have been purebred animals that have been put down, Mr. Speaker.

Some Hon. Members: Hear, hear!

Highway Conditions

Ms. Draude: — Thank you, Mr. Speaker. I'm very pleased today to rise and ask questions, not only for my constituents but for people right across this province who are concerned about one big issue in this province, and that's the state of highways.

We've been receiving many letters from people who want to bring this to the attention of the minister. One of the highways that is of great concern is in my constituency and that's Highway No. 23, that's east of Weekes to the junction of Highway No. 9.

I've received letters from both the RM (rural municipality) of Hudson Bay and the RM of Porcupine Plain that have raised concerns about the state of this highway. Many of these highways have actually been turned back to gravel. So much for wide open Saskatchewan — you can't see it for dust. Mr. Speaker, the RM of Hudson Bay described it as rough and full of large potholes, making driving conditions dangerous to the public.

Mr. Speaker, when does the NDP government plan to fix Highway 23?

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Thank you, Mr. Speaker. Mr. Speaker, I'm very glad to see that the puppet master on this side of the House was able to get the leader to encourage that member to get up and speak today.

Mr. Speaker, we have informed the public very clearly about what is going on with the roads in rural Saskatchewan. We have a lot of thin membrane surface highways, Mr. Speaker . . .

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

Hon. Mr. Wartman: — Thank you, Mr. Speaker. Mr. Speaker, as I was saying, we have done a diligent job in informing the public of this province about what the situation is with our thin

membrane surface highways.

We've been doing a lot of work on converting those highways over the years. With our \$300 million a year budget we are making a difference in rural Saskatchewan highways.

In the process of fixing those highways, Mr. Speaker, there are times when we do temporary — and I emphasize temporary — reversions to gravel to dry out that highway and then go back and surface.

We are working with the area transportation planning committees to set the proper priorities in each region. Those priorities are being set by people who live in the region and we're following up on that in our repairs.

Some Hon. Members: Hear, hear!

Mr. Gantefer: — Mr. Speaker, the minister's received a letter from one of my constituents who drives over 50,000 kilometres a year in his job. He says the NDP has promised to fix Highway 15 from Raymore to Nokomis for five years, but has done nothing.

On May 6 he struck a piece of broken asphalt laying in the middle of the highway and took out his oil pan, which cost him about \$1,500 to repair. He has now sent the bill to the Minister of Highways.

Mr. Speaker, does the minister plan to pay this repair bill, and, more importantly, when can we expect him to fix Highway 15?

Hon. Mr. Wartman: — Well, Mr. Speaker, there are more thin membranes than just on the highway. I think there's a lot of thin membranes on the other side of the House.

Mr. Speaker, we have a very good process within the Department of Highways, where there is damage done where Highways is responsible, that we have a process where people can put those claims forward and we follow up on those claims very responsibly.

Mr. Speaker, we are also in process of fixing the . . . some 7,000 kilometres of thin membrane surface highways across this province. This is the time of year, of course, with all the wonderful moisture that we're getting . . . It's got its plus and its minus, but when the moisture is there, the highways do get a little mushier and softer and break down. But our crews are out there fixing them. Those roads are getting better. And, Mr. Speaker, with regard to the particular roads that they're speaking of, there is work being done on those roads and we will make sure that we have the best, safest highways that we can possibly have.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Regina Sound Stage

Hon. Ms. Crofford: — Thank you very much, Mr. Speaker. Yesterday, notice was taken on a question and I wish to provide the answer to that question today. And I'll proceed.

The question raised by the opposition yesterday was a question regarding the financing of the Canada-Saskatchewan Sound Stage. And I just want to clarify at the outset that this facility was built in response to the Regina Regional Economic Development Authority identifying film and new media as one of their clusters for development in the city.

As a result of that, the Canada-Saskatchewan Sound Stage was built with the involvement of three levels of government — the federal government, the province, and the city of Regina — contributing to the construction. The total cost of the Canada-Saskatchewan Sound Stage was 11.9 million, with the province providing 3 million, the federal government 3 million through Western Economic Diversification, and the city of Regina a seven-year tax abatement.

Sask Property Management borrowed 5.5 million which is going to be recovered through the tax abatement. And I can sit down and if there's a supplementary question, answer the balance there.

Some Hon. Members: Hear, hear!

Highway Conditions

Mr. Huyghebaert: — Thank you, Mr. Speaker. Mr. Speaker, there's an obvious tactic to get away from the tough questions that are being asked of the Minister of Highways.

Mr. Speaker, I've received numerous letters about Highway 13, running both directions from Ponteix. The town of Ponteix wrote to me on May 14. They say, and I quote:

Thirty-four kilometres of Highway 13 has reached the point of hazardous travel and the council is concerned. If some immediate action is not taken, serious accidents will occur.

I also have a letter from a constituent who says the highway is full of potholes and breaks, which often cause vehicles to drive on the wrong side of the road.

Mr. Speaker, this highway is a mess and it is dangerous.

To the Minister of Highways: when can we expect Highway 13 in the Ponteix area to be fixed?

Hon. Mr. Wartman: — Mr. Speaker, we've been doing a lot of work on Highway 13, recognizing the importance of that trade corridor. And we are doing that phased in as we're able to. In particular in that area, Mr. Speaker, we did think that we had an agreement for a heavy-haul alternative route which would have taken the heavy haul off of the thin membrane surface road. But however, the RMs in that area chose not to go along with the heavy-haul agreement and therefore that road continues to break down.

(10:45)

We will do maintenance, we'll do the appropriate maintenance, and as we get there in our schedule — which we are advised by the area transportation planning committee on — we will get those roads fixed, Mr. Speaker. Where we recognize the need, we are out there, we're working, we're maintaining. Thank you

very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, the RM of Wolseley has written to the Minister of Highways to express what they call an enormous amount of frustration regarding the disrepair of Highway 47. They say that they have had numerous meetings with the Highways department over the last few years, but those meetings have proven to be fruitless as no progress has been made in repaying . . . repairing Highway 47.

Mr. Speaker, Highway 47, between Highway 48 and Highway No. 1, is in terrible shape. Mr. Speaker, the RM of Wolseley is asking the Department of Highways to report to them what the department's plans for rebuilding the highway. Can the minister give them an answer? When can we expect to see Highway 47 rebuilt?

Some Hon. Members: Hear, hear!

Hon. Mr. Wartman: — Mr. Speaker, we have been in correspondence with the RMs in the area and they do have a fairly good sense of the timing on our repairs on these roads.

And I can tell you, Mr. Speaker, that more money has been spent in the rural municipalities, the rural areas, the rural constituencies of this province, than anywhere else in the last three years. We have record budgets for three years.

We have been making progress in repairing those highways. We have been making progress in getting rid of the thin membrane surface highways by moving to granular pavement and AC (asphalt concrete) pavement; 1,000 kilometres has been improved and rebuilt, Mr. Speaker. And we'll continue to do that, and we'll do it in a timely manner, and we'll do it in relationship and discussion with the RMs in those areas. Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, it's sad to have to listen . . .

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

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, it's sad to have to listen to the laughter from the six dumped ministers and the nine backbench wannabes when we're raising serious issues, Mr. Speaker, about the safety of Saskatchewan people.

Some Hon. Members: Hear, hear!

Mr. D'Autremont: — Mr. Speaker, I have a letter here from a constituent that was addressed to the Premier. And I quote . . .

The Speaker: — Order. Order, please. Order, please. Perhaps we could attend to the . . . Order. Order. I would ask members particularly to refrain from the personal remarks that I have heard tossed across the floor here today. It doesn't serve the parliament well at all.

Mr. D'Autremont: — Thank you, Mr. Speaker. Mr. Speaker, she writes to the Premier, and I quote:

I am writing to let you know the disgraceful and dangerous, horrendous state of No. 8 Highway from the US border to Redvers and beyond to Moosomin. This road is our sole means of going to Redvers for medical care. I have just completed a week's treatment for a medical condition, driving 20 miles daily, and I felt worse mentally, physically, stressed out by the damage to my car from this disgusting road.

Our daughter-in-law has to travel this road daily, with its multitude of large bomb-like craters, with her three children in the car. This road is worse than some I have travelled in Third World countries.

Mr. Speaker, when can we expect No. 8 Highway to be fixed?

Hon. Mr. Wartman: — Well, Mr. Speaker, if the member opposite spent much time in the constituency over there, he would know that we have made tremendous progress on No. 8 in the last two years. We have been upgrading that road, and the particular stretch that is referred to here is being maintained.

We've got crews out there working on this, Mr. Speaker, and I can say this very, very clearly that we are upgrading those thin membrane surface highways. Where they are warranted, we are moving them up to granular pavement so they can handle the heavier loads. We are moving them up to AC pavements. And if the member travelled those roads in his constituency, he would know that they are being upgraded.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order.

MINISTERIAL STATEMENTS

Provincial Policy Framework and Action Plan for Older Persons

Hon. Mr. Nilson: — Thank you, Mr. Speaker. As the Minister Responsible for Seniors, Mr. Speaker, I'm pleased today to present the Provincial Policy Framework and Action Plan for Older Persons. This is an important document that identifies steps to improve the well-being of older persons in Saskatchewan.

Mr. Speaker, in Saskatchewan we recognize the important place seniors hold not only in our history but also in our present and our future. We are fortunate to have a vital and active seniors population. The contributions that older persons make every day and everywhere to the quality of life we enjoy in our province is valued.

Mr. Speaker, Saskatchewan has one of the largest senior populations in Canada. One in seven people is 65 years of age or older. Demographic projections show this number is increasing rapidly. By 2020, one in six people will be 65 years of age or older.

The Provincial Policy Framework and Action Plan for Older Persons was developed by the Saskatchewan Provincial Advisory Committee of Older Persons, a committee, Mr. Speaker, that was established three years ago to advise the Minister Responsible for Seniors on policies, programs, and priorities aimed at meeting the needs of our seniors.

Mr. Speaker, at this time, I would like to take an opportunity to acknowledge Dr. Don King, chairman of the advisory committee who was in the gallery today and to thank him and the rest of the committee for this document and the hard work and commitment that has been displayed over these past three years. Thank you, Dr. King.

Some Hon. Members: Hear, hear!

Hon. Mr. Nilson: — Mr. Speaker, this government shares the goals of the Provincial Advisory Committee of Older Persons. The document that is being released today makes 31 recommendations focusing on six goals. These goals are as follows: improving seniors' access to housing, improving transportation, ensuring access to appropriate health care services, promoting active living and lifelong learning, recognizing the contribution of older persons, and ensuring safe communities for seniors.

Having a report like this, Mr. Speaker, is very important, especially as the government continues moving forward on the initiatives in the Action Plan for Saskatchewan Health Care which we released in December 2001. As is evident in the strategies outlined in our action plan, this government's top priority is improving the quality of health care services and access to care for all our citizens while ensuring our health system is sustainable into the future.

We intend to work with seniors' groups, Mr. Speaker, to determine which recommendations are at the top of the priority list and how we can work together to continue improving the quality of life for Saskatchewan seniors. Government has already begun implementing some of the recommendations contained in the report.

First, there's increased funding for health services. This year's health budget received an increase of \$184 million over last year or almost 8 per cent. This brings the total health budget to \$2.53 billion. Of this money, nearly half will directly benefit seniors through programs such as home care, long-term care, hospital care, and physician services.

Mr. Speaker, we've increased drug plan spending in this year's budget to \$156 million, an increase of 28.4 per cent from last year. This directly benefits seniors in our province.

We have also expanded the coverage of items under the drug plan to include diabetic supplies. As well we are covering specialized nutritional products for persons with complex medical conditions.

As well, Mr. Speaker, the provincial government has also recently invested in a number of affordable housing projects for seniors in Saskatoon, Shaunavon, Yorkton, and Regina. In partnership with the federal government the province has developed the \$46 million centenary affordable housing

program. This program will deliver more than 1,400 units over the next four years.

In addition we have released the report, *Fall Injuries Among Saskatchewan Seniors*. This report, Mr. Speaker, focuses on the prevention of falls which is a leading cause of disability and death among seniors.

Mr. Speaker, it is this government's plan to maintain quality programs and services to continue to meet the needs of our older citizens and our seniors of the future. Together we will develop solutions to help meet the needs of the seniors of this province. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Gantefer: — Thank you, Mr. Speaker. In replying to the minister's statement, I would like to join in expressing the official opposition's gratitude to Dr. Don King and his advisory committee for his very important work over these past three years.

Mr. Speaker, I think it is not insignificant that this report is being released today which is the 59th anniversary of the D-Day invasion because I think it's a fitting example of the great debt we owe to the people who participated as young people 59 years ago, and who are now part of the group of people we call our senior citizens.

It's an example of the great debt that we owe our seniors, not only in this very time of war but in . . . over the ensuing years that they have contributed so much to build up our province. Mr. Speaker, it's very important that we acknowledge the special requirements and needs of our seniors and this provincial advisory committee, I feel, has done a very good job of articulating those needs.

Mr. Speaker, the official opposition very much supports the six goals that are outlined in this report and we look forward to receiving the report and reviewing all of the 31 recommendations in detail. And we are very confident that they will be thoughtful and important recommendations to improve the lives of our seniors both today and into the future.

And so, Mr. Speaker, in recognizing this very important work, we certainly support and thank the advisory committee and we look forward to working and encouraging the government to make sure that these recommendations are implemented in as timely a way as possible. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

WRITTEN QUESTIONS

Mr. Yates: — Thank you very much, Mr. Speaker. I'm extremely pleased today to stand on behalf of the government and table written responses to questions no. 701 through 708 inclusive.

The Speaker: — Responses to questions 701 to 708 have been submitted.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

Bill No. 39

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Osika that **Bill No. 39 — The Municipal Revenue Sharing Amendment Act, 2003** be now read a second time.

Mr. Wall: — Thank you very much, Mr. Speaker. It's a pleasure to enter the debate this morning on Bill No. 39, The Municipal Revenue Sharing Amendment Act, 2003.

Well, Mr. Speaker, this particular piece of legislation is arguably one of the more substantive pieces of legislation that have come before the Assembly this sitting. It's not to say, Mr. Speaker, that it's a welcomed piece of legislation. It's not to say that it's popular. It's not to say that this particular piece of legislation seems to point to a government that understands or has its priorities in the right place.

But it is significant because it really implements the funding measures announced in the 2003-2004 budget for urban municipalities, for all municipalities in the province of Saskatchewan, Mr. Speaker. It does represent a small increase in some of the segments of municipal funding, Mr. Speaker. It does do that.

But it doesn't come anywhere near, it doesn't come anywhere near addressing the needs of municipalities. It doesn't come anywhere near addressing the fact that for 10 years or longer of this government, since 1991, the socialist government of this province has systematically eroded municipal funding in the province of Saskatchewan. That's what's happened in this province.

In my own community in Swift Current, the municipal funding there has suffered mightily under this government. The reason that the socialist government gave, Mr. Speaker, for the changes that it was going to be making early on in the decade was, we're fiscal; it was a matter of fiscal probity; cuts had to come from somewhere. Although if you take a look back at the truth of the matter for the last decade in this province, whatever fiscal probity the government has stumbled upon, they've done so on the basis of the revenue side of the books, of the taxation side of the books, not on the expenditure side.

(11:00)

But that being said, there is some areas that they have cut. Even though overall they've relied more on revenues than expenditures to balance the books, one of the areas that they've cut, maybe most severely of all, is funding to municipalities in the province of Saskatchewan.

The reason, Mr. Speaker, that the socialist government gave for decreasing the funding was this matter of fiscal probity. But they left a clear impression with mayors of towns and villages and cities that there would come a day in the province when

things turned around, when the fiscal situation was improved, and then the cities and the towns and the villages should expect from this government some fairness. They would expect from this government some recognition of the fact that they have paid . . . the municipalities have paid their dues. They have done their part in balancing the budget of the province, and when that balancing had taken place they could expect some measure of reinstatement of the funding that they once received — that they once received actually, Mr. Speaker, from the government in this province previously in the '70s and even the government in the 1980s, Mr. Speaker.

So what did, then, the municipalities say when they knew what the government actually had in mind, what the Minister of Finance actually had in mind for them in terms of municipal funding as represented here in Bill 39? Well they used words like, it's insulting; it's unfair. They were angry; they were disappointed. But other than that, it went over fairly well I guess, Mr. Speaker. Other than that, it went over fairly well.

I think they were very disappointed in both the Minister of Government Relations and they were very disappointed with the Minister of Finance, which is an interesting situation, Mr. Speaker. Because it is those very members over there, the member of government for . . . minister for Government Relations and Minister of Finance, those are the two members who have propped up this socialist government, Mr. Speaker. And it's these two members of the Legislative Assembly who the municipalities are most disappointed with, Mr. Speaker.

And the member says, from Melville, that he would do it again. Apparently, Mr. Speaker, he would sign the same deal again. He would prop up this NDP government again, would he have the chance. The good news, Mr. Speaker, is that the member for Melville will not have a chance after the next election to prop up this NDP government.

Some Hon. Members: Hear, hear!

Mr. Wall: — He won't be here, Mr. Speaker. And we'll wish him well and we'll wish him all the best in whatever he chooses to do after the fact.

Mr. Speaker, Bill 39 represents something very significant in the province of Saskatchewan. Bill 39 represents the opportunity for the government to keep its promise to municipalities. It represents an opportunity for the NDP, for the socialist government we've had here for nigh on to a decade in this province, Mr. Speaker, to do the right thing and keep its word with respect to funding for municipalities. But Bill 39 lets the municipalities down.

And so the municipalities must be asking themselves, even today, even today, Mr. Speaker, should we have expected that maybe we didn't have the right to expect to have our funding increased, our municipal funding increased. Maybe the fiscal situation for the province is that bad. Maybe the government's got its priorities right. Maybe it's trying to do all the right things, Mr. Speaker. And so maybe some municipal leaders are saying, well maybe their reasons are good.

But then, Mr. Speaker, they pick up the newspaper, and they turn on the television news and, Mr. Speaker, they listen to the

radio news and any, any, any opportunity they might have taken to think they were being too hard on the government on the issue of municipal funding will disappear. And it would disappear because on the news, on the radio, and on television, in newspapers, they read day after day — especially in this session — what is the government doing with their money, Mr. Speaker? What is the government doing with the taxpayers' money, Mr. Speaker? They're wasting it in Australia, Mr. Speaker. They're losing it in Georgia. They're losing it in Tennessee, Mr. Speaker. They're investing \$60 million in Nova Scotia.

They tell the city of Swift Current we've got nothing for you; we will not restore the funding that once was yours; we can't keep our promise but we've got 60 million for the province of Nova Scotia; we've got \$107 million on a land titles system that doesn't work; we've got \$80 million for Newcastle, Australia. Thank goodness they've backed away from that because there was no private sector partner interested in that particular scheme of the government.

They've got \$24 million for a dot-com in Atlanta, Georgia, Mr. Speaker, if you can believe it. They got \$12 million or their share of \$12 million for a sound stage, Mr. Speaker, that's being underutilized, Mr. Speaker. They've got \$28 million to lose in SPUDCO (Saskatchewan Potato Utility Development Company), Mr. Speaker. They've got \$3 million to lose in Nashville, Tennessee, Mr. Speaker. They've got millions more lost in Chile and Mexico on the part of SaskEnergy.

And so municipalities, Mr. Speaker, to come back to this Bill 39, so municipalities aren't asking themselves whether or . . .

The Speaker: — Order. Order, please. I would ask the member from Saskatoon Nutana to please allow the debate to take place and not to keep continuously hollering across the floor.

Mr. Wall: — Thank you, Mr. Speaker. Well all members of this Assembly, on the government side and on our side, including the member for Nutana, should be very . . .

The Speaker: — Order. I would ask the member not to comment on any ruling of the Speaker. The member may proceed with the debate on Bill 39.

Mr. Wall: — Thank you, Mr. Speaker. Mr. Speaker, so municipalities who might be questioning whether or not they were a little too harsh on the government when they called what's in Bill 39 insulting, unfair, angry, and disappointed are not feeling that way any more. And they ought not to feel that way because those sentiments are rightly and properly directed at a government that tells the city of Swift Current, that tells the town of Herbert, that tells the city of Humboldt, that tells the city of Regina and Saskatoon, that they have no more money to do the absolute basic role of government, which is to help provide infrastructure in cities, towns, and villages around the province.

They've got no money for them, Mr. Speaker, but they've got money for each and every hare-brained Crown corporation scheme that comes before them, each one losing more taxpayers' dollars than the one before — taxpayers' dollars.

And so now, Mr. Speaker, what's going to happen with this Bill, is this Bill will eventually move into Committee of the Whole. And this Bill will be passed and municipalities will be underfunded again by a government that has lost its way, that has its priorities so obviously wrong that it would be more interested in a municipality in Georgia than it would be in a municipality in its own province. This is an NDP, socialist government that is so committed to the expansion of government-owned business and its Crown corporation sector that they would rather invest in a municipality of Newcastle, Australia, Mr. Speaker, than the town of Chaplin on Highway No. 1 in this province.

And that, Mr. Speaker, is why the people of this province, that's why they just simply cannot wait — they cannot wait — to send a message to this government, to pass judgment on this government's priorities that place international investments ahead of their own municipalities. They just can't wait for an election.

They want to send them a message and say, this is not acceptable in the province of Saskatchewan in 2003 and we are going to change the government. And we're going to elect a government — the Saskatchewan Party government, Mr. Speaker — that understands the importance that the . . . understands the concept that municipalities in our province, municipalities in our province are more important than their international investment schemes.

And the member from Nutana still chirps from her seat, Mr. Speaker. And let me just say this, that yesterday in Crown Corporation, at every turn a seemingly grumpy member from Nutana was trying to defend what is an indefensible record in the Crown sector, what is an indefensible NDP record with respect to investments.

Imagine, Mr. Speaker, the spectre of a veteran minister — perhaps dropped from cabinet, but still a veteran minister and a veteran member of this Assembly — defending the indefensible, defending the indefensible.

The whole province understands that we ought to be investing in municipalities here in the province, and not in Georgia and not in Tennessee — except for the member for Nutana, except for that member and others across the way. And so they are the authors of Bill 39. But, Mr. Speaker, because of the misplaced priorities that Bill 39 represents, they're also the authors of their own defeat in the next election, Mr. Speaker.

And the member for Nutana should arguably be doing less chirping and less defending the indefensible than she should be explaining to taxpayers, explaining to the mayors of Saskatchewan, why it is that they come second to her friends in the Crown corporations' international spending schemes. That's what she should be doing, Mr. Speaker, with her time, and we would encourage her to do that.

Mr. Speaker, I'm not sure if members opposite have had a chance to really look at the heart of Bill 39 and understand how badly it . . . how clearly it demonstrates that the government has lost its way. But they, Mr. Speaker — they, like members on this side of the House — may have specific questions for the minister when this Bill goes to committee.

And so with those brief remarks, and those concerns stated on behalf of my constituents and the people of the province and the Saskatchewan Party, we are prepared to see this Bill move at this point to Committee of the Whole.

Some Hon. Members: Hear, hear!

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

Bill No. 30

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 30 — The Pawned Property (Recording) Act** be now read a second time.

Mr. McMorris: — Thank you, Mr. Speaker. Mr. Speaker, it's a privilege to join into the debate on The Pawned Property (Recording) Act, Bill No. 30. It's been before the House a couple of times and it's the first time I've, chance I've had to speak on it.

The aim of the Bill of course is to enhance crime prevention and detection by improving the speed and accuracy with which pawnbrokers provide police services with information. When I read that statement, and that really is the direction of the Bill, the way the Bill want . . . The reason for the Bill is to improve the information the police receive through pawnbrokers once the theft has taken place. It really is a reactive piece of legislation.

We've seen crime happen in our province — and I can speak from personal experience, from my farm which has been broke into two or three times in the last four or five years — and it's always, well give us all the articles and specify because we're going to try and see if they're being pawned through the brokers here in Saskatchewan.

And not yet have I ever received a phone call back from any of the police services that it's gone through the pawnbrokers. Usually probably what happens with most of this equipment is it gets shipped out of the province immediately, probably within a day or two, and it's far removed from the province of Saskatchewan, and we never have seen any of it come back into, through the pawnbroker system here in Saskatchewan.

But it's interesting to talk about this Bill because it is aimed towards prevention of crime, but it's prevention of crime on the back side. You're talking to pawnbrokers so that once people have stolen other people's goods, then it's through the pawnbroker situation that they're trying to recover it.

I remember back in 1999 one of the main campaigns that the NDP had in 1999, if any of you can recall, but it was going to hire 200 new police officers. Now I would say those 200 new police officers would be at the front end of the crime trying to prevent the crime in the first place, as opposed to a piece of legislation like this that is trying to recover stolen goods quicker through the pawnbroker system.

And it's interesting that the NDP government hasn't come close to matching yet another promise that it made in the 1999 election. We could list a whole number of promises that the

government has made — whether it's health care workers or whether it's the police officers — a number of issues that this government has promised in the '99 election that hasn't come anywhere close to meeting those promises.

When I think of what the speaker before me had to say about . . . the member from Swift Current, who was talking about a government that's lost its way — it would far rather put money into Palm Springs Internet service or mobility service as opposed to police officers here in Saskatchewan.

It's simply an area of priority. Does the Government of Saskatchewan, after making a promise and getting elected as government of this province, follow up on its promises by putting more money into the policing of the province to try and prevent crime? Or does it put money into a myriad of investments throughout the United States and into other provinces, and not put money into Saskatchewan where that money is needed through policing?

Instead what the government does is come in with a piece of legislation such as this and says, perhaps if we can get the pawnbrokers to notify the police quicker; instead of using a paper system that is in place now, going to an electronic system so that the pawnbrokers can notify the police immediately when they receive some goods so the police can check to see if they're stolen . . . That seems to be the area that this NDP government uses to fight crime — a reaction. It's after the fact as opposed to what was, I'm sure, a very great idea, one promise of increasing, hiring 200 more police officers which would have gone a long ways to preventing the crime in the first place.

(11:15)

Instead, this government reacts to a promise that was broken, it reacts to a promise that was broken by trying to put legislation in here so that now that the articles are stolen, it's in the pawnbrokers' system. Now let's try and catch the . . . well not necessarily the people that stole the goods, but at least recover the goods so that they can be sent back to the person that it was stolen from.

So it's a real shame that this is how the government, this is the NDP's government method of fighting crime, is a piece of legislation like this as opposed to living up to the promises that they made in the 1999 election of hiring 200 more police officers. I can legitimately say in the area where I farm and in our area, it is rare that we ever see any police officers in that area.

When we see people here in Regina, and one of the things that I get asked about and talked to often is the crime rate in Regina. We just have to look at the stolen cars issue in Regina. We lead the country in stolen cars in Regina, and it's quite a issue, quite a thing to be known as, as the car theft capital of Canada.

Now, Mr. Speaker, had the NDP followed a promise . . . (inaudible interjection) . . . Now the member from Regina South is saying, you're misleading the public. How could he ever sit in his seat — and I wish he'd join into the debate instead of sitting in his seat — how can he sit in his seat and say I'm misleading the public when they promised for 28 days of hiring

200 more police officers, 200 more police officers in this province, and haven't come anywhere close to it, anywhere close to it?

You want to talk about misleading the public? They misled the public for 28 days, got elected, they misled the public for six years if you want to talk about a SPUDCO issue, and finally the Premier had to apologize and so did the member from P.A. (Prince Albert) Northcote because they know they misled the public. The member from Regina South is in no position to talk about misleading the public. He got elected on a campaign that they haven't followed through pure deception and misleading. So it's interesting that he would stand there and call about misleading the public.

The province . . . The city of Regina was known as the car capital, car theft capital of the province. And I would say that if this government would have looked at hiring more police officers . . . We've talked about it over the last week or two how hiring more police officers would go a long ways to alleviating some of those problems, as opposed to introducing a piece of legislation like this which is calling on the pawnbrokers to get the information to the police quicker so that they can react faster. Perhaps the problem is that there isn't enough police officers in the first place.

It talks about . . . The pawnbrokers association has some very serious concerns regarding the implication of this Bill and part of it is how they have to transfer the information to the police, to the different police services. And it's through Business Watch International, which is really quite interesting. Business Watch International is a SaskTel company and that is the avenue that these pawnbrokers are going to have to forward this information to the police services. They're going to be forced to use SaskTel, a Crown corporation, to transfer this information and they have some grave concerns regarding that.

There's also a cost to this. There will be a cost to this, and then who ends up paying the cost, the cost of crime? It is the people that are pawning it or it would be the pawnbrokers that are paying for the cost of crime, as opposed to this government living up to some of its promises that it has, I've already talked about and increasing the number of police officers in the province.

There's also a concern through the pawnbrokers association with privacy. And heaven knows we've had enough issues come before us in the last couple of years concerning privacy, and the information that this government has collected and hasn't secured over and over again. And some of the issues that have come forward as far as secure information, what we thought would be secure information, hasn't been secure information.

I remember the minister a couple of, a year and a half ago, having to stand and apologize on some information — the minister of SGI (Saskatchewan Government Insurance) — on some . . . Was it last year that . . . on some information that was let out that shouldn't have been.

So the whole issue of privacy is a major issue and it comes to this. Here we are giving this NDP government more information electronically. And will it be secured? Will it be

secured? And I think people all over this province, and especially the pawnbrokers in this province, have a real concern with the fact that secure information.

Another, as I mentioned, another concern of the pawnbrokers is the cost of implementation of the software, and who is that passed on to. And definitely it depends on the size of the pawnbroker. Some will be able to absorb this and maybe pass it on to the consumer eventually. Others will find this as a major cost to doing business, Mr. Speaker.

So once again I think there are a number of questions that we have on this Bill, but one of the questions as I said is the fact that this government is reacting to crime instead of trying to be proactive with crime. They'll campaign on being proactive. They'll pass legislation to be reactive, and that is a government that truly has lost it's way.

We'll be glad to ask more questions on this Bill in Committee of the Whole.

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

COMMITTEE OF FINANCE

General Revenue Fund

Finance

Vote 18

Subvote (FI01)

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

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. To my immediate right is Ron Styles, the deputy minister of Finance. To his right is Kirk McGregor, assistant deputy minister, taxation, intergovernmental affairs.

Behind Kirk is Terry Paton, Provincial Comptroller. Directly behind Ron is Joanne Brockman, executive director, economic and fiscal policy. Directly behind myself is Glen Veikle, assistant deputy minister, treasury board branch. To my immediate left is Len Rog, assistant deputy minister, revenue division.

And seated at the back of the room is Dennis Polowyck, assistant deputy minister, treasury and debt management division; Janine Reed, executive director, personnel policy secretariat; Bill Van Sickle, executive director, corporate services division; and Brian Smith, the executive director of the Public Employees Benefits Agency.

And these are the officials here today, Mr. Deputy Chair, to discuss the estimates for the Department of Finance.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. Thank you to the minister, and thank you to his officials for being present with us today in these proceedings.

The first question that I have for the minister is with regards to the growth rate for the projections from Sask Finance. In

Hansard on April 2, 2003, this . . . the minister stated that it was our prediction from Sask Finance the economy would grow from 30.5 billion to 32.5 billion.

My question is specifically this: could you give us a breakdown of the calculation of the initial number where the economy's being measured at \$30.5 billion, please?

Hon. Mr. Melenchuk: — Well thank you, Mr. Deputy Chair. The number referred to for 2002 is a real GDP (gross domestic product) of 30.5 billion. The basis of developing that real GDP number is an econometric model. So what I'll do is cover off the highlights of that particular model.

The econometric model that's utilized uses a consumption factor which in 2002 would equate to 17.7 billion, an investment factor which would be in the 6.7 billion range. There's inventory change in agriculture which showed a minus seven nineteen for 2002, an inventory change non-agriculture of 80, exports of 20 billion, imports of 19.8 billion, government current expenditures of 6.3 billion in 2002, and a residual error, rounding error of 80.

So that is the econometric model based on consumption, investment, inventory change, exports, imports, government current expenditures, and residual error.

In terms of how these numbers are developed, it's an econometric model. It's the model that's utilized by StatsCanada, for example, in a similar fashion as well, Mr. Deputy Chair.

(11:30)

Mr. Dearborn: — Thank you, Mr. Minister. This econometric model, would this be a similar model used by, say, the Royal Bank of Canada in their estimations?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, the Royal Bank model is basically the same but not as sophisticated as the model that's employed by the Department of Finance.

The Saskatchewan economic forecasting model, which is known by the acronym ERNIE, was developed by Global Insight, formerly known as DRI-WEFA. And of course this is an independent consulting agency and is owned by the Saskatchewan Department of Finance and the Saskatchewan Power Corporation.

Global Insight has also built models for Alberta, Newfoundland, and for several states and cities in the United States, Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Minister. With regards to the ERNIE model, would this be a similar model that would be used by the Bank of Montreal?

Hon. Mr. Melenchuk: — The answer would be the same. They use an econometric model, the Royal Bank, the Bank of Montreal. Their econometric model is more designed for national basis and obviously the model used in Saskatchewan is more specific for the Saskatchewan experience. So that is why our model is more precise and has been designed exclusively

for the Saskatchewan environment, Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. Mr. Minister, on a historical basis the precision of the ERNIE model, to what percentage would it be accurate relative to the predictions of the large corporate banks in this country and their predictions?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, all of the forecasters use similar econometric models.

What we find is that the numbers produced, for example, in this most recent budget of 6.8 per cent growth was seen as the best accurate assessment we could provide at that time. We tend to be ahead of the other forecasters in terms of timing. And to give an example of that, since our numbers came out, Global Insight has since adjusted its forecast for Saskatchewan to 5.8 per cent and Laurentian, just in the past several days, has come out and revised its forecast for Saskatchewan for 2003, up to 6 per cent.

So the issue more is around timing. We tend to be a little more in depth a little earlier. We have information that's available a little quicker. And the other forecasters then look at Global Insight, for example, and what our Department of Finance has produced and make their adjustments a little later in the year, Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. And to the . . . Mr. Minister, on April 2 of this year in Saskatchewan *Hansard*, page 329, the minister's quoted as I may follow, and this is in context of billions of dollars:

Mr. Speaker, when we looked at the projections from the Royal Bank for a gross domestic product, a real GDP in 2002 with 31.6 (billion), they are predicting for 2003, 32.6 (billion) — 31.6 (billion) to 32.6 (billion; for the) Bank of Montreal, 31.5 (billion) to 32.4 (billion; for) Scotiabank, 31.6 (billion) to 32.4 billion real GDP.

And what is our projection from Sask Finance — 30.5 (billion) to 32.5 (billion).

Well, Mr. Deputy Chair, and then to the minister, the problem that I have with this is that the ERNIE forecast here that you put loses at some point \$900 million in some cases and \$1 billion in others. And that's the question that I would like answered, is where did that money go, and why is it included in the banks' predictions? Who . . . I think that they understand money fairly well. And why is your department out 900 million to \$1 billion on their predictions for the starting GDP?

Hon. Mr. Melenchuk: — Well, Mr. Deputy Chair, this question has been asked previously by the Finance critic. And as indicated, we were the first off the mark in predicting that the growth in 2002, or the real GDP in 2002 for the province of Saskatchewan, would decline 1.4 — a negative 1.4 — so we had two years of decline. None of the other forecasters had incorporated that.

Since that time StatsCanada has also indicated that Saskatchewan was a minus 1.4 in its real GDP in 2002. So we have factored in a 6.8 per cent to get to that number of 32.5, whereas the other private forecasters had not included the minus 1.4 when they put out their real GDP numbers in that 31.5 to

31.6 range.

But I think the important point to see here is that using the models and the adaptations that are developed, the two-year average for our forecasters, for the private forecasters, amounts to the same, and that's in that 5.4 per cent rate over '02 and '03. So we're really not out of sync with the private forecasters. The private forecasters have since made their adjustments to the 2002 year and that is reflected in their new growth predictions for 2003, in that 5.8 and 6 per cent range, Mr. Deputy Chair.

Mr. Dearborn: — Mr. Deputy Chair, would the minister be so kind then to update us on the projections provided now by the initial sources that he quoted — the Royal Bank, the Bank of Montreal, and the Scotiabank?

The Deputy Chair: — I recognize the member from Kelvington-Wadena.

Ms. Draude: — Thank you, Mr. Deputy Chair. To you with leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Draude: — Thank you, Mr. Deputy Chair. To you and through you to all members of this Hon. Assembly I'd like to take this opportunity to introduce 23 grade 4 students from Kelvington School, along with their teacher, Tracy Ziola. And there's also nine parents with them today as well.

I'm very pleased they have an opportunity to come to the Assembly. Right now we're in estimates. We're talking to the government about how they're spending dollars and the minister is answering questions for our members.

So I'm . . . have the opportunity to watch this for a while and then we'll have a chance to speak later and answer any questions you have.

So thank you very much for coming and I hope you enjoy your day here.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Finance Vote 18

Subvote (FI01)

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I would join with the member opposite in welcoming the school group here.

And with regard to the question from the member from Kindersley, as indicated the recent revision and forecast from Global Insight was 5.8 per cent growth for Saskatchewan. Laurentian has come out with 6.0 per cent. I don't have the actual figures — the adjusted figures — for Royal Bank, Scotia Bank, for Bank of Montreal with me here today, but I'd be

more than willing to provide that information to him in a written context within the next 24 hours or so.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. The question I would have would come secondary with regards to the econometric model. What of those about eight variables that you name, Mr. Minister, allowed your department to so aptly, as you say, predict the loss of gross domestic product relative to the banks' prediction? Would it be the consumption factor, the investment factor, the inventory? Thank you.

Hon. Mr. Melnychuk: — Well, Mr. Deputy Chair, I think the simple answer is that the Department of Finance gets the information first. We get the information, for example, with regard to 2002, the final numbers in advance of the banks or even StatsCanada. So the agricultural numbers, the oil and gas numbers are all factored into our econometric model in advance of the other institutions.

Also, it's important to note that the prediction for our growth of 6.8 per cent is based on a normal crop year. Some of the other private forecasters have still not incorporated a normal crop year; some are talking about a recovery. We are quite confident with the moisture levels that we will experience a normal crop year. And with that, we fully expect to meet our targets in the budget address of March 28, Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. Could the minister please outline in percentage what the ag sector makes up of the GDP of the province?

(11:45)

Hon. Mr. Melnychuk: — Mr. Deputy Chair, I think it's important to point out that the categorization used by StatsCanada is for ag, forestry, fishing, and hunting. That number for Saskatchewan in 1996 was 11 per cent of GDP — '97, 9.1; '98, 9.7; '99, 10.4; 2000, 9.8; a drop to 2001 of 7.8; and 2002, a drop to 6.2 per cent. And we're expecting a recovery in 2003 where those numbers will get more into a traditional context, Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Minister. I'm surprised that we wouldn't have the exact figures just on agriculture alone, having 47 per cent of the arable land in Saskatchewan, knowing the importance of agriculture. But it still seems to me that to have this kind of growth rate from one tiny sector is not necessarily all that reasonable.

I am surprised with the — they're not adequate, but there are social safety nets in place — that the gross revenues would have dropped to such an extent that it's going to allow for so great a rebound.

I find I would really . . . I would be welcome to some explanation on that, on how a sector, at a little over 6 per cent going to 10 per cent, is going to make up this large jump to 6.8 per cent in the economy, as it is a small factor.

Hon. Mr. Melnychuk: — Mr. Deputy Chair, I'd refer the member from Kindersley to the budget summary documents, on page 19 for crop production. The millions of tonnes of crop production in 2000 for Saskatchewan, 28.1; 2001, 19.8; 2002, a

significant drop to 14.1; and our prediction for 2003 is a recovery to 25.6.

So there's nothing hidden. It's produced in our budget summary. It indicates that the volumes of production in the province of Saskatchewan in 2002 were greatly diminished. This was following another diminishment that occurred in 2001 from the averages, more in the 23 to 28 million tonne range, and we're predicting a recovery in 2003 to the 25 million range.

So when you look at the volume of crop production, you factor that in, and we factor in the recovery anticipated for 2003, that's the impact that we're seeing on our real GDP numbers, Mr. Deputy Chair.

Mr. Dearborn: — Mr. Deputy Chair, if I understand what the minister is saying here, is he's saying that there's going to a massive recovery in a sector, that obviously the banking industry deals with the agricultural sector. And if the minister wouldn't mind, from the numbers that he's spoken of, give what kind of a growth within just the ag sector — you said on an average year, and the way that your StatsCan figures come out you've got fishery and forestry, which is a bit disappointing that you don't have ag alone — but what kind of growth in the ag industry individually you're expecting to see.

Because if that growth rate is, as I think I've calculated it, well exceeding 15 per cent, I would say to the minister there's not a bank in town or in this province that's going to lend money on those . . . on that aspect. And most of the questions that I've had today have been relative to the disparity between your department's projections and the projections of the private sector and the banking institutions.

So again, for the minister, if you could answer for me, in a percentage term what percentage of growth does the minister predict for the ag sector in Saskatchewan in this year?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, with reference to the grain sector in terms of crop production, again in 2003, crop production is expected to grow to 25.6 million tonnes. This is an average production based on fair to average soil moisture conditions in most of the province and a real expectation of increased spring seeding.

We have the numbers out. We know that spring seeding has increased. We've got the moisture levels from Sask Water that indicates average or above average moisture levels throughout the grain belt. So the average, with an average production — and that's all we're saying, is we're looking for an average production — that would be an increase of 11.5 million tonnes, which is an 81.9 per cent increase.

And this is not unusual for Saskatchewan. We've had two previous experiences in the past 20 years where we've had two consecutive years of drought followed by a significant rebound. And in both those cases the real GDP grew in that 6 per cent or higher range.

So, Mr. Deputy Chair, this is a prediction. So far with moisture conditions as they are, with the seeding almost completed, we're confident that we will be getting more into the traditional averages in that 25 million tonne range for grains production,

Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Deputy Chair. Would the minister be as kind as to outline which of the private banking institutions have at all acknowledged an 81 per cent growth in the ag sector this year; and further to that, are acting accordingly in their business applications because of those predictions? Or is he aware of anything even remotely close to this?

Hon. Mr. Melenchuk: — I think, Mr. Chair, that when we look at the banks and how they're looking at this, they're just . . . they're not looking this as an expansion of Saskatchewan's crop production. They are just looking at this as a return to normal crop production.

So the ingredients are there; the conditions are there. And I would refer to a few quotes here that were following shortly after the March 28 budget. David Madani, the provincial economist with the Conference Board of Canada, is quoted in the March 29, 2003 *Leader-Post*, as stating:

I don't think (6.8 per cent . . . growth) is overly optimistic. It's just based on the assumption of a normal crop.

And Mary Webb, an economist at Scotia Economics notes:

. . . the government's forecast is entirely possible, especially in the agriculture sector.

And CIBC World Markets notes:

. . . the associated level of real output falls within the band foreseen by all economic forecasters.

And BMO Nesbitt Burns simply notes that the volume of economic output 2003 is based on:

. . . a return to normal crop levels after two years of severe drought.

So this is just a return to normal. This isn't a massive expansion of crop production; it's just a return to normal crop production, Mr. Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. Could the minister please outline the PROs (pool return outlook) his department used for tonnage on . . . for the upcoming crop year on durum wheat, spring wheat, barley, canola, and peas? Thank you. Field peas.

Hon. Mr. Melenchuk: — Mr. Chair, the numbers that are produced from Ag and Food for projections in thousands of tonnes for 2003 for wheat would be 7.3 . . . seven thousand three hundred and seventy-seven thousand tonnes. For durum, it would be three thousand eight hundred and ninety-nine thousand tonnes. For barley, it would be five thousand six hundred and fifty-nine thousand tonnes. And for peas, it would be two thousand and eleven thousand tonnes. And those are the numbers that are projections produced by the Department of Agriculture, Food and Rural Revitalization.

With the specifics on how they arrived at those numbers would

be better put to that department when they are here in estimates. We have the gross projections as applied and provided by Ag and Food to us, Mr. Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. Unfortunately, Mr. Minister, my question was regarding the price, not the production. It's with regards to the PROs and I see that . . . What I'm interested in is where did your department use its PROs for the price of wheat per tonne? Where did it take its PROs from? And how are these consistent with other measuring devices used throughout the country?

Hon. Mr. Melenchuk: — Thank you, Mr. Chair. When we look at the PROs that were provided to us by Ag and Food in the lead up to the March budget, the price is indicated for the projection for 2003 for wheat, all grades, was 169.84. For durum, all grades, and this is tonnage at the farm gate, 173.22. Barley, all grades, per tonne at the farm gate, 147.29. And peas at one fifty. Those were the projections provided by Ag and Food in the lead up to the budget, Mr. Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. I would just ask the minister, I understand that this wheat projection would encompass probably most of the board grains but is he aware of today's current pit price on no. 1 Canadian red spring wheat and if he is aware of that, how this would affect these projections?

(12:00)

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. When we look at the projections that are provided to us by Ag and Food in the lead up to the budget, that we incorporate those numbers in our projections but these numbers are adjusted in an ongoing basis as we get new commodity prices provided to us.

At this point in time I can indicate that the wheat projection, which is the Canadian Wheat Board pool return outlook, the current is 157.77 — this is the May period — for wheat; for barley it's 113.95. These adjustments will be incorporated on an average basis into our quarterly report, our mid-term report, and of course our quarterly reports right till the next budget year.

There's adjustments made on all of these factors on an ongoing basis, whether it's oil and gas projections, whether it's revenue projections related to corporate or personal income tax, so these are just one of the factors that we look at. We make the adjustments; we provide that information. And we make these adjustments on an ongoing basis, on a quarterly basis, Mr. Deputy Chair.

Mr. Dearborn: — Thank you, Mr. Deputy Chair. It's kind of alarming just with regards to the split in the PROs there. As I read it, that's 6 or 7 per cent.

Mr. Deputy Chair, the last question that I would have has to do again with the budget and the growth prediction. We have a growth prediction from the banks for the final end of the gross domestic product ranging anywhere from 32.6 billion, 32.4 billion, and our own province predicts is 32.5 billion. So it's very much on target there.

I take it that this is also an econometric model used to measure the end production. And my question to the minister is, why are

the private forecasters so dead on, relative to your department, in this one? And we're aware that when you move the bottom number down, where you start from, your growth rate would be higher. Again, it just seems dubious to me that the private sector can forecast so accurately the top end number and yet be out by \$1 billion to \$900 million at the starting number.

Hon. Mr. Melenchuk: — Again, Mr. Deputy Chair, it amounts to the timing. If you look at the timing of getting the actual 2002 numbers, the Department of Finance had that information ahead of the private forecasters, ahead of StatsCanada, ahead of all of them. They have now incorporated the 2002 numbers to a large part into their projections. And StatsCanada, just in the past month, indicated that they had now incorporated minus 1.4 per cent.

So it really is a timing issue and as indicated, really for real GDP, all of the private forecasters as well as the Department of Finance economists agree that the real GDP number for 2003 is likely going to be 32.5 billion. We'll know the actual number obviously next year but that is the forecast.

And we're really on the same page but I think it's interesting to note that when we made our projections based on 2002 and we announced our 6.8 per cent, it was pooh-poohed. Now everyone is saying, well guess what; those numbers are likely correct. They were based on an accurate econometric model and everyone is talking about growth in Saskatchewan.

We're talking about Alberta and Saskatchewan leading the nation in growth in 2003, and in 2004 again at the top of the pack. So I think we should all, and certainly the people of Saskatchewan, should recognize that our economy is growing, that we have rebounded from two years of drought, that we are very positive about our outlook. We are seeing increased manufacturing. We're seeing increased retail sales. We're seeing increased tourism. All of these things are tied in and look for a very positive outlook for the province of Saskatchewan, Mr. Deputy Chair.

Mr. Krawetz: — Thank you very much, Mr. Deputy Chair. Mr. Minister, I'm going to turn the focus of my questions for the balance of the time that we have allotted this afternoon to pension liabilities and the pension plans that currently exist in the province, as well as the national and international implications of some of the things that are happening.

We see, Mr. Minister, across the country where many corporations are . . . have responded, I guess, to the pension fund declines because of the diminishing return on investments. And we see many plans who of course now are no longer reporting surpluses. They are in fact reporting deficits for the last year.

I look at a report, Mr. Minister, done not too long ago where a series of companies were . . . They gave their reports based on the previous year. And out of 104 companies that were surveyed, only 23 showed a surplus for that year. All the rest were in a deficit position.

Mr. Minister, the auditor has for years been talking about an unfunded pension liability. And we see in his reports that the unfunded pension liability, and I am referring, Mr. Minister, to

the *Report of the Provincial Auditor 2002 Fall Report* on page no. 34 where that graph indicates that the pension liability in the year 1991 was about 2.7 billion. And the report as of March 31, 2002 is 4 billion. So we've seen significant increase in the unfunded pension liability.

I know that the Public Accounts Committee and a number of your officials were present for discussion around public . . . the pension, the unfunded liability of the pension plans.

My questions, Mr. Minister, in this area: could you inform the people of Saskatchewan what pension plans are involved in this sum of money that as of March 31, 2002 was \$4 billion? What pension plans contribute to those numbers?

And secondly, Mr. Minister, March 31, 2003 has come and gone and I'm sure your officials have an estimate of what the unfunded pension liability is as of a couple of months ago. Could you indicate what that number is? And secondly what does your government plan to do about this ever-growing unfunded pension liability?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, several questions. I think it's important to note that the pension liability of the province, 98 per cent of that liability, is carried within two plans — which is the Teachers' Superannuation Plan and the Public Service Superannuation Plan, which are two of the old plans. These are the big two. These are the ones that were closed to new members in 1977.

The 2002 public accounts numbers indicate that pension liability at \$4 billion. We have not yet released the 2003 public accounts, but we have committed to release those by August 1. I would suspect that the numbers will be in a similar range when the public accounts are released prior to August 1.

And what do we plan to do? Well our plan has been to pay our obligations. We have met our obligations in the past since these plans were closed to new members. And we'll continue to meet our obligations to pay these plans in the future, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister, Mr. Deputy Chair. Mr. Minister, if I look at the last . . . the trend that is indicated in the Provincial Auditor's report, we see the unfunded pension liability for the last four years going from 3.7 billion to 3.8 to 3.9 to \$4 billion. And you've agreed with those numbers.

And you've said that you see similar numbers. Are you seeing 4.1 billion as the number that we can assume will be there for March 31, 2003? Or in light of the loss of revenue in pension plans, from investments from the previous year, do you expect that number will be significantly larger than 4.1 billion?

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I think that when we look at the global value of pension plans and the actuarial analysis that is provided to these plans, that when there was rapid growth in the plans several years ago in terms of the aggregate value of these plans, the number that was incorporated into the actuarial analysis smoothed out the benefit of the growth in those plans over some five years.

It's an expectation as well that when the aggregate value of a

plan has dropped due to declining market conditions that there would also be an actuarial smoothing over several forecast years. That's the first part of the question.

The second part of the question with regard to pension obligations, what we have found is that if you look at the nominal dollars — and I know the member opposite is very familiar with this topic — and then the, say the fixed 2000 or actual dollars, if you look at the growth of revenues of the province of Saskatchewan and you look at the growth in the pension liabilities, that really they are covered off. And if we project into the out years what are the demands on the GRF (General Revenue Fund) related to the pension liability, we see that there is a smoothing effect based on inflation and that the actual demands to the plan, even though the nominal dollar may be higher, the actual, the real dollars are consistent with actual, the payments that we're making today.

So as stated in Public Accounts several years ago, and our response to the Provincial Auditor is that we believe that our pension liabilities are manageable, and we believe that we're more than capable of meeting our obligations to these plans, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister, and Mr. Deputy Chair.

In that report given to Public Accounts, the Public Accounts Committee in 2000, the Public Service Superannuation Plan — which you've indicated that that plan plus the TSP, the Teachers' Superannuation Plan, are responsible for 98 per cent of that unfunded pension liability — numbers were given at that time, Mr. Minister, that the PSSP (Public Service Superannuation Plan) plan, that as you've indicated, had been closed in 1997, had about 2,294 members — 2,294 members. Do your officials have an update on the current active members that are enrolled in the PSSP plan?

(12:15)

Hon. Mr. Melnychuk: — Mr. Deputy Chair, I would refer the member opposite to Public Accounts Volume 1, main financial statements 2001-2002, page 20. And the active members identified in the top column for the PSSP is 2,069 active members in 2002, Mr. Deputy Chair.

Mr. Krawetz: — Thank you for that number, Mr. Minister. Mr. Minister, very recently the Public Service Superannuation Plan, through a class action lawsuit, has launched, through that lawsuit has launched a complaint of course against government that indeed the unfunded liability is not allowing for improvements, is not allowing for changes, is not allowing for indexing, and a number of concerns.

I believe, Mr. Minister, and I'm referring to an article in the *Leader-Post* dated April 28, 2003 which indicates that the lawsuit has been launched. Mr. Minister, do you have an update as to where the lawsuit currently sits and how will government be able to match the dollars requested, if indeed this lawsuit is successful?

Hon. Mr. Melnychuk: — Mr. Deputy Chair, when we look at — and we've talked about this topic before — certainly there

has been a lawsuit launched on behalf of superannuates. The response of government is that of course we've been meeting all our obligations and we believe the legal framework is absolutely sound for us meeting these obligations.

The member opposite asks specifically about, have we got any further details. We have asked for further details with regard to the nature of the lawsuit. We have not yet received any updated information from the original filing. So until we get the actual updated information it's not, it certainly wouldn't be proper for me to comment any further on this topic other than to say that we fully believe that we are meeting all of our obligations to the PSSP, Mr. Deputy Chair.

Mr. Krawetz: — Thank you, Mr. Minister. Mr. Minister, the article that I referred to makes reference to the fact that the lawsuit contends that it was an obligation of government to make matching contributions to the plan. Is there reason for taxpayers to be concerned that the government did not actually make matching contributions to the plan? Or are you at liberty to make a comment like that to that question if this is before the courts?

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

Ms. Draude: — Leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Ms. Draude: — Thank you, Mr. Deputy Chair. To you and through you to all the members in the House, it's a privilege for me to introduce another school group today.

We have 10 students from Annaheim School, grade 9 and 10 students. Their teachers, Mr. Block and Mrs. Doepker, are here with them. I know when most people think of Annaheim they think of Doepker Industries but we also have a really great grade 9 and 10 class that we should be thinking about today as well.

We had an opportunity to speak for a couple of minutes, and I explained to the students that there's estimates going on and the Minister of Finance is speaking with our critic for Finance discussing how the province's money is being spent.

And I hope you enjoy your time in the Assembly.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Department of Finance Vote 18

Subvote (FI01)

Hon. Mr. Melnychuk: — Mr. Deputy Chair, I too would join with the member opposite in welcoming the school group here today.

And to answer the question put forward by the Finance critic from the Saskatchewan Party, I think it's important to note out that we believe and are solid in our belief that we have been fully compliant with the statute and every retired teacher and every retired public servant in these plans is receiving 100 per cent of their entitlement as defined by statute, Mr. Deputy Chair.

Mr. Krawetz: — Thank you very much, Mr. Minister. And I expect that pensioners will be, will be encouraged by that comment that they will continue to receive their entitlement.

Mr. Minister, your government is moving towards summary financial budgeting for next year. And obviously the reporting of all agencies, departments, Crown corporations will become part of that. And the allegation, of course, or suggestion by the Provincial Auditor is that the unfunded pension liability is a debt of taxpayers; it is a liability of the taxpayers and of the province of Saskatchewan through the government.

Have your officials recommended to you how we will incorporate the pension plans that are currently responsible for 98 per cent of a \$4 billion unfunded pension liability as a debt when we start to move towards summary financial budgeting?

The Deputy Chair: — I recognize the member from Canora-Pelly.

Mr. Krawetz: — Mr. Chair, with leave to introduce a guest.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Krawetz: — Thank you very much, Mr. Deputy Chair. Mr. Deputy Chair, seated in the Speaker's gallery is a person well known here in the city of Regina and well known in the education circles. And as we're talking about the Teachers' Superannuation Plan today, I'm sure that Mr. Gerry Kleisinger, who is currently a member of the Regina Catholic board and has been a member for many years, and I had the opportunity to serve on the Canora school division board at the same time as Mr. Kleisinger was involved with the Regina Catholic board.

And I'd like all members to welcome Mr. Kleisinger to the Legislative Assembly this afternoon.

Hon. Members: Hear, hear!

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

Mr. Van Mulligen: — Also to ask for leave to introduce visitors.

Leave granted.

Mr. Van Mulligen: — I just want to join with my colleague who introduced Mr. Kleisinger, to also draw attention to Mr. Kleisinger and to say how pleased we are to see that he's here today to visit the Legislative Assembly. I had the pleasure of serving with Gerry on Regina City Council for a number of years, way back when. And we're very pleased to see him here today.

And again I would ask my colleagues to extend him a warm welcome.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Finance Vote 18

Subvote (FI01)

Hon. Mr. Melenchuk: — Mr. Deputy Chair, I think that it's important to note that we will be going to summary financial budgeting in the '04-05 budget; that we will be fully incorporating in our budget estimates our requirements to meet the obligations of our pension plans; and we will also be incorporating, as we have done in the past, the liability as indicated in our summary financial statements.

So if you look at the overall package that we'll be moving forward within '04-05, with a summary financial plan, with the performance plans as outlined by departments, with the budgeting that will be voted off before the House with regard to the GRF, that the pension liabilities, that the commitments that we have, will continue to be voted before the Assembly. And the overall liabilities as outlined by actuarial analysis will be covered off in terms of what that might be in our summary financial statements, as we currently do, Mr. Deputy Chair.

Mr. Krawetz: — Thank you very much, Mr. Minister. Mr. Minister, let's turn to the second plan of those two, that you've identified as the contributors to 98 per cent of that unfunded liability.

And probably the more significant amount is from the Teachers' Superannuation Plan. I understand that probably the Teachers' Superannuation Plan would be double the amount of unfunded liability in comparison to the Public Service Superannuation Plan.

Mr. Minister, could you update the Assembly . . . or could your officials provide you with the numbers that would update us in terms of the number of active members in the plan, in the TSP plan currently, and the number of superannuates and surviving spouses that would be drawing benefits from the TSP plan, as of . . . probably your numbers would be current up to March 31, 2002?

Hon. Mr. Melenchuk: — Thank you, Mr. Deputy Chair. And I'll reference to the same page as previous with regard to the PSSP and page 20 of Public Accounts 2001-2002, that the number of active members in the Teachers' Superannuation Plan is 5,269 at that time.

And I think, as we are getting close to the allotted time, I would just like to thank the members opposite, the member from Kindersley and the member from Canora-Pelly, for their fine questions today. And I would like to thank my officials who have been with us this morning and this early part of this afternoon to answer the questions of the members opposite. And I would wish everyone a very relaxing weekend. Thank

you, Mr. Deputy Chair.

Mr. Krawetz: — Thank you very much, Mr. Deputy Chair. Mr. Minister, I appreciate your comments and your answers this morning. And I do want to indicate that the questions on pensions, I have a significant number of questions, and we didn't have that opportunity to deal with. So I hope that the next time we have the opportunity to have Finance estimates in the House that indeed your pension officials will be present as well so we can continue this discussion.

The committee reported progress.

Hon. Mr. Lautermilch: — Mr. Speaker, before moving an adjournment motion I would like to wish all of my colleagues a good, restful weekend. Enjoy the spring, all the spring weather, and have a little bit of time with your families.

And I now move this House do now adjourn.

The Assembly adjourned at 12:32.

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