



FIRST SESSION - TWENTY-FIFTH LEGISLATURE

of the

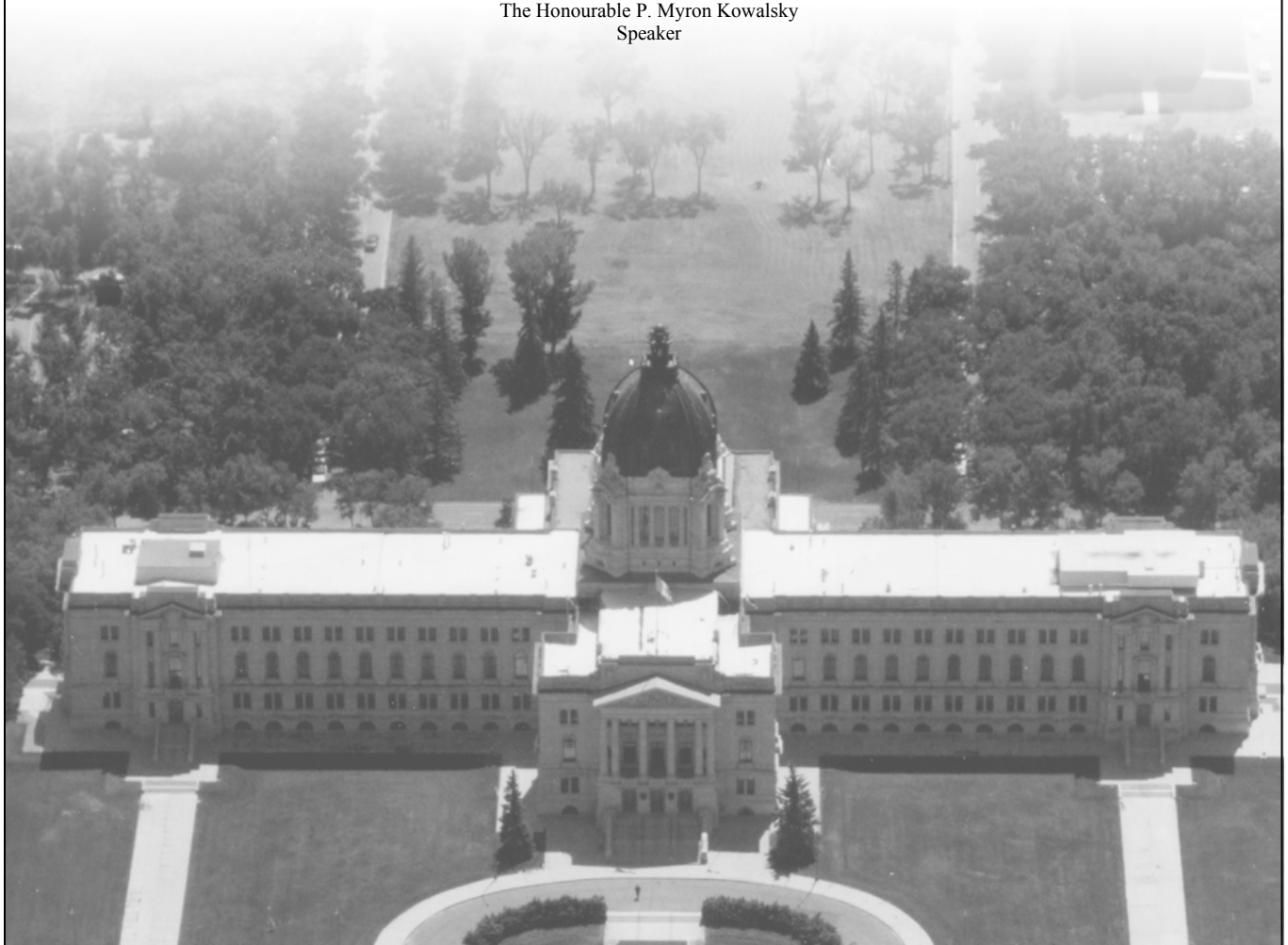
Legislative Assembly of Saskatchewan

**DEBATES
and
PROCEEDINGS**

(HANSARD)

Published under the
authority of

The Honourable P. Myron Kowalsky
Speaker



MEMBERS OF THE LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

Speaker — Hon. P. Myron Kowalsky
 Premier — Hon. Lorne Calvert
 Leader of the Opposition — Brad Wall

Name of Member	Political Affiliation	Constituency
Addley, Graham	NDP	Saskatoon Sutherland
Allchurch, Denis	SP	Rosthern-Shellbrook
Atkinson, Hon. Pat	NDP	Saskatoon Nutana
Bakken, Brenda	SP	Weyburn-Big Muddy
Beatty, Hon. Joan	NDP	Cumberland
Belanger, Hon. Buckley	NDP	Athabasca
Bjornerud, Bob	SP	Melville-Saltcoats
Borgerson, Lon	NDP	Saskatchewan Rivers
Brkich, Greg	SP	Arm River-Watrous
Calvert, Hon. Lorne	NDP	Saskatoon Riversdale
Cheveldayoff, Ken	SP	Saskatoon Silver Springs
Chisholm, Michael	SP	Cut Knife-Turtleford
Cline, Hon. Eric	NDP	Saskatoon Massey Place
Crofford, Hon. Joanne	NDP	Regina Rosemont
D'Autremont, Dan	SP	Cannington
Dearborn, Jason	SP	Kindersley
Draude, June	SP	Kelvington-Wadena
Eagles, Doreen	SP	Estevan
Elhard, Wayne	SP	Cypress Hills
Forbes, Hon. David	NDP	Saskatoon Centre
Gantfoer, Rod	SP	Melfort
Hagel, Glenn	NDP	Moose Jaw North
Hamilton, Doreen	NDP	Regina Wascana Plains
Harpauer, Donna	SP	Humboldt
Harper, Ron	NDP	Regina Northeast
Hart, Glen	SP	Last Mountain-Touchwood
Heppner, Ben	SP	Martensville
Hermanson, Elwin	SP	Rosetown-Elrose
Higgins, Hon. Deb	NDP	Moose Jaw Wakamow
Huyghebaert, Yogi	SP	Wood River
Iwanchuk, Andy	NDP	Saskatoon Fairview
Junor, Judy	NDP	Saskatoon Eastview
Kerpan, Allan	SP	Carrot River Valley
Kirsch, Delbert	SP	Batoche
Kowalsky, Hon. P. Myron	NDP	Prince Albert Carlton
Krawetz, Ken	SP	Canora-Pelly
Lautermilch, Eldon	NDP	Prince Albert Northcote
McCall, Warren	NDP	Regina Elphinstone-Centre
McMorris, Don	SP	Indian Head-Milestone
Merriman, Ted	SP	Saskatoon Northwest
Morgan, Don	SP	Saskatoon Southeast
Morin, Sandra	NDP	Regina Walsh Acres
Nilson, Hon. John	NDP	Regina Lakeview
Prebble, Hon. Peter	NDP	Saskatoon Greystone
Quennell, Hon. Frank	NDP	Saskatoon Meewasin
Serby, Hon. Clay	NDP	Yorkton
Sonntag, Hon. Maynard	NDP	Meadow Lake
Stewart, Lyle	SP	Thunder Creek
Taylor, Hon. Len	NDP	The Battlefords
Thomson, Hon. Andrew	NDP	Regina South
Toth, Don	SP	Moosomin
Trew, Kim	NDP	Regina Coronation Park
Van Mulligen, Hon. Harry	NDP	Regina Douglas Park
Wakefield, Milton	SP	Lloydminster
Wall, Brad	SP	Swift Current
Wartman, Hon. Mark	NDP	Regina Qu'Appelle Valley
Weekes, Randy	SP	Biggar
Yates, Kevin	NDP	Regina Dewdney

[The Assembly met at 13:30.]

[Prayers]

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

The Speaker: — The Chair recognizes the member for Cypress Hills.

Mr. Elhard: — Mr. Speaker, I have several pages of petitions concerning the condition of Highway 32 that runs from the community of Leader down to Swift Current. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the immediate action necessary to repair Highway 32 in order to address safety and economic concerns.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, the first several pages of this petition are signed by citizens from the communities of Cabri and Lancer. I so present.

The Speaker: — The Chair recognizes the member for Swift Current.

Mr. Wall: — Thank you, Mr. Speaker. It's a pleasure again to rise on behalf of constituents and residents of southwest Saskatchewan concerned about the residential support offer to people with long-term disabilities in Swift Current. The prayer of their petition 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 provide funding required for additional residential spaces for Swift Current residents with lifelong disabilities.

Mr. Speaker, the petitioners today are from the community of Gull Lake as well as the city of Swift Current. I so present.

The Speaker: — The Chair recognizes the member for Kelvington-Wadena.

Ms. Draude: — Thank you, Mr. Speaker. I rise again today on behalf of people who are concerned about crystal meth and the tragedy it brings to the users and the families of the users.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause this government to take the necessary action to implement a strategy that will deal with crystal methamphetamine education, prevention, enforcement, and treatment.

The people who have signed this petition are from Rose Valley, Wadena, and Elfros. I so present.

The Speaker: — The Chair recognizes the member for

Rosetown-Elrose.

Mr. Hermanson: — Thank you, Mr. Speaker. I have a petition to halt the forced amalgamation of school divisions because the size of proposed school divisions is far too large to retain any local input into the education system. The prayer of the petition reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to reverse the decision to force the amalgamation of school divisions in Saskatchewan and continue reorganization of school divisions on a strictly voluntary basis.

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

Mr. Speaker, all of the signatures on this petition come from the community of Landis, Saskatchewan, and I'm pleased to present it on their behalf.

The Speaker: — The Chair recognizes the member for Estevan.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I have a petition to present today on behalf of those concerned about the development of cabin lots in the area of Rafferty dam. 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 action to ensure that the development of cabin lots in the area of Rafferty dam proceeds.

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

Mr. Speaker, this is signed by folks from Radville, Estevan, Oxbow, North Portal, Bienfait, Carnduff, Macoun, and Torquay. I so present. Thank you.

The Speaker: — The Chair recognizes the member for Weyburn-Big Muddy.

Ms. Bakken: — Thank you, Mr. Speaker. I rise today to present a petition on behalf of constituents of Weyburn-Big Muddy who are very concerned about the amalgamation of school divisions. And the prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to rescind its decision to force school divisions to amalgamate.

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

And the petition is signed by residents of Gladmar, Radville, and Weyburn. I so present.

The Speaker: — The Chair recognizes the member for Saskatoon Silver Springs.

Mr. Cheveldayoff: — Thank you, Mr. Speaker. It gives me

great pleasure to rise today to present a petition on behalf of concerned parents in my constituency regarding a much needed elementary school in the Arbor Creek area of Saskatoon. The prayer of the petition reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary action to implement the allocation of financial resources to build an elementary school in Arbor Creek.

The petitioners today live on Buckwold Cove, Lashyn Cove, Guenter Terrace in northeast Saskatoon. I so present, Mr. Speaker.

The Speaker: — The Chair recognizes the member for Arm River-Watrous.

Mr. Brkich: — Thank you, Mr. Speaker. I have a petition here with citizens that are concerned and worried about no cellular service in rural Saskatchewan:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the provincial government to take all the necessary actions and install the technical equipment necessary to ensure that all rural areas in Saskatchewan are protected by reliable cellular phone coverage.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens from Lanigan, LeRoy, and Wynyard, I so present.

The Speaker: — The Chair recognizes the member for Biggar.

Mr. Weekes: — Thank you, Mr. Speaker. I'd like to present another petition from constituents opposed to possible reductions of health care services in Biggar. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to cause the government to take the necessary steps to ensure that the Biggar Hospital, long-term care home, and ambulance services maintain at the very least their current level of services.

As in duty bound, your petitioners will ever pray.

Signed by the good citizens of Biggar and district, I so present.

READING AND RECEIVING PETITIONS

Deputy Clerk: — According to order the following petitions have been reviewed and pursuant to rule 14 are hereby read and received as addendums to previously tabled petitions being sessional papers nos. 106, 637, 638, 670, 720, and 730.

NOTICES OF MOTIONS AND QUESTIONS

The Speaker: — The Chair recognizes the member for Kindersley.

Mr. Dearborn: — Thank you, Mr. Speaker. I give notice that I

shall on day no. 98 ask the government the following question:

To the Minister of Industry and Resources: what was the amount spent on advertising the Future is Wide Open campaign in the province of Quebec for the years 2002, 2003, 2004, and 2005? Also, which advertising agency was employed for these purposes?

I so present.

The Speaker: — The Chair recognizes the member for Arm River-Watrous.

Mr. Brkich: — Thank you, Mr. Speaker. I also have a written question. I give notice that I shall on day no. 98 ask the government the following question:

To the Minister Responsible for Saskatchewan Property Management Corporation: could you provide details as to the criteria used in the tendering process for contracts concerning the service of SPMC vehicles; and could you please provide a paper copy of the forms sent out to dealerships for service purposes?

The Speaker: — The Chair recognizes the member for Estevan.

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on day no. 98 ask the government the following question:

To the Minister of Health: is the government planning to close the Valley View Centre in Moose Jaw over the next three to five years?

The Speaker: — The Chair recognizes the member for Indian Head-Milestone.

Mr. McMorris: — Thank you, Mr. Speaker. I too have a question for the government. I give notice that I shall on day no. 98 ask the government the following question:

To the Minister of Health: do government employees have access to any designated smoking rooms in buildings that the government . . . that houses government departments, Crowns, agencies, boards, commissions, including the Workers' Compensation Board, Casino Regina, and government-owned properties leased to third parties?

I so present.

The Speaker: — The Chair recognizes the member for Weyburn-Big Muddy.

Ms. Bakken: — Thank you, Mr. Speaker. I give notice that I shall on day no. 98 ask the government the following question:

To the Minister of Industry and Resources: how many trade missions did the government conduct in 1999? Where did these missions take place? How much did each trade mission cost? How many businesses have relocated to Saskatchewan as a result of these missions? And how many jobs have been created in Saskatchewan as a result

of these trade missions?

And I have the same question for the year 2000, 2001, 2002, 2003, and 2004.

INTRODUCTION OF GUESTS

The Speaker: — Members of the Legislative Assembly, it is my honour today to introduce to you a group of teachers who are here in the legislature to attend the seventh annual Saskatchewan Social Sciences Teachers' Institute on Parliamentary Democracy. The institute started on Saturday and will continue through to Wednesday.

Already this group has met with the Speaker, the Chief Electoral Officer, members of the judiciary, and Her Honour, the Lieutenant Governor of Saskatchewan. They are scheduled to meet with House leaders, caucus Chairs, caucus whips, private members from both sides of the House, and cabinet ministers as well as government caucus and legislative staff.

The teachers will be completing an assignment to develop new units of study and lesson plans based on their learning experiences here in the legislature. The Department of Learning is working with them and will post these lesson plans on their website so that these resources are available to all teachers of the province.

I would ask that the teachers might give a little wave as I mention their names. And they are Jodi Bjornerud from Eston Composite School; Ryan Brennan from Western Christian High School in Regina; Nita Cameron from Elizabeth School in Kindersley; Anna Fish from Southeast Regional College in Weyburn; Daniel Giesbrecht, Aberdeen Composite High School; Randy Glettler, Winston Knoll Collegiate in Regina; Wendy Gottselig, William Derby School in Strasbourg; Terry Graham, superintendent of curriculum instruction, Saskatchewan Learning region 4; David Hawkins from Milestone School; Wendy Johnston, Leask Community School; Jennifer Kuchinka, Punnichy School; Michelle LaFayette, Saskatoon; Meaghan Lang, University of Regina; Jim Lissinna, Kelvington High School; Leanne Merkowsky, St. Vital School in Battleford; Helen Sukovieff, Sheldon Williams Collegiate in Regina; Caroline Tompson, Lawrence Elementary School in North Battleford.

I would also like to introduce two special guests who are here to observe the institute. They are Karen Aitken of the British Columbia Legislative Assembly and Nancy Buchanan of Manitoba Education, Citizenship and Youth.

I would also like to make special mention of our steering committee, composed of five officials of the Department of Learning and three teachers who attended past institutes. From the Department of Learning we have Armand Martin, Gail Saunders, Ray Robertson, Brent Toles, and Anna Schmidt.

And also other teachers that are on the steering committee are Larry Mikulcik from William Derby School in Strasbourg, Tim McFadden from Thom Collegiate in Regina, Erin McLeod of W.S. Hawrylak School in Regina. And I believe seated with them also is Linda Spence, coordinator of this project. I ask all members to welcome this group to the Saskatchewan

legislature.

Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the minister of Education, the member for Regina South.

Hon. Mr. Thomson: — Thank you very much, Mr. Speaker. I want to join with you and all members of this Assembly in welcoming the group of teachers who are joining us here today. I had the pleasure of joining them briefly for lunch today and I'm just saying that I know that all members, certainly on the government side, really welcome the opportunity to have the exchange of ideas and the exchange of views and perspectives that they bring, that the teachers bring from the classroom, and that hopefully we're able to share in terms of what happens here in this legislature and indeed what happens within the representative democracy that we participate in.

I am looking forward to meeting with the group tomorrow to discuss more specifically some of my role as the Minister of Learning, and I know that many members on this side will have an opportunity to talk to them.

And so on behalf of the NDP caucus and the NDP government I would welcome them all here to the Assembly today.

Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the critic for Learning, the member for Melfort.

Mr. Gantefoer: — Thank you, Mr. Speaker. I would join with you and the Minister of Learning in welcoming the teachers here. The Social Studies Teachers' Institute is indeed a cornerstone of our parliamentary democracy in Saskatchewan. And it's a pleasure to see as well representatives of other provinces that see how valuable this institution is to democracy and the purveying of this democracy to the children of our schools in Saskatchewan.

Mr. Speaker, it's always a pleasure to meet and greet and discuss issues with teachers because I think we as a society understand very well that teachers are the custodians of the hopes and dreams of our children for the future not only insofar as participants in a democracy but as citizens of the province, of Canada, and of the world.

So thank you very much for participating. We hope that the rest of your time is fruitful and interesting. I look forward to, as the Opposition House Leader, to meeting with you and being grilled by you tomorrow and be in attendance at your banquet tomorrow evening. So thank you very much.

Hon. Members: — Hear, hear!

[13:45]

The Speaker: — The Chair recognizes the member for Regina Wascana Plains.

Ms. Hamilton: — Thank you, Mr. Speaker. Mr. Speaker, I think that everyone in Saskatchewan knows that we've got the

highest percentage of volunteer participation in Canada with 42 per cent of Saskatchewan residents age 15 and older volunteering on an annual basis.

To represent some of that volunteer capacity, I am pleased and proud to be able to introduce to you and through you to all members of the Assembly some of the hard-working members of the Premier's voluntary sector steering committee who are here to help launch National Volunteer Week as well and to introduce the framework document that we've worked hard on to lay the foundation as a basis for the relationship.

I'd ask them to give a wave as I introduce them. They're seated in your gallery, Mr. Speaker. Norman Campbell, Judith Hindle, Wayne Thrasher, Katrina McKenzie; and, Mr. Speaker, the Vice-Chair but someone who's been involved in the Canadian Volunteerism Initiative for a number of years now, Tracey Mann. With them is Bill Werry, who's the administrative support and my valued, valued, support and assist for the working of the Premier's Voluntary Sector Initiative.

Mr. Speaker, the investment in our economy that the voluntary sector provides and with one of the members there I'd say, slash the co-operative sector as well, is about \$800 million. We're all working hard — not only this week, but all weeks of the year — to make sure that work and investment continues. And I ask all members to give a round of applause for our guests in your gallery this afternoon.

Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Kelvington-Wadena.

Ms. Draude: — Thank you, Mr. Speaker. Mr. Speaker, to you and through you, I'd also like to welcome not only the teachers but the volunteers here today.

But I'd also like to introduce three very special people in my life. This is the first time in 10 years that my favourite son-in-law and my granddaughters have come to the legislature to see us all at work. Robert, Brianne, and Jayden have made their way from Prince Albert today.

Robert is my only son-in-law. He works in the federal penitentiary. Brianne loves soccer and her Game Boy and Jayden loves dancing and figure skating. They go to St. John Community School in Prince Albert, which I believe is in the Speaker's constituency.

Mr. Speaker, all of us have people who provide motivation and reason for us to get up in the morning and I ask this Assembly to welcome the three people who bring joy to my life.

Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member from Moose Jaw Wakamow.

Hon. Ms. Higgins: — Thank you very much, Mr. Speaker. It's with great pleasure I introduce to you and through you to all members of the House, a fairly large group in the west gallery. Now this group is here from Westmount School in Moose Jaw,

which is only about a half block away from where I live. And I know the students are accompanied by three teachers: Mark Albert, Faithe Sovdi, and Bob Kitts.

Now, Mr. Speaker, I know the grade 8 students of Westmount, when I attended, they were remarkably well behaved and I'm sure these grade 8s are also and that it's just like a day off for the three teachers that are accompanying them. Mr. Speaker, I look forward to meeting with the group later on in the afternoon and I'm very pleased that they're here to view the proceedings at the Assembly and to tour the legislature. And I would like all my colleagues to welcome them here.

Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Melville-Saltcoats.

Mr. Bjornerud: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to join with you and others today in welcoming all the teachers here, but specifically my daughter Jodi from Eston. Mr. Speaker, my daughter has brought into this world two of my highlights in my life, Austin and Lauren, and I take great joy in having them come and visit us so we can spoil them rotten, give them chocolate bars, pop, and everything, and then send them home. I find that away better than really having a family of your own at that present time.

Mr. Speaker, I might add though too in the number of years that I've been here on many occasions I have explained to my daughter how raucous it can become in here in question period, and I've told her on many occasions that I am probably not one of the ones that raise my voice in this fine building. I know the Agriculture minister and for that matter the Deputy Premier will back me up on that one, Mr. Speaker, and I take great pride if the rest of the members would remember that in talking to my daughter. Anyway, Mr. Speaker, I would like to ask all members to join in welcoming my daughter here today and I'm very glad she could be here.

Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Saskatoon Meewasin.

Hon. Mr. Quennell: — Mr. Speaker, it would be truly an error if I did not take this opportunity to introduce to you and to other members of the legislature somebody that I had the pleasure of working with for a number of years. Sandra Morgan was a paralegal, still is a paralegal with Robertson Stromberg, or the successor firm of Robertson Stromberg, and she was everything that you could want from a co-worker. Competence is not fair, she is far above competent and every day of our association she was. And always courteous and always helpful and I'm aware of only one serious lapse of judgment on her part, Mr. Speaker, and that's when she agreed to marry the member from Saskatoon Southeast, a decision I'm sure she regrets at her leisure. Please welcome her to this legislature.

Hon. Members: — Hear, hear!

The Speaker: — The Chair must recognize the member from Saskatoon Southeast.

Mr. Morgan: — Mr. Speaker, I'm not really sure what I can say by way of honest rebuttal to those remarks, other than that my good wife has got a significantly better life now that she does not have to work with the member from Saskatoon Meewasin and that her own husband now spends his time in Regina. I think her life is probably improved measurably both on the home front and at work. And thanks to all members for welcoming my spouse to the legislature.

Hon. Members: — Hear, hear!

STATEMENTS BY MEMBERS

The Speaker: — The Chair recognizes the member for Thunder Creek.

Withdrawal of Remarks

Mr. Stewart: — Thank you, Mr. Speaker. First of all kudos, Mr. Speaker, to the new sound system in the Assembly and to whoever designed and installed it. During question period on Thursday, Mr. Speaker, I directed comments toward the member from Yorkton, and in so doing I used unparliamentary language. Mr. Speaker, I wish to apologize to the member and to this Hon. Assembly for, and to retract that particular language.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Regina Wascana Plains.

Saskatchewan Volunteers Celebrated During National Volunteer Week

Ms. Hamilton: — Thank you, Mr. Speaker. April 17 to 23 is National Volunteer Week. As we look back on the last 100 years it's clear that we have all benefited from Saskatchewan's long and proud history of hard-working volunteers who give their time and energy to better the lives of others. These volunteers are the foundation for more than 5,000 incorporated charities and 12,000 cultural and recreational organizations here in Saskatchewan.

Mr. Speaker, it's the energy, commitment, and generosity of our volunteers that enables these thousands of community-based organizations to provide services and support to Saskatchewan people. As Chair of the Premier's Voluntary Sector Initiative, I am extremely proud of the work that has been done by the members of the joint steering committee to strengthen the relationship between government and the Saskatchewan voluntary sector to assist volunteer organizations in effectively fulfilling their mandates.

Mr. Speaker, the Saskatchewan Centennial Leadership Award is one way we are celebrating our volunteers in our centennial year. This award is open to all Saskatchewan-based, non-governmental organizations with a provincial focus. It recognizes the contributions of two individuals from each group; one who has helped to build the organization, and the other who will carry forth with the spirit of leadership and vision into our second century.

Mr. Speaker, I ask all my colleagues to join me in recognizing our volunteers and the enormous contribution they make to the quality of life we enjoy here in Saskatchewan, and encourage the work of the voluntary sector to work with us, the public sector, to strengthen that relationship for the next 100 years. Thank you, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Carrot River Valley.

Centennial Hockey Challenge

Mr. Kerpan: — Thank you, Mr. Speaker. Mr. Speaker, last Thursday night MLAs [Member of the Legislative Assembly] from both sides of the House attended a very memorable event in Lloydminster, that being the Centennial Hockey Challenge.

Mr. Speaker, I want to send out a few congratulations here today publicly. And I want to first of all congratulate all the team members for Team Saskatchewan who although even though we didn't win the game on the ice . . . I thought our young men represented our province very well. In fact I thought after the game we should have had an MLA challenge game because we had many MLAs from Saskatchewan against only one from Alberta. I think we could have won that one.

Mr. Speaker, I want to congratulate CBC [Canadian Broadcasting Corporation] television for the fine job they did on the Centennial Cup Challenge . . . Mr. Ron MacLean who had to work under trying circumstances, especially when the power went out. I want to congratulate and thank Richelle Bourgoin, who's a manager of promotions and special events at the Saskatchewan Centennial Office. Shawna Kelly who did just an incredible job, Mr. Speaker, of her tremendous hospitality on the bus up to Lloydminster and the return trip to Regina.

Mr. Speaker, circumstances of that trip also made it a very memorable occasion, that being again the ride home with the snow and the ice and the tremendous wind, the power outage. And I want to congratulate and thank the MVP [most valuable player] who I think is the MVP of that night — not the most valuable player, but the most valuable person — that being Milo Johnson who was the driver of the STC [Saskatchewan Transportation Company] bus who took us up to Lloydminster and returned us home safely. And I'm amazed, Mr. Speaker, at the tremendous job he did, and I'd like to ask all members of this Legislative Assembly to thank him and congratulate him for a job very well done.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Regina Coronation Park.

World Class Players' Cup Soccer Tournament

Mr. Trew: — Thank you, Mr. Speaker. To the great pleasure of teams and supporters of nine soccer-loving nations, the very finest competitive soccer Regina has to offer was played from Tuesday to Sunday as the first World Class Players' Cup of

soccer took place. Teams representing the nations of Chile, El Salvador, Germany, Holland, Ireland, Jamaica, Northern Ireland, Portugal, and Scotland played and, Mr. Speaker, they played well.

Kevin Holness has many claims to fame. Kevin has played with the Canadian soccer team, with the Canadian Olympic soccer team, and with team Jamaica in this tournament. And, Mr. Speaker, Kevin was the brain thrust ; it was Kevin's idea to hold the World Class Players' Cup right here in Regina.

Bob Maltman played the role of chief tournament organizer, and Bob and his team did a super job. The Saskatchewan Soccer Association was represented by their executive director, Bjorn Osieck, and Regina Soccer president, Leslie Blyth, was also there. Mr. Speaker, we were treated to fantastic competitive soccer, good sportsmanship, and goodwill throughout.

Saskatchewan's Premier presented the medals to the bronze winning team, Portugal. He then had to present Jamaica with the silver medals when Jamaica ran out of time in the final game against El Salvador, when the score was still El Salvador 5, Jamaica 4. That of course means El Salvador won the gold, and it was the Premier's pleasure to present the cup to them.

Mr. Speaker, we're looking forward to next year's Players' Cup in Regina in the new soccer facility. Thank you.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Estevan.

Estevan's Legion Celebrates Awards Night

Ms. Eagles: — Thank you, Mr. Speaker. Mr. Speaker, the presentation of life memberships and service pins highlighted the annual banquet and awards night at the Estevan branch of the Royal Canadian Legion on April 9.

The recipients of the 60-year pins were Harry Burke, Cecil Hitchcock, Don Knight, William Kurmey, Jack Leniczek, Charles Preddy, Anthony Samenook, and George Symons. Phil Attrill was presented with a 50-year service pin and 50-year golden anniversary pin.

Clifford Hawkes was the recipient of a 45-year pin while 40-year pins went to Bert Hahn and Ed Walton. Presented with 35-year pins were Howard Donaghy, Les Mann, Ken Raine, and Robert Rooks. Receiving 20-year pins were Louis Bourgeois and Leo Saccary. Joan Fallis was the only associate member to receive a pin, and that was for 20 years.

This evening also marked the anniversary of the Battle of Vimy Ridge. Canadians were extremely successful at Vimy Ridge, and this proved to be a turning point in the First World War. Canadian valour and bravery brought about a victory, not only for Canadians but for the entire Allied force.

I ask all members to join me in congratulating the no. 60 branch of the Royal Canadian Legion on a successful evening. Thank you.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Saskatchewan Rivers.

Public Safety Telecommunications Week

Mr. Borgerson: — Thank you, Mr. Speaker. Mr. Speaker, Public Safety Telecommunications Week has just wound up here in Saskatchewan. Sponsored by the Association of Public-Safety Officials International, the week is set aside to honour the many telecommunications professionals who help to provide assistance to people when it is needed most. This includes all our emergency service dispatchers from police and fire to emergency medical services and Sask 911 operators who handle the calls for help in their area.

Mr. Speaker, this special week has been proclaimed in Saskatchewan to help promote public awareness and to demonstrate our appreciation of the vital services provided every day by these dedicated emergency communications professionals.

Mr. Speaker, every year Saskatchewan's emergency telecommunications professionals select one of their own as Telecommunicator of the Year. I'm pleased to say that this year's recipient is Shauna Bruce, a Sask 911 call taker and fire dispatcher with the Prince Albert communications centre.

Mr. Speaker, I invite all members of the Assembly to join in congratulating Ms. Bruce and in saluting all of Saskatchewan's emergency telecommunications professionals for their contributions and commitment to public safety. Thank you.

Some Hon. Members: — Hear, hear!

[14:00]

The Speaker: — The Chair recognizes the member for Batoche.

Saskatchewan Party Dinner

Mr. Kirsch: — Thank you, Mr. Speaker. Mr. Speaker, I would like to congratulate the fine people of the constituencies of Batoche, Carlton, Northcote, and Sask Rivers on the fine job they did Saturday night of hosting the Sask Party dinner in the beautiful city of Prince Albert.

The supper was held at the Prince Albert exhibition grounds. Over 300 people were in attendance, including members of P.A. City Council, many mayors from surrounding communities, and we enjoyed a wonderful meal of roast hip of beef which was done to perfection. Then the crowd was treated to a truly inspiring speech by the Leader of the Saskatchewan Party. Comments after the presentation were that the member from Swift Current sounded like the best prospect for premier of this province, and his vision for Saskatchewan was like a breath of fresh air for a so-called have-not province.

Mr. Speaker, once again, congratulations to the people of Batoche, Carlton, Northcote, and Sask Rivers on a job well done.

Some Hon. Members: — Hear, hear!

ORAL QUESTIONS

The Speaker: — The Chair recognizes the Leader of the Opposition.

Commitments Made by Government

Mr. Wall: — Thank you. Thank you, Mr. Speaker. Mr. Speaker, I understand that the Government House Leader spent the weekend considering his options to get the opposition to stop saying that this government doesn't tell the truth. Well, Mr. Speaker, here's an option I hope the NDP [New Democratic Party] will consider: start telling the truth, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Wall: — Mr. Speaker, the . . .

The Speaker: — Order. Order. Order. The House is suffering from language that is getting rather personal, and I would ask that members desist from using language that is personal and directed at other members of the House. And I would ask that the Leader of the Opposition withdraw the remark before we continue.

Mr. Wall: — I withdraw the remark, Mr. Speaker.

The Speaker: — Thank you. The Chair recognizes the Leader of the Opposition.

Mr. Wall: — Mr. Speaker, in the last election the Premier said he would lower taxes in the subsequent budget. He increased taxes. The Premier promised to cut surgical waiting lists, Mr. Speaker, and since then surgical waiting lists have grown longer in the province of Saskatchewan. The Premier said he would hire 200 new police officers. He has not done that, Mr. Speaker. If the NDP want the people of the province to trust them, will they simply commit to this? Will they simply commit to do what they say they will do?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Premier.

Hon. Mr. Calvert: — Mr. Speaker, again today the Leader of the Opposition has been put in his place and forced to withdraw comments in this House — again. Mr. Speaker, over the course of the weekend I observed what the Leader of the Opposition was commenting publicly about the totally inappropriate comments made by the member of Thunder Creek in this House. He observed that the government's concern about these comments were, quote, "Just silly and maybe even a little pathetic."

Is it the view of the Leader of the Opposition that this great Chamber, this institution of the legislature, should be treated in this fashion by himself? By his members? If he does not condone this, I ask the Leader of the Opposition what is he doing to discipline his members, particularly the member from Thunder Creek?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Leader of the Opposition.

Mr. Wall: — Mr. Speaker, I'll tell you what the opposition is doing. I'll tell you what I am doing. This party is sending out a clear message to the people of this province that when politicians make commitments, they ought to keep those commitments, Mr. Speaker. That's what we're sending a message to that Premier over there.

Mr. Speaker, the NDP government and this Premier told the people of the province for six years that SPUDCO [Saskatchewan Potato Utility Development Company] was a partnership. And it was never a partnership. The NDP had a big press conference at Belle Plaine to say they had a deal to build an ethanol plant. They had no such deal, Mr. Speaker. The NDP government told us that BC [British Columbia] communications company Navigata would turn a profit in 2004. That turned out not to be true either. The NDP government said their \$3 million investment in Pangaea systems would create 35 new jobs in Regina. That proved not to be the case, Mr. Speaker. The Minister of Health told us he had done his homework on the smoking ban. He had not.

Mr. Speaker, will the Premier stand in his place and explain to the people of the province why he says one thing and does another?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Premier.

Hon. Mr. Calvert: — Mr. Speaker, the issue so well illustrated again today. The issue is this: we have a Leader of the Opposition who said he was coming to this legislature, coming to lead that opposition, to make change in that opposition. Mr. Speaker, this opposition is worse that it ever was under the leadership of the member from Rosetown.

Mr. Speaker, again today the Leader of the Opposition has to be put in his place for inappropriate language in this legislature. Mr. Speaker, does he condone this? He does by his actions. Does he officially, as Leader of the Opposition? And if he doesn't, what is he going to do to have his members regain respect . . .

Some Hon. Members: — Hear, hear!

The Speaker: — Order, please. Order. I have been unable to hear the last few remarks. I've heard that, it indicated it had been prompted, but I will check the record on a point of order on this. But I recognize the Premier. I want to be able to hear what is being said.

Hon. Mr. Calvert: — Well thank you, Mr. Speaker, because it's obvious when you cannot debate policy, what you do is roar from your seats. What you do is engage . . .

The Speaker: — Order, please. Order, please. The members ought not to comment on a ruling of the Chair. I recognize the Premier.

Hon. Mr. Calvert: — Well, Mr. Speaker, I'll tell you after talking to many people over the course of this weekend, the question on the minds of Saskatchewan people, Mr. Speaker, is what is going on with this leader and this opposition, and does he condone this kind of activity in the public's legislature?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Leader of the Opposition.

Mr. Wall: — Mr. Speaker, let me just say this. Changes are coming to the official opposition, and they won't be made by this member or any other individual member in this House. They will be made by the voters of this province when they boot that government out because they don't do what they say, Mr. Speaker. That's when changes will come.

The Premier does not like the fact that what's being spotlighted over the weekend is the record of the government saying one thing and doing quite the opposite. It's our job to point out when that happens, and it's happened on a number of occasions.

It happened with respect to his commitment to reduce taxes. He increased taxes. It happened with his commitment to add 200 new police officers. He's failed to do that. It happened with his commitment to reduce waiting lists. They've gotten longer. It happened with his commitment that he had done his homework ahead of the smoking ban. That didn't happen. It happened in SPUDCO for six years.

Mr. Speaker, again to the Premier of this province: why won't he tell people, why won't he explain to the people of this province why he says one thing and does another?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Premier.

Hon. Mr. Calvert: — Mr. Speaker, there is no doubt about it. What we're hearing today, we heard a year ago. We heard before the last election. And we went to the people of Saskatchewan, and they returned this government with a larger percentage of the popular vote than in the election before, Mr. Speaker.

And I predict that's going to happen again because you see, Mr. Speaker, people value those who will enter public life and respect the institutions that give them the opportunity to debate freely. Mr. Speaker, that opportunity is being demised by the activities of the Leader of the Opposition and his caucus.

Will he do something about it? Will he stop his members from the inappropriate language being used in this Chamber? Will he stop himself from using it?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Melfort.

Negotiations with the Saskatchewan Teachers' Federation

Mr. Gantfoer: — Mr. Speaker, I would like to congratulate

the bargaining team of teachers and school trustees. Through hard work and patience, they were able to avert a strike that would have been a hardship to parents and students. This agreement is a testament to their resolve, their ability to co-operate, and their commitment to the educational system.

However, Mr. Speaker, there are some serious unanswered questions from this NDP government that say one thing and ends up doing another — a question like, when was the Learning minister going to tell the NDP government 0, 1, and 1 wage freeze was not going to apply to teachers?

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — Thank you very much, Mr. Speaker. I too want to congratulate the government trustee bargaining team and the STF [Saskatchewan Teachers' Federation] for being able to reach an agreement just before 2 o'clock on Friday. I think that this really is a testament to the goodwill that all brought to the table and the fact that we were able to find a way to reach an agreement without putting at risk the school year, and those congratulations are heartfelt on the part of this cabinet.

Some Hon. Members: — Hear, hear!

Hon. Mr. Thomson: — The member opposite surely must understand that we have a responsibility to make sure that the agreement now goes through a ratification and certainly must respect those requirements that need to be adhered to. The STF is currently preparing to advise their members of the contents of that agreement and, once the agreement is ratified, we'll be happy to make further comment on it.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Melfort.

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, this minister needlessly took us all to the brink of a strike. He forced the STF bargaining team to hold a strike vote. Then magically this Learning minister found the Easter Bunny and bought some new resources to the table, all the while saying 0, 1, and 1 was going to apply.

Mr. Speaker, why did this minister wait so long to bring new resources to the table? Why did he put everyone through uncertainty and anxiety while he played with the bargaining process? Mr. Speaker, why is it that this government will say one thing, that there's no money, and then do another thing by adding resources to the table? Why is there no consistency in this government?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — Well it sounds to me like the opposition member from Melfort is actually unhappy that we reached an agreement to save the school year. I can't imagine how anyone could be critical of the fact that we were able to

find an agreement without any disruption to the school year, without any disruption of work, in a way that I assured this House we would do by negotiating. And that is what this government did.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Melfort.

Mr. Gantefoer: — Mr. Speaker, this minister sat in the legislature and said that he was going to defend the mandate being imposed on teachers. The official opposition said there needs to be a fair and open bargaining process.

Mr. Speaker, where is the consistency? This minister would say one thing . . . in fact he even went worse than that, he blamed teachers for the high cost of property tax. Mr. Speaker, instead of bargaining in good faith, why did he play games and interfere with the system, because obviously when you allow the school trustees and teachers to make an agreement, they found a way to make an agreement in spite of that minister.

Mr. Speaker, will the minister tell this House when he decided to change the position of the government from the 0 and 1, 1 mandate?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — Let's be very clear about this, Mr. Speaker. I said all along in this Assembly, as I have with each of the agreements that we have been involved with, that we would do this through negotiations — through negotiation. And when an agreement goes through negotiation, the parties that are at the table — the government, trustees, and the teachers — were able to reach an agreement. And that is one of the things that I think we all need to be very thankful for.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Canora-Pelly.

Public Sector Wage Guidelines

Mr. Krawetz: — Thank you very much, Mr. Speaker. Mr. Speaker, this government imposed a 0, 1, and 1 wage mandate in its 2004-05 budget; what some might consider a unfair labour practice. Now the jury's in. This government says one thing, 0, 1, and 1 and does another — 2, 2, and 2. Reports out today indicate the NDP have reached a tentative agreement with teachers for 2, 2, and 2.

My question is to the government. Since when does 0, 1, and 1 equal 2, 2, and 2?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — I cannot believe that members in this House would begrudge the fact that we have reached a collectively bargained agreement with the STF in a way that is able to make sure that the school year goes ahead, the graduations go ahead, to make sure that there is no disruption of the school year.

The members opposite suggested that we should be slavish in the approach to dealing with a collective agreement. We have said all along that we would negotiate the agreement in good faith, in a fair and free collectively bargained process. That is what we did, and as such we have reached an agreement.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Canora-Pelly.

Mr. Krawetz: — Mr. Speaker, what the minister has just indicated is a myth. Okay, the position that this government has taken has nothing to do with reality. I want to quote from one week ago. The Saskatchewan Federation of Labour, president, Larry Hubich said this:

“I don't understand the strategy of sticking to this phony, ill-advised, non-supported mandate of zero, one, and one”
...

[14:15]

That's what was said one week ago. Also last week, the SAHO [Saskatchewan Association of Health Organizations] . . . sorry, the president of the Saskatchewan Union of Nurses, Rosalie Longmoore, said, and I quote:

SAHO has advised us that the current mandate for the SUN bargaining table is 0, 1, and 1.

Zero, 1, and 1, Mr. Speaker. Now the minister stands and tells us that 2, 2, and 2 was on; resources were available. Yet we have a group that is at the bargaining table saying 0, 1, and 1 is the bargaining position of this government. Could the minister tell us what the real answer is?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — For a party that seems so concerned about veracity, I would ask them to be a little more cautious in terms of what they attribute to members on this side. The member opposite knows full well that I have been saying in this House that we would negotiate a fair, free collectively bargained agreement. We have done that. It has reached an agreement. It is something we are proud of, something we are pleased of, and something that we trust the teachers will ratify.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Canora-Pelly.

Mr. Krawetz: — Mr. Speaker, it's clear that the NDP has been disingenuous with the public about its 0, 1, and 1 public sector wage mandate. Eleven contracts have been negotiated to date under this supposed mandate. We now know that the mandate was out the window for the teachers of this province, just like the NDP caucus Chair said it was. Was it ever really on for the other unions who have negotiated to date, or do these contracts represent other examples of the NDP telling us one thing and doing another?

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — Well this is truly among the most bizarre questions that we've had to date in terms of collective bargaining. When we have the former head of the Sask Party opposition . . .

The Speaker: — Order, please. The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — When we have the member opposite standing up and quoting Larry Hubich at the same time that he'll stand up in this House and suggest The Trade Union Act should be ripped up and seriously amended — when we've got that member coming and saying, don't impose 0, 1, and 1; why didn't you impose 0, 1, and 1; you should have imposed 0, 1, and 1 — I cannot imagine a more inconsistent position.

The Speaker: — Order, please. Order. Order. The Minister of Learning.

Hon. Mr. Thomson: — Mr. Speaker, our position on this side has been clear, and it was clear going back to the SIAST [Saskatchewan Institute of Applied Science and Technology] agreements that we negotiated and discussed a year ago when the members accused us at that point of deviating from the mandate. We have provided at each individual table the resources that were necessary to reach a fair and freely bargained agreement. That was our commitment . . .

The Speaker: — The member's time has elapsed. The Chair recognizes the member for Canora-Pelly.

Some Hon. Members: — Hear, hear!

Mr. Krawetz: — Mr. Speaker, how can anyone trust this government? What we see is that the government says one thing, and it does exactly the opposite, Mr. Speaker. The Premier says the NDP would never interfere in negotiations. The Health minister says interfering in negotiations is common NDP practice. The minister responsible for public sector compensation says the NDP will negotiate a zero wage change with flexibility. And the NDP caucus Chair says the mandate is out the window and it has been since the get-go. Now we hear that the mandate is indeed out the window with the tentative agreement for 2, 2, and 2 with teachers. Who are we to believe? Simple question to the minister: who is to be believed?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — Well I can assure you, Mr. Speaker, I cannot believe that the members opposite are taking this approach today. I cannot wait for them to bring in a motion into this House to roll back any kind of agreements to whatever they perceive, whatever they believe should be the mandate.

We have said all the way through, with each of the agreements that we have negotiated, that we would bring to the table the specific resources needed to resolve those agreements and we have done that, Mr. Speaker. I said that we would . . .

The Speaker: — Order, order. Order. Order, order. When the Speaker is on his feet, the members ought to cease kibitzing across the floor. The Chair recognizes the Minister of Learning.

Hon. Mr. Thomson: — Mr. Speaker, this government makes no apologies for reaching collective agreements, for bargaining in good faith, and for providing the resources that we believe are necessary to make sure that this province's public services continue to move forward. That is something we have done consistently in our approach to the collective bargaining process, something we believe in, and something we'll continue to do.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Saskatoon Southeast.

Funding for Police Services

Mr. Morgan: — Mr. Speaker, the NDP government zap-you're-frozen budget has municipal property tax increases popping up faster than flowers in spring — Saskatoon, Regina, Yorkton, all raising taxes because this government froze municipal revenue sharing.

Mr. Speaker, now policing is being hurt in Saskatoon. Saskatoon's police chief is now cutting seven proposed police officer positions and three civilian jobs all because of this zap-you're-frozen budget. Mr. Speaker, this Justice minister is losing ground. He can't live up to his government's election promise on new officers. Mr. Speaker, why does this Justice minister say one thing and do another?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, the last, most recent budget brought into this House increased the number of police officers funded by the provincial government by 18. In the next two budgets there will be another 31 added, Mr. Speaker. That will bring us to 200 funded by the province, Mr. Speaker. The Department of Justice does not control the decisions — the budget decisions — of city council of Saskatoon. What the city decides to spend its money on is the city's business.

I can advise that within these 18 officers are two more officers funded by the province for the city of Saskatoon in the city of Saskatoon. I've received a commitment from the chief of police that they will be Aboriginal police officers, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Saskatoon Southeast.

Mr. Morgan: — Mr. Speaker, Saskatoon's police chief says he has to cut jobs because of pressure to lower property taxes — pressure created by this NDP government's zap-you're-frozen budget which means no increase in funding for municipalities.

Mr. Speaker, that means Russell Sabo and the Saskatoon Police Service can't move on the recommendations in the Stonechild report. The chief said any of these cuts will hurt our ability to respond to some of the things in the Stonechild report, the very report that that minister spoke in favour of.

Mr. Speaker, how can this minister sleep at night knowing that these recommendations are going to be ignored and the police service in Saskatoon is suffering? Why does he say one thing and then promptly do another, Mr. Speaker?

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, the commitment of this government to respond in a positive way to the recommendations in the inquiry into the death of Neil Stonechild is set out in this budget, among other places. Not only are we adding Aboriginal police officers to the RCMP [Royal Canadian Mounted Police] and to the municipal police forces of Regina, Saskatoon, and Prince Albert, one of the officers that we are adding to the RCMP is specifically there for the purposes of recruitment and retention of Aboriginal police officers, Mr. Speaker. And there is in this budget a 30 per cent increase to the coroner system in the province of Saskatchewan in response to the review requested by Commissioner Wright in his report.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Saskatoon Southeast.

Mr. Morgan: — Mr. Speaker, people have very basic expectations of their government. They want a police force that is effective and efficient. Seniors, children, women all have the right to know that they are safe in their communities.

Mr. Speaker, this NDP government is not meeting that expectation. Mr. Speaker, this NDP government is forcing Saskatoon's police force to make harmful cuts all because of the zap-you're-frozen budget.

Mr. Speaker, when will this minister live up to his commitment to provide for the safety and security of Saskatchewan residents and Saskatoon citizens, Mr. Speaker?

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, not only have we added provincially funded police officers, not only have we added provincially funded police officers to the city of Saskatoon, we

have, we have expanded in this budget the number of investigators attached to The Safer Communities and Neighbourhoods Act, Mr. Speaker, to that initiative. That initiative is shutting down drug houses and brothels and drug manufacturing houses in Saskatoon and Regina and throughout the province, Mr. Speaker.

Some Hon. Members: — Hear, hear!

The Speaker: — The Chair recognizes the member for Saskatoon Southeast.

Mr. Morgan: — Mr. Speaker, when this minister was challenged on breaking his government's election promise on new officers, his spin doctors told reporters to go and do the math. Well, Mr. Speaker, they did the math and they found that the minister had come up short and had come up significantly short. Two hundred new officers means just that — 200; 200 more than what you had when you started.

And now I've got some new math for the minister and his staff. I'll make it simple, since the question of . . . I question the competency of his staff, when they say 200, let's mean 200. Let's not add 18. Let's not shovel back and forth. Zap-you're-frozen equal property tax increase minus the \$350,000 for the Saskatoon Police Service. When will this minister fix the disaster he has created, Mr. Speaker?

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — The decisions of the Saskatoon City Council about the budget for Saskatoon city are the decisions of that council. They are not within my control. They're not within the control of the Justice department, Mr. Speaker.

I am looking forward to a positive set of recommendations, a positive agenda, a positive plan coming from the local police commission as I requested last November.

I am trusting that the city, as well as the province, can respond in a positive way to the recommendations made by Justice Wright in his report on the inquiry into the death of Neil Stonechild. In respect to that report, Mr. Speaker, we are adding Aboriginal police officers. We are providing funding for the retention and recruitment, Mr. Speaker. We are, Mr. Speaker, not only have we reviewed the coroner system as requested by commissioner Wright, but we are reforming the coroner system and adding and improving to the coroner system, Mr. Speaker.

We are doing what we can . . .

The Speaker: — The member's time has elapsed.

Some Hon. Members: — Hear, hear!

The Speaker: — Order.

INTRODUCTION OF BILLS

Bill No. 106 — The Municipalities Act

The Speaker: — The Chair recognizes the Minister for Government Relations.

Hon. Mr. Taylor: — Thank you, Mr. Speaker. I would move that Bill No. 106, The Municipalities Act be now introduced and read the first time.

The Speaker: — Order, please. Order, please. It has been moved by the Minister of Government Relations that Bill No. 106, The Municipalities Act be now introduced and read for the first time. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried.

Deputy Clerk: — First reading of this Bill.

The Speaker: — When shall this Bill be read a second time? The Chair recognizes the minister.

Hon. Mr. Taylor: — At the next sitting of the House, Mr. Speaker.

The Speaker: — Next sitting.

Bill No. 107 — The Municipalities Consequential Amendment Act, 2005/Loi de 2005 sur les modifications corrélatives découlant de la loi intitulée The Municipalities Act

The Speaker: — The Chair recognizes the Minister of Government Relations.

Hon. Mr. Taylor: — Thank you, Mr. Speaker. I move that Bill No. 107, The Municipalities Consequential Amendment Act, 2005 be now introduced and read the first time.

The Speaker: — It has been moved by the Minister of Government Relations that Bill 107, The Municipalities Consequential Amendment Act, 2005 be now introduced and read for the first time. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried.

Deputy Clerk: — First reading of this Bill.

The Speaker: — When shall the Bill be read a second time? I recognize the minister.

Hon. Mr. Taylor: — At the next sitting of the House, Mr. Speaker.

The Speaker: — Next sitting.

Bill No. 108 — The Business Corporations Amendment Act, 2005

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, I move that Bill No. 108, The Business Corporations Amendment Act, 2005 be now

introduced and read the first time.

The Speaker: — It has been moved by the Minister of Justice that Bill 108, The Business Corporations Amendment Act, 2005 be now introduced and read for the first time. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried.

Deputy Clerk: — First reading of this Bill.

The Speaker: — When shall the Bill be read a second time? I recognize the minister.

Hon. Mr. Quennell: — Next sitting of the House, Mr. Speaker.

The Speaker: — Next sitting.

Bill No. 111 — The Small Claims Amendment Act, 2005/Loi de 2005 modifiant la Loi de 1997 sur les petites créances

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, I move that Bill No. 111, The Small Claims Amendment Act, 2005 be now introduced and read the first time.

The Speaker: — It has been moved by the Minister of Justice that Bill 111, The Small Claims Amendment Act, 2005 be now introduced and read for the first time. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried.

Deputy Clerk: — First reading of this Bill.

The Speaker: — When shall the Bill be read a second time?

Hon. Mr. Quennell: — Next sitting of the House, Mr. Speaker.

The Speaker: — Next sitting.

Bill No. 112 — The Provincial Court Amendment Act, 2005

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, I move that Bill No. 112, The Provincial Court Amendment Act, 2005 be now introduced and read the first time.

The Speaker: — It has been moved by the Minister of Justice that Bill 112, The Provincial Court Amendment Act, 2005 be now introduced and read for the first time. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried.

Deputy Clerk: — First reading of this Bill.

The Speaker: — When shall the Bill be read a second time? I recognize the minister.

Hon. Mr. Quennell: — Next sitting of the House, Mr. Speaker.

The Speaker: — Next sitting.

[14:30]

Bill No. 113 — The Non-profit Corporations Amendment Act, 2005/Loi de 2005 modifiant la Loi de 1995 sur les sociétés sans but lucratif

The Speaker: — The Chair recognizes the Minister of Justice.

Hon. Mr. Quennell: — Mr. Speaker, I move that Bill No. 113, The Non-profit Corporations Amendment Act, 2005 be now introduced and read the first time.

The Speaker: — It has been moved by the Minister of Justice that Bill No. 113, The Non-profit Corporations Amendment Act, 2005 be now introduced and read for the first time. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried.

Deputy Clerk: — First reading of this Bill.

The Speaker: — When shall the Bill be read a second time?

Hon. Mr. Quennell: — Next sitting of the House, Mr. Speaker.

The Speaker: — Next sitting. Why is the Government House Leader on his feet?

Hon. Mr. Van Mulligen: — Mr. Speaker, before orders of the day, to raise a point of order.

The Speaker: — Will the member please state his point of order.

POINT OF ORDER

Hon. Mr. Van Mulligen: — Mr. Speaker, when we last met on Thursday, although this is not recorded in *Hansard*, the member for Thunder Creek was heard to yell at the member for Yorkton, the Deputy Premier, the words, and I quote, Mr. Speaker, from the newspaper in this respect . . .

The Speaker: — The quote is not necessary.

Hon. Mr. Van Mulligen: — The quote is not necessary, Mr. Speaker? Well, Mr. Speaker, if you say that I can't use the quote that is attributed to the member and it was heard by the people of Saskatchewan, then so be it. But I think most members and certainly the people of Saskatchewan will be aware of what it is that the member for Thunder Creek had to say.

My point of order is twofold, Mr. Speaker. First of all I would like you to rule as to whether or not the members' statements is the appropriate place to deal with the point of order, because the member for Thunder Creek stood up to apologize for remarks in members' statements. So first I would ask you to rule whether that's the appropriate place for such a point of order. And an apology of that nature, Mr. Speaker, must be part of a point of order.

Secondly, Mr. Speaker, it is not clear, it is not clear, it is not clear . . .

The Speaker: — Order, please. Order, please, members. I recognize the House Leader.

Hon. Mr. Van Mulligen: — Mr. Speaker, it is not clear what it is that the member for Thunder Creek is apologizing for. Based on his leader's remarks both in the media and again today in question period, it would appear that the member for Thunder Creek was apologizing for calling the member of Yorkton a name, but was not apologizing for the adjective. So, Mr. Speaker, I invite you to ask the member for Thunder Creek to withdraw unequivocally his remarks.

The Speaker: — On the point of order, I recognize the Opposition House Leader.

Mr. Gantfoer: — Thank you, Mr. Speaker. Mr. Speaker, after the incident on Thursday the member left the House, and realizing that his inappropriate words were caught on the microphone system, he realized that it was important to take the first opportunity available to him in order to apologize to the minister that he directed those remarks at, and apologize. Mr. Speaker, I think it is entirely appropriate that the member took the first opportunity available to him, which was members' statements, in order to deliver that retraction and that apology.

Mr. Speaker, the Government House Leader says that he should be given the opportunity to read into the record such that was not in the record in the first case. Mr. Speaker, in Beauchesne 486 subsection (4) it says, and I quote:

Remarks which do not appear on the public record and are therefore private conversations not heard by the Chair do not invite the intervention of the Speaker, although Members have apologized for hurtful remarks uttered in such circumstances.

Mr. Speaker, the member did just that. He did the honourable thing by withdrawing and apologizing, and I think that this matter is consequently closed.

The Speaker: — I thank both members for their intervention. I will check the records and bring back a ruling in due time.

ORDERS OF THE DAY

GOVERNMENT ORDERS

Deputy Clerk: — Committee of Finance.

The Speaker: — I do now leave the Chair for this Assembly to go into Committee of Finance.

COMMITTEE OF FINANCE

**General Revenue Fund
Agriculture and Food
Vote 1**

Subvote (AG01)

The Chair: — Order. I call to order the Committee of Finance. The first item before the committee is the consideration of estimates for the Department of Agriculture and Food, vote 1, starting on page 27 of the Estimates book. And I would recognize the Minister of Finance to introduce his officials and make a brief statement if he wishes.

Pardon me, I guess I said Minister of Finance. I must have it on the brain because I introduced the Minister of Health as the Minister of Finance. So we will do Finance . . . Agriculture and Food estimates found on page 27, and I will now introduce the Minister of Agriculture and Food. Would the Minister of Agriculture and Food introduce his officials.

Hon. Mr. Wartman: — Thank you very much, Mr. Chair. It's a pleasure to have the officials here from the Department of Agriculture and Food, folks who do a tremendous job on behalf of the farmers of this province.

To my right is Hal Cushon, the assistant deputy minister for the department; and seated right behind Hal is Jack Zepp, who is the acting assistant deputy minister. Karen Aulie is seated in the back corner, and Karen is corporate services, director of corporate services branch. Laurier Donais is sitting next to Karen. And right behind me is Paul Johnson, who is manager of the economy and commodity analysis policy branch. And Maury Harvey, who is sitting to my left and just behind me. Maury is senior policy analyst with the strategic planning unit in the policy branch.

And I'm very happy to have these folks here, and I hope we'll be able to answer to the members' opposite satisfaction any questions they might have. Thank you.

The Chair: — Clause 1, or I mean (AG01). I recognize the member for Melville-Saltcoats.

Mr. Bjornerud: — Thank you, Mr. Chair, and welcome, Mr. Minister, to your officials this afternoon. I'm glad to have the opportunity to trade information back and forth here today.

I think one of the top issues and the calls we're getting, and I'm sure the minister's office is getting many of the same calls, is going back to the CAIS [Canadian agricultural income stabilization] program. And I guess a couple of overall questions, Mr. Minister, is that to start off I'd like to know . . . And I'm going by the Estimates book here, and for 2005-2006 I see the budget for Agriculture is at \$264,000,353. Estimated last year was 263 but then, as we all know, you fully funded CAIS coming on in December, which is a whole another story and we'll talk about that in a bit too.

But last year actual cost, and correct me if I'm wrong, was somewhere in the neighbourhood of \$404 million. And I guess what I'm asking you in my first question is: are my numbers

very close to being right here, that this year we're projecting we'll spend 264 and last year we were around in excess of \$400 million for Agriculture?

Hon. Mr. Wartman: — Yes, the total amount for CAIS was in the neighbourhood of the 400 million.

Mr. Bjornerud: — Well thank you, Mr. Minister. So I guess the obvious question then is, how on earth do you feel and your government feel that if we needed the \$404 million last year to fund the CAIS program, this year that \$264 million will be suffice to adequately deal with the problems we've had?

Considering, Mr. Minister, as you're well aware of, and I'm sure your officials are well aware of, last year was probably one of the worst years we've had in this province when you add up all the problems that farmers have had. We've gone through the BSE [bovine spongiform encephalopathy] problem that's been ongoing for a couple of years now — no sign in sight of that letting up. But we're talking about 2004. Our farmers had a complete year there of up-and-down low cattle prices. Cull cow prices, slaughter bull price just hit the bottom and have stayed there. And that has taken a lot of dollars out of many of the farmers' pockets.

And I guess to my amazement, Mr. Minister, I'm wondering how on earth we can justify that this last year, the 2003 year, we would need \$404 million — even though it took you until December to finally put that money in which caused problems out in the Ag sector as it was, but you felt that was necessary last year — how can you justify that we won't need somewhere in that area again for the year 2004?

Hon. Mr. Wartman: — Thank you for the question. I think it's very important for us to take a look at the larger picture, and by larger picture I don't mean in the province, I don't even mean in the nation.

I think we're looking at worldwide issues here and when we look around the world, most of the industrialized countries, their federal governments fully fund their agriculture programs, the subsidy programs, and the support programs. This government chose, a number of years ago, to take a tack — the federal government — to demand that the provincial governments supply a significant portion of any of the funding. And they have over a significant number of years, broken that down at 60/40. This government since '99 — and probably significantly earlier — was pressing the federal government for a more equitable formula.

[14:45]

It has been my commitment since I was appointed minister last year to try and do everything I could to get that formula changed. And as the member opposite — critic from last year — indicated, once we had fully funded CAIS for last year, that the members opposite would come on board in that attempt to get this formula changed because it is so patently unfair.

Well the thing I'm happy to report about is that members of governments across this country — the ministers of Agriculture across this country — recognize how completely unjust this system is, and they have been standing with me. We have been

standing together as we have been pressing the federal government for changes, because CAIS as it is structured today, first of all, does not meet all the needs. And second of all — and I guess in this case primarily — it is not affordable on a 60/40 basis. To that extent we have not only complained to the federal government about it, but we have brought forward programs that we know will make a difference for this province.

In the meantime what we have done is we have committed to fund on the basis of what the federal government told us the average payments over the five years would be. We've followed through on that commitment; we have committed \$100 million. And we are continuing to press the federal government with the help of the other Agriculture ministers across this country, to get some changes so that this program will be affordable, and so that we as a nation will be competing on more equal footing with the other industrialized countries where their federal governments do provide the support payments for agriculture.

So how do we budget this way? We budget based on the numbers that we were given. We recognize that there is a huge challenge in front of us in terms of changing the formula. And we are hoping that we will see those changes at least indicated at the July meeting. And following that July meeting, if we have to reconsider, if we have to look at alternative ways of funding, that's the time when we will do it. But we are committed to try and make changes. And hopefully we'll see those changes in a timely manner and the support will be provided.

In the meantime there is an initial payment when producers get their forms in. When they have been processed they will receive an initial payment which is equivalent to about 70 per cent of what they will be entitled to.

Mr. Bjornerud: — Well, Mr. Minister, that sounds very simple and fine when we're talking in here. But the calls that we're getting — the member for Thunder Creek, every MLA on this side of the House — and I'm sure your own office is getting calls from where farmers are asking, what happened to our 2003 payment?

Now this program has a number of flaws and I'm sure you are well aware of many of those flaws. But this is slow, slow reacting. And then to add to the problem that we have out there . . . and maybe I'll just touch on one point that you talked about.

In fact the Deputy Premier talked about it the other day and said, when it comes to negotiating with the federal government for the changing the formula, that the opposition has not been onside. Well that's far, far from being exact. We have always said that we agree with you that the federal formula needs to be rejigged, whether it's 80/20, wherever we can go to make a better deal for Saskatchewan because of the large and vast agriculture industry we have in this province.

That's not even for negotiations. We agree that this is not fair from the federal government. What we are saying it is — because even though it is not fair, the federal government is making us pick up 40 per cent of the cost of this program in Saskatchewan and that the program itself certainly needs some overhauls and some changes — is it's the only program that our farmers have right now.

So we can sit here and argue back and forth, well it's all somebody else's fault. But in the meantime you know as well as I do who is paying the price out there. And it's the farmers in Saskatchewan, the farm families. The stress it causes on those farm families, what it does to kids out there on farms. And I think you're well aware from your background, the stress and the hurt that that can cause on farmers all over this province — ranchers for that matter — all over this province. How many breakups are happening out there that we don't talk about? It's not advertised out there.

I even know, Mr. Minister, of suicides that have happened that I could not prove that directly went back to what is happening in agriculture, but there's nowhere else to look. The problem is because farmers are up against it, have nowhere to turn. So for us to sit here and argue, well 60/40's too expensive, the federal government should pick up more — certainly they should pick up more but we're the only game in town, Mr. Minister.

And I mean we can sit here and argue. You say now we could argue till about July; we may look at coming in. You were the guy in the government last year, Mr. Minister, that waited till December to get in the game. And that added stress to farm families out there. You're well aware of that, I'm sure. But if you're not, I am. And every member on this side of the House is well aware that farmers over here didn't have a commitment from you that you would fully fund it.

In fact many of the calls we got last fall that said, this isn't fair — in Manitoba, in Alberta, in the other provinces that rely on the CAIS program, we're not being treated equal as the other provinces. The farmers aren't worried about whose fault it is, they're worried about whether they can make their commitments of paying their bills. In fact many of them have not even been able to fulfill that obligation yet and are still owing money from last year.

So we can sit here and play politics all we want. We're playing with lives out there. We're playing with businesses out there. And farming is a big, big business in this province, and one that this province actually relies very heavily on for jobs and the dollars that come in through taxation because farmers also pay a heavy amount of taxation. We could go in and we will go in the education tax end of it later, of the cost to farmers out there.

But, Mr. Minister, I guess my question for you right now is, will you not reconsider? Get our money in and then let's negotiate the change in the formula. Let's not wait again — I don't know if we think we're holding the federal government for ransom or what it is — and let's hope they change. I hope they change because let's face it, the government in this province is going to change and we will be there. And we will be if they do not change what is happening now.

And the members opposite laugh. But we're talking about farmers out there. And I would say just about every farmer in this province is represented by people on this side of the House. We see first-hand in our constituencies every day farmers that are just about going under. Others that are trying to plan for this year have no idea how they're going to put this crop in.

And some of that responsibility, Mr. Minister, has to rely with you and your government. And I'm asking you again, will you

reconsider holding this off? Put your CAIS money up and let's get on . . . We'll support you with trying to change the formula for federal funding. You have our support on that, unlimited support. But will you consider changing what you have just stated to us, that we're going to wait until July, August, whenever?

Hon. Mr. Wartman: — Our budget is built on the numbers that we got from the federal government. We are not playing with people's lives here because the people of this province have to fund whatever that we are able within our fiscal capacity.

There are steep challenges in the agriculture field, far beyond the programs of support that we find in CAIS. And we are trying to address those challenges which will lead us forward into a prosperous agriculture sector. Some of those are related to weather, which we have no control over. Some of those are related to world trade, which we are working on trying to change. Some of those are related to where we can invest money to move us into the future, and we know that there is a return when we can invest money into research and development in this province.

We are seeking to help move agriculture forward. But you're right — there's a lot of pain out there and there's a lot of suffering out there. And we have done better in this province in terms of putting money together and getting that money out than most have done. Ten times the provincial per capita average is what we paid out last year. And I committed when I first stood up and started talking about this last year, I committed that we would do everything possible to fully fund CAIS.

But in the meantime, what we were going to do was everything possible, everything possible to try and get that formula changed. And we have been continuing to work at that, providing alternatives that may work for the whole nation because if they work for Saskatchewan, they will work for the nation.

And I can tell you that when we put forward the money for CAIS last year, there were a lot of thankful people that we were able to reach those numbers. And I can tell you that there are a lot of farmers out in this province who are supportive of this government and the directions that we have been moving, who are supportive in terms of the need to change that formula. And I know that when those farmers get their application forms in and when those forms are processed and when they get the initial payment of 70 per cent of what will be coming, it does have a positive impact.

And I can also tell you, Mr. member opposite and the people of this province, that as soon as we know what those final numbers will be, then we will be looking forward to doing everything we can to provide full funding, first of all, through a change in the formula. Second of all, if we can scramble together and pull together some money and I tell you when you look at this province and what we have done, it far exceeds what any other province has done in terms of their support for their farmers.

So yes, we understand there's suffering out there. And because of that suffering, we have been paying far beyond what any

other province does and we will continue to support agriculture to that great extent and we'll continue to try and make the system in this province and this country much more responsive.

Now the member opposite also asked another question which I think is important and that's around the timeliness of the payments. This has been a very, very frustrating piece for most producers who are . . . there's a delay of a year. And we have been pressing again for the federal minister to make some adjustments. And I know we met with him last week and he is trying to find some way of facilitating those payments getting out earlier.

So on each of these fronts, we are working. We're working with the federal government and we're working with the other provinces to try and make sure that we've got a system in this province that will . . . in this nation and this province that will work for Saskatchewan, that will be affordable, and will provide the necessary kind of payments in a timely manner. That's our commitment, to work to make that happen.

And I appreciate that the member opposite has said that they will give us their unconditional support in our attempts to try and change the formula. We need that support. The more we stand with a solid voice when we're speaking to Ottawa, the better off we all are. Thank you.

Mr. Bjornerud: — Well thank you, Mr. Chair, Mr. Minister. Well we've got that straight. We've got that part out of the road.

But I guess the problem, maybe I'm not making myself clear enough, is that if I remember right last year, we had a billion, over a \$1 billion windfall in this province. A lot of that attributed to oil and gas, another part of that attributed to equalization money from the federal government. So there was a lot more money coming into provincial coffers last year, last fall, than was expected.

And I guess my question, Mr. Minister, is: how much of a bonus would we have to have from the federal government, or for what other area if oil and gas goes to \$100 a barrel like some are talking about it may in the next couple of years? At what point will you get on board and say, well because our farmers in Saskatchewan here should be on a level playing field with the rest of the country, we will honour this commitment?

Just once I think it would be so good for the members on this side of the House and farmers that we represent would be to have your government come out when a program of any kind comes out and have you agree to say, it's a good program; we're going to be there for our farmers. And I've heard you say that a number of times, except I take exception to that because I haven't found many instances when you've actually been there for our farmers. You got over putting . . .

An Hon. Member: — Oh come on.

Mr. Bjornerud: — The minister says, come on. Now think about this for a minute. What program can you list off in the last while that you've actually helped farmers in Saskatchewan by being to the table right away with dollars when a program comes out federally, many jointly agreed to by both — or not

agreed to maybe because you guys always hang out — but where our farmers are actually treated the same as every other province in this country?

Our farmers always seem to have to take the back seat to every other province — Manitoba for an example, who has by the way an NDP government. They hold off it for a while and try and get a better deal as you're doing. And they agree with many things that we're doing here in Saskatchewan. But they always get to the table far sooner than you guys do. You know, and we can go into crop insurance. We can go into all these different programs where it seems that we're so hesitant to get to the table right away that our farmers are the ones that are up against the wall.

Mr. Minister, can you explain to a farmer out there that's applying for an operating loan and hits a, just like he hits a brick wall when he's talking to his banker? Because you know what? That banker is saying, this program, the CAIS program is not bankable. And why is he saying that? It's because there's no commitment at this point from the provincial government to honour their share.

So he's going to the bank and trying to borrow money on a 70 . . . 60, 70 per cent commitment that the farmer across the border in Manitoba can turn around and have a 100 per cent commitment. How on earth can you explain to those farmers out there or tell them? What do they tell the banker? I guess that would be the best question. What are you going to tell a banker that he will come forward and honour an operating loan that they may have had last year or the year before, an operating loan that they so desperately need to put this crop in?

And, Mr. Minister, you know as well as I do, fuel costs for diesel last spring was probably what, 43, 44 cents. This spring we're talking in the neighbourhood of 69, 70 cents and maybe higher. And we don't know. It's such a fluctuation. But when a farmer goes to the bank for an operating loan, he's got to list all these things, all these projections of what his costs are going to be, what his income may be, and what he's guaranteed for income through programs, whether it's crop insurance, CAIS program, set-aside program — whatever the programs out there are right now. He has to take that to that banker, and he has to convince that banker that I will be here a year from now. Because of programs like this, I can honour my loan from the bank.

[15:00]

And the bankers are saying right now, I'm sorry. We would like to stand behind you but we can't because in Saskatchewan these programs are not fully funded. And, you know, maybe, Mr. Minister, I should go on with something else, but I think this issue is so important that you get the message from farmers out there.

And I know you've had calls because we've had calls from farmers saying, I called the minister's office. I'm calling you now because I really didn't get the response I'd hoped we got. Nobody is explaining to me how I put this crop in, especially the ones that are saying I couldn't pay off last year's bills.

Tell them, Mr. Minister, how they're supposed to deal with that

banker and what they're supposed to use for an operating loan this year to put the crop in.

Hon. Mr. Wartman: — Well there are a number of issues that the member raised and questions within those issues. I did say, oh, come on, because the records will show that the member said that we did not fully fund programs. He did change it in his secondary comments, which is important to note.

But the point is, we did come to the table quickly on BSE and we had funding in place. We did come to the table, and we have continued to come to the table in terms of fully funding crop insurance, our environmental farm programs. And we have . . . by the end of the year last year, we had fully funded CAIS. And I can tell you that in our record we have been there. In the last couple of years, \$85 million for BSE. The programs have come forward.

The second question that the member raises is around bankability of programs. And this is a real dilemma, I think, for people dealing with CAIS because a number of the factors that are involved there is, you send in . . . you fill out your forms, you send them in, but then there's the whole approval process, the checks to see if they fit or they don't fit and how much they're going to get. Well no one knows. The accountants were often off when they estimated for farmers what they would be able to get out of that program, or what they might get.

And bankability is if . . . it's like a loan guarantee or something where you know the amount. Well in CAIS that just simply isn't the way it operates. I mean, you could say that if your estimate is accurate, if your accountant's numbers are accurate, that bankability is 70 per cent. But still at the beginning of the year when you've filled out your forms, when you've sent them in, there's still no guarantee that what is your estimated payment is going to be your payment, nor that 70 per cent of that is going to be your payment. And I think the banks back off on that.

However if we look at the issue of . . . I mean, their input costs are a huge factor along with prices. And I think that's causing many, many problems for many, many farmers out there. Few of those are factors which the provincial government controls.

Now, your point about, well then, the provincial government should be backfilling. Well the problem is, and we've seen this over many, many years is, when the provincial government or the federal government or a program backfills, those who are charging the prices, who are price-setters, seem to somehow have a need to gobble up however much is put into the program. And farmers are price-takers. Whatever the price is, they can't make a difference there. They have to take that price. That's something which our programs have tried, I think over decades, to meet that.

But we've got farmers out there who are looking at all of the crops that they might grow. They're doing their numbers on the input costs that they have to get. And there's not a lot of crops that are showing a huge possibility of great returns. But that said, the reports out this afternoon say that we will see the same number of seeded acres approximately as what there were last year.

So farmers are finding the resources. They are moving ahead. They are making the commitments to move ahead. And we are making the commitment that we will be funding CAIS to a per cent. And then when we can . . . and they will get the initial payments as their forms are processed. And then if we can get a change in the formula, we'll make sure that they get whatever else is coming through that program.

We will be there, as I have said many times. We have been there, and we will be there for the producers of this province.

Mr. Bjornerud: — Well thank you, Mr. Minister, but I know there's a number of programs that you haven't been there. And we talk about the farm family opportunities program, the conservation cover agrologists last year. Do I remember right? Are my facts right, that we let a bunch of agrologists go that assist farmers in doing the business that they do?

The property tax rebate — you've put in 8 per cent now, after in the last ten years probably jacking the taxes . . . The education tax on farm land has probably gone up 100, 150 per cent, and we're returning 8 per cent and saying what great guys we are. And nobody's begrudging the 8 per cent for sure, but there's sure the need out there to deal with problems like that are far greater.

We talk about the CFIP [Canadian farm income program] program, if you're talking about programs that you've funded. Well that was one, if I remember right, wasn't fully funded.

Another one, Mr. Minister, maybe you want to talk to me and tell me about the set-aside program now, the \$200. If I understand it right, the federal government's share has gone out. Part of the provincial share went out at the end of the month — and correct me if I'm wrong. I might not be quite right on this — and then the other part of the provincial share isn't going out till the end of June. Would you care to comment on that, Mr. Minister?

Hon. Mr. Wartman: — Well in terms of the set-aside program, we did make a commitment to the full amount of our funding for the set-aside program. We also made a commitment in terms of good stewardship to do so in a stage program. The second payment is not coming in June as the member says, but is scheduled for October. It is when the costs are incurred and the payments will be made. Farmers know that. They can plan around it. We are fully funding the program as well.

Mr. Bjornerud: — Well, Mr. Minister, through the Chair, maybe explain that a little clearer to me. If a farmer took part in the set-aside program, has he received a cheque of the federal money to this point?

Hon. Mr. Wartman: — Yes. The producers who have joined the set-aside program have received the full amount of the federal money and they have received the first stage payment from the provincial government.

Mr. Bjornerud: — Well, Mr. Minister, again I guess what I'm going back to is where Manitoba and Alberta and some of the other provinces are. From our understanding is that farmers in that area that took part in the set-aside program received the full \$200 when the first federal money come out, which was not that

long ago, but they got the full \$200.

How on earth do we think it's cheaper to pay in increments? And we're not paying till October the other part of the money. Wouldn't it be cheaper administratively and all the other issues involved . . . is to give them just once this \$200 up front in one shot? Because, I mean, the costs are there now. They're keeping these cattle over. Why do we have to always in this province make it more complicated, more administration? I mean it would be so much simpler to have given the full \$200 shot and got that part out of the way and they'd have the cash in their pocket. What is the reasoning that here in Saskatchewan we have to drag this out?

I had one farmer ask me if we thought . . . if the government thought maybe they weren't old enough or smart enough to handle the full 200 in one shot. So maybe, Mr. Minister, you can explain to him why we have to hand it out like an allowance instead of handing it out as the other provinces do, in a one-shot time and save administration.

Hon. Mr. Wartman: — I think it's very important to know that some of the other provinces, in looking at the program . . . And we are not the other provinces. We do things differently. Sometimes we do them better and faster. Sometimes we do them just differently, and sometimes they don't roll out the same way.

And I'll give you an example . . . is the CAIS payments. Alberta is at about — the last numbers we got — about 62 per cent of their payments out. We're at about 92 per cent of our payments out because we do it differently. We do it better. And there are numerous examples where the kind of work that we do facilitates payments faster.

But we also try and do good public policy. And I think the member opposite will agree with me that good public policy is important. And in this program, this set-aside program, one of the possibilities was that we would see a March 7 border opening. The question I would ask is, should we have put the taxpayers of this province on the hook for a full payment and then try and take back that payment which was to cover feeding of animals for a whole year period? It was not about wealth transfer; it was about providing the support for a set-aside that would normalize the market crisis, which it was a factor in doing that.

So in terms of good public policy, we think that what we did was right. We have heard feedback from other provinces saying, yes indeed we think that is the way it should've been set up, and complimenting us on the good public policy. It was not, I repeat, about a wealth transfer. It was about payment for a program which could end at any time with a border opening. And it's about paying producers for the cost during those times to enable that set-aside to happen.

Mr. Bjornerud: — Well, Mr. Minister, you may be getting compliments from the other provinces, but I haven't heard too many of those compliments being passed your way from the farming community in the province of Saskatchewan.

Mr. Minister, on the set-aside program, if I understand it right, you had allotted \$40 million, is that right for that program?

Hon. Mr. Wartman: — Yes, we did fund that program in our planning. We're looking at, excuse me, the potential number of animals that would be enrolled in Saskatchewan, and we were also looking at the time that they would be set aside and what the cost factors would be there. And to that extent, we had budgeted in the neighbourhood of . . . well we had budgeted \$40 million for that program.

And if that money is not ultimately used, then there will have to be some redesignation. And we hope if that comes to pass it'll mean the border is open, the trade is better, and our redesignation will have a positive impact for farmers in the province.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Chair, I guess my question then would be, would you not know at this point exactly what it will cost the provincial treasury for this program?

I believe the application deadline has passed, has it not, to apply? Or is that still an open-ended book?

Hon. Mr. Wartman: — The three elements of the program, the fed cattle set-aside program is still in progress as people register to take part in that program. It's paid out somewhere in the neighbourhood of \$46,000. We see in the other ruminants side of the program, payments have been going out. It's expected that they'll be about 1.8 million by the end of that. And the payments under the feeder cattle, we're estimating will be somewhere in the \$25 million range.

And again that's very, very dependent for the feeder calf set-aside, very dependent on when a border might open. If it's the extended year program, then we'll have the funding in place. We'll fully pay that out.

Mr. Bjornerud: — Thank you, Mr. Minister. I guess another question to do with the set-aside, I noticed Alberta has a deadline of October that the people have to set aside their animals for before they can move them in Saskatchewan. Can you correct me if I'm wrong, but I believe we're January.

Hon. Mr. Wartman: — Well one of the things that happens when we're engaged in developing programs with the federal government and the other 10 provinces, occasionally we get a national agreement on a program which we did on this program, and the January date was the date that had been agreed upon. And Alberta, which does have the advantage of a significant surplus and large treasury, decided that they would go for an October date. We knew that that would impact producers in Saskatchewan as well, being as we're the close neighbours here and working in the same market.

And so in our discussions we determined that we could set — and we talked this over with the federal government and other provinces as well — that we could set an alternative October date that farmers could choose, and payments would be proportional to when those dates were. So the payments for an October date would have been a little bit less than the January date, but that was all dependent on the kind of support that was there for the farmers to feed their animals on the set-aside.

[15:15]

Mr. Bjornerud: — Well I guess the only reason I kept going on that, Mr. Minister, was that if farmers in Alberta can let their cattle go in October — I'm not sure if it's the beginning or end — and yet here in Saskatchewan we have to hold them until January, I think the cost to our farmers is an additional three months to hold those same cattle over. And I guess if there was a benefit to our farmers, why wouldn't we have gone in October with Alberta . . .

Hon. Mr. Wartman: — They had the choice about that . . .

Mr. Bjornerud: — Okay, I missed that, Mr. Minister. We'll go with that for now.

Mr. Minister, I got a call and it was kind of an interesting call. But a farmer had got some information that within the CAIS program . . . and I'm not sure if this is federal, and I hope you can correct me if I'm wrong. But within the CAIS program itself, there's been up to 200 layoffs from office staff that have worked with the CAIS program. Can you explain any of that to us?

Hon. Mr. Wartman: — That is of course the federal program. And it's our understanding that those are national numbers which you were quoting, and it's a regular seasonal layoff as the numbers of forms are completed and paid out, and we are at 92, 93 per cent now here in Saskatchewan. Other provinces that are under the federally administered CAIS program are also far ahead, and so they are able to lay staff off for a period of time. And once the forms start coming in en masse then there will probably be a corresponding increase in the numbers of staff to handle the increase in the number of processing forms.

Mr. Bjornerud: — Thank you, Mr. Minister. Is this federal bureaucrats that have been let go on seasonal basis or is that provincial?

Hon. Mr. Wartman: — Those are all federal. We opted into the federally administered program.

Mr. Bjornerud: — Okay thank you. And I guess with the number of calls we get on the program being so backed up . . . let's face it we're still talking some cases, in fact quite a number of 2003 claims that haven't been processed yet. I believe you said 91 per cent we're up to at that point, somewhere in there. But then we've got to go through, all the way through 2004, and the program itself is so slow reacting that a farmer can be long gone before his cheque ever hits the mail if he's one of the unfortunate ones that has it sit on this desk to that desk. And I'm sure you've got calls that we've also got, that it can be a nightmare trying to track where their claim is and whose desk it's sitting on and for what reason it's not being processed.

We have people that have switched over to the accrual accounting process, and we've even had people say that well it's on this desk, and it's being held up because we're dealing with all the other accounting methods. And, you know, it's frustrating for farmers when they try and track what's going on when they finally think they do qualify for a payout out of these programs.

And again as we've said, these programs aren't as bankable here as they could be in other jurisdictions or as bankable as we

need them. And when we have this slow reaction time to these programs, it's really hard for farmers to have a poor crop or a downturn one year and see the next year that that cheque's out very early in the new year to help them get through that new year. It may be as much as two years away, and that certainly isn't saving anybody from bankruptcy or anything else that they might have to go through . . . or selling their farms or whatever. If may be this payment was large enough that it could have kept them going for another year or two until the crops improve, until the border opens, whatever it is.

So I guess we're talking about the program not being receptive enough or quick enough, reactionary enough, to really help farmers in a timely mode out there. And I guess when I hear of people that administer the program being laid off it makes us really scratch our heads; what on earth is going on here, seasonal or otherwise? Why don't we catch up on the ones we're behind with and then maybe get up to date? It reminds me of the waiting lists in health care in the province that just seem to get longer and longer.

Mr. Minister, I'd just like to go back . . . and correct me if I'm wrong; I believe you said 91 per cent we have, were up to date on the 2003 program?

Hon. Mr. Wartman: — Closer to 93 per cent, I'm told, that have been processed for the '03 program. The reality of this as we understand it . . . and certainly there are people who are concerned about the timing of this, and I've raised that with the federal minister and we've been . . . I know he has been trying to figure out ways that we can deal with this. Now we can do an advance, always there is the risk that somebody might take significant advance and then have to pay back over time.

But we're trying to find mechanisms, and I am assured by the federal government that their officials are working as quickly as they can, and they're working with our officials to try and find some way of making sure that these payments flow in a more timely manner because we're all very well aware of some of the issues of cash flow that farmers are facing.

My understanding is that the forms, the CAIS payments left to be processed are, generally at this time, they are the larger payments. And they should be — I hope that they will be — flowed out just as quickly as they possibly can. The fact that they're larger probably means that you've got one or two people dealing with each file, and retaining a whole lot of other people who are dealing with preliminary aspects of the CAIS forms and CAIS filings wouldn't really affect finishing up these larger files. That is the understanding that we have at this point.

Mr. Bjornerud: — Mr. Minister, another thing that's came to our attention is that Alberta, I understand, administers their own program in Alberta. And from the information that we've got is they're far ahead of us in dealing with these applications. Can you comment on that? Does Alberta not administer their own program?

Hon. Mr. Wartman: — Yes, Alberta does administer their own program. In the last numbers we got was that they were determined to try and get a fast track because while we were at somewhere in the 90, 91 range, they were in the neighbourhood of 62 per cent complete. So they have decided that they need to

fast track and move that ahead.

Let me just give you an idea of the kind of processing that has already happened for the 2004 claims in Saskatchewan. There were not quite 4,200 applications received, and there have been almost, well, 2,700, just over 2,700 applications processed already. And there are another 1,400 in progress. Payments out — this is 2004 — 1,467. So we are moving ahead with the '04 year as well. And I hope that we will find a mechanism for making this cash flow a little earlier because we recognize the problem there.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister just getting back to the Alberta doing their own administration here makes me wonder if it might be something we would want to look at in the future maybe too. Does Alberta receive any federal money to support them for the administration costs because they're doing it themselves?

Hon. Mr. Wartman: — It is our understanding that being in the federal system allows them to use the tax information that the federal government carries, which does move things along more quickly. There's another aspect as well, and that is just in terms of running the computer programs to move these forms through. And I think it's because we're tied into the federal program that we have been able to move through them as quickly as we have.

Alberta with their own system . . . I mean there are some benefits to going that way, no denial. But in terms of trying to flow the cash as quickly as we can, which for us we see as a real concern, tapping into the federal system and having them do the administration has given us more speed in terms of our ability to process the forms. Frustrating as it is that they're not all through, it has given us more speed than what Alberta has had.

Mr. Bjornerud: — Mr. Minister, can you give us any timeline today when they hope that the 2003 applications will be fully processed and we'll be on with 2004 only?

Hon. Mr. Wartman: — With the exception of the problem files and those files in which farmers choose to appeal, it is our understanding that they should have the rest of them finished by the end of April.

Mr. Bjornerud: — Thank you, Mr. Minister. Interesting you talked about appeal. That brought something else to mind. Supposedly a farmer would have the right to appeal if he wasn't satisfied with what the payout was in the program?

Hon. Mr. Wartman: — It is our understanding that out of the thousands of farmers that were supported with CAIS, that there are about 98 appeals. The system is in place for those appeals to be moved forward, but there is always the hope that if an appeal is filed, that they'll be able to work it through administratively. If there is some problems there, that they'll be able to correct it before it actually has to go to the appeal panel. And they should be . . . I'm hoping that they'll be able to move through those in a fairly timely manner as well.

Mr. Bjornerud: — Thank you, Mr. Minister. Well I guess my question is then, is there actually an appeals committee in place at this point?

Hon. Mr. Wartman: — They have their system set up. We're not clear as to whether they have made their full slate of appointments on the appeal panel, but that has to happen. It's our understanding that they will be prepared to move by May, that they will be prepared to move on those by May.

Mr. Bjornerud: — Well thank you, Mr. Minister, because the reason I ask these questions is when you mentioned appeals, it brought back to mind a note that I'd been given by a farmer, that he was told his appeal should be heard on January 5, and then to his amazement finds out that on March 29 there's still actually no appeals committee in place. And I guess again the grief that this causes this farmer out there is that whether he's getting this amount of money, or this amount of money after the appeals process has gone through, he was shocked to find out the appeals process is not even in place and his chance of receiving money in the near future are probably slim to none.

Mr. Minister, you'd made the comment in one of your answers here before — we were talking about the 2004 program — and would you just go back into that. Did I hear you right, say you'd had only 4,200 applications to this point for the 2004 year and we've processed about 2,700? Is that all the applications we have received to this point for 2004?

Hon. Mr. Wartman: — Yes, that is accurate. That's the numbers that we have as of April 10.

Mr. Bjornerud: — Well, Mr. Minister, is that number not a way lower than you would have projected due to the year we had last year, or are you expecting a flood of claims to still come in, in the future?

[15:30]

Hon. Mr. Wartman: — It is our understanding that this is a fairly normal pattern because farmers will be doing their income tax as well as filing the forms. And so some time after the tax filing, the forms will probably start to flow in fairly quickly.

Mr. Bjornerud: — Thank you, Mr. Minister. I guess the other consistent complaint we get, and I'm sure you get the same complaint, is the administrative costs and the hurdles that farmers have to go through to put in a claim. And it's just like a nightmare. And I know why some of the farmers haven't put their claims in yet because it's driving them nuts, the rigmarole they have to go through to claim for CAIS. I go back to AIDA [agricultural income disaster assistance] and CFIP and all these programs.

Is there no way or is there any . . . Maybe the question I should be asking, is there anything in the works where your department maybe is working with the federal government? Is there no way we can simplify these now that we've got the CAIS program? And I'm not saying it's a perfect program, needs many changes made to it, but again it's the only program in town. Is there no way that we can simplify these programs?

You've talked about farmers have done their income tax or are doing their income tax — deadline's coming very quickly. By using their income tax . . . And they've got their amount of grain on hand, their cattle on hand, and all this is recorded now

from years past. That was a real hassle to start with. Is there no way that we can simplify the program right now so that farmers aren't spending the kind of dollars they are on administration, and actually in some cases almost making it prohibitive to even bother applying for CAIS?

Hon. Mr. Wartman: — There are three points that I'd like to make in regard to revising the program to make it, make it more effective, more simple. First of all, the federal government has been working to try and tie the program closer to the tax system so that a supplemental form could be filled out. I think that will be effective.

I think one of the other things that we've seen has been for many farmers last year, and part of the complexity of it, was shifting to an accrual accounting system, which I think now that they've gone through that process, it'll probably make it a little bit less costly and smoother for them as well.

Secondly is with regard to the CAIS deposit. And I know the member opposite knows that I've pressed on that very hard and we're seeing some change in that. I still don't know what the final result of that will be, but it has been our position that the deposit should be removed and that the commitment of the farmers on their portion of the program should simply be what they're covering in terms of the losses.

And so we'll see how that moves forward. I mean some of the other provinces have a different point of view on how the CAIS deposit should be worked out, whether there is administrative fee. And I think from my understanding, that fee would probably tie in to what actual costs of taking out a loan to pay the deposit would be. So that might not be too onerous. And others are talking about a deductible.

But all of that has to be dealt with at our meeting in July. The officials have been working very diligently on that to try and provide us with the best advice and the best way through this, and we'll be deliberating that in July.

And the other thing that we have asked for at the federal-provincial meetings is really to see if there is any way to develop more administrative simplicity. And again, the officials are working on that front to see if there is any possibility of getting more simplicity for the future.

Mr. Bjornerud: — Thank you, Mr. Minister. Mr. Minister, has your department, in conjunction with the federal government, any projection for 2004 of what kind of dollars we may be looking at when the smoke clears from 2004 applications? Are we far enough into the year that you can give us some kind of a number in that respect?

Hon. Mr. Wartman: — Without adding up the federal government's 60 per cent, I can give you the range of projections that they're giving us today. For 2004, the range today is 179 million to 206 million. And when they're ranging out even a little bit further for the 2005 CAIS program costs, again if we're into a 60/40 split, the provincial portion is estimated for '05 CAIS year to be somewhere between 228 and \$245 million.

Mr. Bjornerud: — Forgive me, Mr. Minister. Maybe I'm

misunderstanding what you're saying. You're saying for 2004 it could range somewhere from 179 million, our share of 206 million, and that's fine. And you talked about 2005. How would they have any idea of what 2005 would cost us?

Hon. Mr. Wartman: — I think as all of us in this House experienced last year when we were told signing on to the program that the program would cost us \$100 million a year over a 5-year average, that there's a lot of iffiness in the computer modelling program that the federal government has.

There will be learning in terms of now having one year behind us, moving into the second year. But their projections for 2005 are based on a computer model. They try and take in all of the relevant factors to that model to give us a number. But I'll tell you, it's not a number I'd want to budget on today. And as I say, I'm also hopeful that we will see some significant address to the issue of affordability before that time.

Mr. Bjornerud: — Well thank you, Mr. Minister. I find for the year 2004, especially both sides, we know that the frost hit, well, this half or the east half of the province; in fact, maybe even a larger area than that. And just took what was a bumper crop, we all know which we all needed, not just the farming community, but businesses involved and everyone for that matter, needed that crop to come off like it was, and that wasn't to be — the frost hit.

But I'm somewhat surprised when you add into the BSE problems that we've got in our cattle industry, and I know feeders aren't all — were for a while — weren't all that bad of a price. They're kind of moving around now a little bit, but where our cull cows are just about valueless out there. Butcher bulls are just about valueless. You hear stories of farmers just about having to give them away because there's no money coming in.

I would have thought for the 2004 year might be one of our worst years that we ever have, either, you know, from past or into the future. And I find it awfully low to have 179 million to \$206 million as the dollars that we would have to put in that program for this year.

Hon. Mr. Wartman: — I think the member raises a number of good points and those points are exactly the reason why we're quite skeptical about the numbers that keep coming through.

I mean, again, when we signed on to this program, they assured us \$100 million a year is going to cover it. And there's so many variables and we get these range of numbers. I can tell members opposite that when we were coming into the fall, the numbers that we were getting were significantly — and this is late fall — were significantly lower than what the final payout actually was.

So I mean, you point to . . . the member points to a factor that we have to live with and that is, that the ranges vary quite significantly and they are projections at this point. There will be a number of factors that do affect us.

The Deputy Chair: — I recognize the member from Last Mountain-Touchwood.

Mr. Hart: — Thank you, Mr. Chair. We'll get to the right mike

here. Minister, I was listening to your . . . comments of my colleague and your answers on the estimates of payouts for 2004 and 2005, and your comments about the uncertainty of those level of payouts for 2003. And I guess the question that came to mind is, do you and your department not have any capacity whatsoever to do any type of calculations as to the cost to this province of this CAIS program? Have you no . . . You have a whole department behind you. Have you no one within your department that at least has some ability to do some forecasting as far as the Saskatchewan portion of this program?

Hon. Mr. Wartman: — Yes, I think it's very important to note that we do have staff who have the ability, who are very definitely capable of doing analysis. And yet in our initial analysis, it was our understanding that it would be better for the province, better in terms of timing and consistency, to work with the federal government, to use their system. Now that system, as we have already discovered, has a lot of difficulties in terms of projection. And it's because there are so many variables involved.

But we believe that the projections that they're doing with the information that they have are the projections that get us closest now to what those potential numbers are. So it's not a matter of whether our department officials have the expertise. I have every confidence in the department of Agriculture and Food officials that they can do tremendous work. But it is the federal government that is running this program for us. We're happy to have them doing that. It's kept us ahead of Alberta in terms of moving the process through. And not that we're in competition with Alberta to move it through, but that's the only comparable provincial model that we have to compare with. They are administering themselves.

But co-operating with the federal government on this front, we do provide them with statistical information to help in their analysis as well. So though those numbers are off, it just tells you how difficult it is to project to any level of exactness what we're going to be dealing with in overall payments. But as to the ability of our officials, I have no question. I have every confidence in them.

Mr. Hart: — Minister, it seems a little surprising that your government would sign on to a program that commits this province to spend in 2003, 210 million; 2005, possibly \$250 million, and you wouldn't have . . . You say you have staff that can . . . I'm not talking about administering the program. I'm talking about estimating the cost to the province. You say you have staff that's very capable. I have no reason to doubt you.

I guess the question I would have is, why don't you have your staff work on those cost estimates so that we're not waiting on the federal government to give us the estimates? You said that, you know, there's a lot of uncertainty coming from the federal government. We have StatsCanada. We have our own . . . In our own province we keep track of things like seeded acres and crop prices and all those variables that affect these calculations.

Yet no one in your department seems to have said, well gee, maybe this is an important thing that we should at least have a ballpark figure of what this program is going to cost us on a year-to-year basis. And therefore we end up budgeting \$99 million. I mean, this is inexcusable, Minister.

Hon. Mr. Wartman: — Well once again, I think it is very important for the member opposite to recognize the complexity of this system. The federal government working with governments across the country came up with the program, did their budgeting, set out the parameters, told us to the best of their understanding that this program would cost \$100 million a year average over five years.

The department staff provides statistics to the federal government as the federal government needs those statistics but the members opposite must also understand that the federal government has access to most of that information which the provincial government does not — the taxation side of it, some of the other items that are there within the federal knowledge bank.

[15:45]

And also to let you know that they have one whole segment of a department that is set up to look at this issue, try and do the projections for CAIS. This is a very, very complex issue. There are so many factors involved. And in any way for the member to posit that the provincial government could be — because of the expertise we have, and we do have the expertise — but that we could do it faster or better, not having access to all the federal information, is simply wrong.

The second factor is that we have agreed to work together with the federal government and the other provinces to try and make sure that all of the information flows together to give us the broadest, best analysis of the whole program. And so it is very complex.

And I don't doubt that the federal government, in trying to come to their numbers, the numbers that they're giving us for '04 — between 179 million and 206 million — are the best estimates that they can give us, given all that information that they have access to plus the information that our officials provide for them to do that analysis. And the member is right that our officials do have good data on this province and do provide that very good data to the federal government with which to do their work.

Mr. Hart: — Minister, I can remember when we were back in this House last fall and we were talking about the total cost of the 2003 program. And one of your arguments is that you were told by the federal government — and you've mentioned it here several times today — that the estimated cost of this program to the province of Saskatchewan would be around \$100 million per year and so that's what you have budgeted.

Going back again to my previous point, I'm not suggesting that we should be administering this program in Saskatchewan. Perhaps we should, I don't know. That's an entirely different argument.

What I'm suggesting, asking, is what is the ability of you and your department to estimate the annual cost of the program to the province?

And I don't think . . . I realize that the program's a complicated program. I am also a grain, an oilseed, and beef producer, and I participate in the program. But the global numbers . . . When

we talk about gross farm income for the province from various sectors, there's estimates of cash cost, there's trend lines. I cannot accept that . . . And I'm not asking that the estimates be within \$10 million, but I cannot accept the excuse that we have to depend on the federal government to provide us with our cost estimate. It seems to me that's a very poor way of doing business — that you sign onto something and you have absolutely no idea what it's going to cost you. And you say, well, the federal people will tell us. And now what are you telling us? That the federal people won't even share the information? That's what you were inferring. I would suggest that's not correct, that they probably would.

I'm just asking . . . I wonder if you and your department ever asked them for their information so that you can incorporate these figures and come up with a ballpark figure as to the cost of this program to the province. Minister, I think you need to do better in this area.

Hon. Mr. Wartman: — Well the provinces that do administer the program on their own acknowledge that it is probably better to have the projections done by the federal government who has the funding. That doesn't mean that we can't take the information that they provide for us, because we are dependant on their information for some of the ability to do the analysis. Sure we can do that. And we could spend the money for staff to try and do this analysis, and we could spend the money to try and get a parallel computer model to what the federal government is using to do this analysis. And, you know, our projections might come out closer than what the federal government projections come out.

But, you know, we are a lean department that is working very, very hard to try and put as much resource into the industry as possible. And we are assured by the federal government that they believe that as we move forward in this program, that their projections will become more accurate as they gain experience in the program. Currently the numbers that they are giving us they are estimating, given the background that they have, they're giving the numbers that I have given to you, they are estimating will be closer than what they were in last year's estimates.

That said, I will remind you that when we came into the late fall, November for example, we were still getting numbers that were far below the 210 million which was our final payout. So can we do the analysis? Well we still are dependent on the same kind of information. We do accurate analysis on our provincial information. We provide it for the federal government. They bring in the information that they have. They have the computer program that does the modelling.

And even with all that there are still challenges to getting an immediate, accurate analysis. They assure us that as time goes on they will be able to give us more accurate assessments. But to go off on our own would be highly expensive and in our view would not allow us to return as much to the producers of this province.

Mr. Hart: — Well, Minister, I guess on this issue we'll have to agree to disagree and we may have an opportunity in the future to get back to it. There is one other . . . The clock is moving and there is an issue that I would like to discuss with you before our

time is up.

On April 6, there was news release here in Regina by the Saskatchewan Soil Conservation Association. And they unveiled their plan and talked about the agreement that they had reached with Environment Canada on a project which involves 200 farmers in the first carbon trade in Canada.

My question to you, Minister, is: what type of support and what involvement did your department have in assisting the Soil Conservation Association in developing this, reaching this agreement with Environment Canada?

Hon. Mr. Wartman: — Our involvement in the process is as a supporter of a client customer, or pardon me, the Soil Conservation groups are a client customer of the department, and so we provide for them a certain level of expertise. But they applied to the federal government for the program, were accepted, and it is a federal government program that they are enrolled in. Our involvement in that program was — directly — was minimal.

Mr. Hart: — This program, or this pilot project that the Soil Conservation Association along with associations from other provinces, as I'd said, is a pilot project which is the first carbon-treating project in Canada, which is all part of the federal government's Kyoto implementation program. Minister, this is an area where Saskatchewan farmers potentially could receive some fairly significant benefits under the federal implementation program which would help offset some of the future increased costs of energy.

I wonder, Minister, could you outline what efforts and what type, what numbers of personnel you have assigned to this file? And just where is your department on this file, the whole area of sequestering carbon in our agricultural soils?

Hon. Mr. Wartman: — It is our hope and our belief that this pilot project will give us insights. We do have staff who have been working on the whole issue of carbon sequestration. Again, we've worked with the soil conservation groups urging zero tillage and forage cover over a number of years. It's still a little early to figure out exactly how this system is going to work, and how points will be accrued, and who will be able to accrue those points. Rumour has it that there are some groups that have independently aggregated and are seeking to sell their credits on the open market. I have no more than rumour on that front.

But it is, from our perspective, a little too early to say exactly how this program is going to roll out. The pilot project should, I think, give all of us in this province, provincial government, farmers . . . and I think will also help the federal government in determining the dimensions of this process. I think what our hope is — and I don't want to go too far because I think there is a lot of work yet to be done — but our hope would be that the net gain would be to Saskatchewan farmers.

Mr. Hart: — Minister, I couldn't disagree with you more when you say it's too early. In fact it's too late. The federal government signed the Kyoto Protocol two years ago. Agricultural soils and their use as carbon sinks were part of that agreement. It was known; this is nothing new. And there are

other provinces that have been working on this and trying to establish protocols and promote this idea, with the idea of getting maximum benefit for their producers.

Saskatchewan, the province with the largest number of arable acres in the country, has been sitting on its hands, has been doing absolutely nothing on this file. Absolutely nothing. And now you stand up in this House and you say that it's too early. You have done nothing and you should be ashamed of yourself. And the losers in this whole file are going to be the farmers of this province, Mr. Minister. Yes, make your gestures, Mr. Minister. Stand up in the House and make those gestures, and then we'll see what kind of an Ag minister you are. You should be ashamed of yourself for dropping the ball on this file.

Hon. Mr. Wartman: — Well I think it's very important that when a member asks a question, that the member should listen to the answer. I indicated to the member the kind of things that the province has been doing and that the province has been working on. And the member opposite can join his members in all the name calling that he wants and all the challenging he wants, but I can tell you very clearly, I can tell you . . .

[16:00]

The Deputy Chair: — I ask the members to please . . . ask the members to restrain comments while the member is speaking. Thank you.

Hon. Mr. Wartman: — I think it's very important to note the work that has gone on in co-operation with the soil conservations group. I did indicate that earlier. I did indicate that the department is working to try and get the best possible understanding of how to make sure that we do get the best gain for the people of this province through that process. That work is ongoing. So the member can deny hearing it all he wants, but that's what was said.

The work is ongoing. The department is engaged and I expect that we'll see some good results of that in the future. Thank you very much.

The Deputy Chair: — I recognize the Deputy House Leader.

Hon. Ms. Atkinson: — I move that we report progress and move on to another department.

The Deputy Chair: — The Deputy House Leader has moved progress and moved on. Is that agreed?

I recognize the member from Melville-Saltcoats.

Mr. Bjornerud: — I just want to — thank you, Mr. Chair — just thank the minister and his officials for answering our questions today and I'm sure we'll do this a number of times again. Thank you.

Hon. Mr. Wartman: — I would also like to thank the member opposite, the critic for his questions, and my department for the good work that they do and the analysis that they do and for their being here and support through this portion of estimates. Thank you very much.

The Deputy Chair: — The minister has moved that the committee report progress. Is that agreed?

Some Hon. Members: — Agreed.

The Deputy Chair: — The next item of business before the committee is estimates for Government Relations, subvote (GR01). We'll pause while the minister gets ready.

**General Revenue Fund
Government Relations
Vote 30**

Subvote (GR01)

The Deputy Chair: — Will the minister introduce his officials?

Hon. Mr. Taylor: — Thank you very much. I appreciate the opportunity here. As you know, we are here with the team from Government Relations. I have to my immediate right, the deputy minister. I'm sorry . . .

The Deputy Chair: — I recognize the minister of Intergovernmental Relations.

Hon. Mr. Taylor: — All right. Once again, thank you very much. I will start again. We are here in Committee of Finance to discuss estimates for Government Relations.

I have to my immediate right the deputy minister of Government Relations, Mr. Harvey Brooks. And to his immediate right, Maryellen Carlson, the assistant deputy minister of municipal relations. Behind Maryellen we have John Edwards, executive director of policy development. Immediately to John's left, Doug Morcom, the director of grants administration. And next to Doug, immediately behind me, Wanda Lamberti, the executive director of finance and management services. To her left and immediately to my left and behind one seat is Mr. Paul Osborne, who is the assistant deputy minister, trade and international relations. And to my immediate left here is Al Hilton who is the associate deputy minister, federal-provincial relations. Seated at the back of the House, we have our director of the Office of French Language Co-ordination, Mr. Florent Bilodeau and the acting executive director of community planning, Mr. Ralph Leibel.

The Deputy Chair: — Thank you. The question before the committee is subvote (GR01). Is the committee ready for the question?

I recognize the member from Wood River.

Mr. Huyghebaert: — Thank you, Mr. Deputy Chair. And welcome to the minister and officials. Mr. Minister, I'd like to just start off with a little bit on how we arrived at the zero grant increases for municipalities. And I know that you've been receiving . . . I would assume you've been receiving phone calls like I have about the zero increase in money to the municipalities.

And I'd just for the record like to put some figures into the record about the revenue-sharing pool and how people are contacting us and asking us about why there was no increases to

the revenue-sharing pool.

And originally there was escalator clauses based on selective provincial tax bases. For an example, taxable income is not actual income taxes, the value of sales, not sales tax revenues. And it's been pointed out that it's easier to track the actual tax revenues raised on some of these bases and this idea to use revenue sharing based on the principals.

And I think you are probably very much aware of the magnitude of the gap. For an example, urban revenue-sharing pool was initially about 34 million in 1978. It rose to 67 million before declining to 27 million by 1997, and rising again to 44 million, 2002-2004 time frame.

But here's some interesting statistics that are presented to me, that if the original 34 million had kept pace with the growth of the provincial revenues, it would today sit at close to \$150 million. That's just keeping pace. And using that analysis, it would take another 100 million per year to get back on the original track. And even allowing for some conservative estimates from the original tax base formula, it's still probably fair to say that the current annual pool of 44 million would have to more than triple to meet the original goal of revenue sharing.

And I know in recent years we've had organizations, SUMA [Saskatchewan Urban Municipalities Association] and SARM [Saskatchewan Association of Rural Municipalities], that have been wishing to have the pool increased, the revenue-sharing formula increased or at least brought back into line with what it used to be, and they were asking in previous years for 10 to \$20 million while they've been funded to about \$5 million.

So all of that to be said, Mr. Minister, can you explain what the revenue-sharing formula is and how the sharing formula is determined by your department for municipalities.

Hon. Mr. Taylor: — Thank you very much for the question. There's an awful lot to the premise that the member opposite has raised here, the whole question of revenue sharing. And I hope that the member opposite will forgive me if perhaps I speak a little long in putting my answer together because there isn't a simple answer to his question because all of the pieces that he used to lead up to asking the question about what the formula is begs other questions.

So not knowing if the member opposite has a series of questions with regards to revenue sharing to ask, I'm going to answer to a number of the comments that the member made as well as try to answer the exact question that was posed.

First and foremost, when he rose to his feet, the member opposite was asking about when decisions were made with regards to zero increases on revenue sharing and how did we get to the point today where actually the budget contains no increase on revenue sharing.

It is incorrect to say that municipalities have not received new money in this budget. We are dealing with the estimates of the department, and I think it's very clear that the total money transferred from this provincial government to the municipalities has increased by a little over 8 per cent in this budget. So it is incorrect to say that there is no new money

flowing to the municipalities.

And in fact I think that it was signalled in the last budget that, after we had just finished three consecutive years of providing municipalities with a \$10 million increase in revenue sharing, that they themselves were asking this government to ensure that when the new infrastructure deals being brought forward by the federal level of government was brought in, that we needed to find a way to ensure that municipalities could take full advantage of that new infrastructure program.

So this government, myself included, signalled to municipalities in the last budget when we provided our third \$10 million increase to municipalities, that in the coming year we were negotiating with the federal government a new infrastructure program in which the federal government was going to put more money on the table which meant that the provincial government had to put more money on the table. And as a result of the discussions between municipalities and the development of this budget, this government chose to put what will be approximately \$10 million per year into infrastructure funding.

We signed a deal in mid-winter, late January or early February, with the federal government under the Municipal Rural Infrastructure Fund in which the federal government, over four years, was going to bring forward \$38 million. The province of Saskatchewan would match that \$38 million. And we will now be able to, over the next four years, provide on average \$10 million a year of new money for municipal infrastructure.

So the municipalities have got an increase, not only in this budget, but in the next three budgets, because of the commitment that this government has made towards infrastructure funding. Every federal dollar coming into this province will be matched by the province of Saskatchewan and will provide municipalities with the opportunity to utilize those federal dollars to the greatest extent possible.

The city of Regina, the city of Saskatoon have received some extra benefit under the urban development agreements that are yet to be completed. Negotiations have not yet completed. But those urban development agreements will see additional money committed in this budget to the city of Saskatoon and the city of Regina for projects that they've indicated are of high priority to them. So we have an 8 per cent overall increase in our budget for transfer of dollars to municipalities. And as a result of that, it's impossible to say that there's no new money flowing to municipalities.

[16:15]

Now, Mr. Speaker, in terms . . . through the Chair, the revenue-sharing pool, the numbers that the member opposite brought forward are very interesting. And before I go into discussing how we've arrived at the various numbers in revenue sharing, let me say first and foremost that this government has a very good working relationship with the municipalities — urban and rural. We have worked with the representative associations, SUMA and SARM, for a number of years now in developing a number of issues that they consider to be important. One was infrastructure. Two was the new deal, the federal gas tax money. And of course now most recently, we are talking about a revenue-sharing agreement.

We have committed ourselves, that is this provincial government has committed ourselves to sit down with the municipalities, urban and rural, and examine the revenue-sharing circumstances, both the historical circumstances, the needs of the communities, and the options available to ourselves at the local level and in government for proceeding with either a change in the revenue-sharing formula, enhancement to the existing one, or whatever other options are available. We have agreed to sit down in a working group that will include representatives from the urban municipalities, representatives from the rural municipalities, and representatives from Government Relations to discuss this issue.

I think the main reason for changes in the revenue sharing are coming forward because of course the municipalities see the strong economy of the province of Saskatchewan. The municipalities have over the number of years have shared in some of the pain that this province has endured. And now that there's potential — and there's huge potential in the province for growth — the municipalities want to also share in that growth. And who can blame them? It's a circumstance where we all want to be players in new dollars available.

The municipalities have indicated they want a predictable and a sustainable revenue-sharing formula. So does this government. We will, when we sit down with the municipalities, show that the formula that has been suggested by the member opposite, which was in place for two years only, is unsustainable and has led to unpredictable results. Therefore if we're moving forward, the formula suggested by the member opposite is unlikely one that we would see as a go-forward formula. That having been said, I want to indicate that while we're pulling our numbers together, we know that the urban municipalities and the rural municipalities are also putting their numbers together. And we will sit down and we will go through these at the same time.

But in terms of the numbers that the member opposite put forward, I think it is very important to note that the years in question where the formula . . . the escalating formula that was previously used was cancelled at the end of 1982, essentially by the Conservative government, at the time because it was no longer sustainable given the circumstances that were taking place in the province.

We then saw quite a number of years where there was virtually no growth in the revenue-sharing formula through the mid-'80s until the early 1990s, when there was a change of government. And the province incurred such a huge debt that the municipalities by and large agreed to share in the costs of that debt. And the revenue-sharing formula in the early 1990s was reduced to negative numbers. And in fact we saw overall 10-11 per cent changes.

It is interesting to note that the next major change for municipalities came about in 1997-98, just the year after the federal budget of then Finance minister Paul Martin clawed back virtually all the health and education transfers to the provinces — not just Saskatchewan but across the board. Saskatchewan had to backfill all of that federal money that was lost to us by that federal budget of 1996.

So, Mr. Deputy Chair, here again the province of Saskatchewan

in backfilling, worked with the municipalities, and we did see another decrease in their revenue sharing . . . again unpredictable circumstances because the province had no way of knowing what was possible, but at the end of the day could not tax the people of Saskatchewan further in order to provide additional revenue sharing.

But then as the economy of the province strengthened and this government managed to improve the revenue line items in the province through — I can only assume — good, strong management practices, we've been able to share the growth in the economy at percentages that far exceeded the growth in the provincial economy. In 2002-2003 we did see an 18 per cent increase in revenue sharing, in '03-04 a 15 per cent increase in revenue sharing, and in '04-05 a 13 per cent increase in revenue sharing for urban, rural, and northern municipalities.

If we'd been on the formula, I agree, throughout that whole period of time there would have been more money for the municipalities. But if we'd started the formula again back in 2002, we would have seen increases of 2 to 3 per cent for the municipalities instead of 18, 15, and 13 per cent.

So to make a long story short, we've spent three years trying to get back into the ball game of revenue sharing with municipalities. And we are utilizing the dollars that would otherwise be available for revenue sharing to match the federal dollars that are available and ensure that municipalities can meet their infrastructure needs with 100 per cent, across-the-board funding for the federal and provincial shares.

Mr. Huyghebaert: — Well, Mr. Deputy Chair, I guess I should thank the minister for his oratory there, but there's a few things within what he said that I take a little bit of exception to.

One was I didn't recommend a formula to the minister. I asked the minister what his formula was. And out of that 15 minute dissertation, he never got to my fundamental question: what is the formula that's used? That was what I considered a pretty simple question for a 15-minute answer that come back and said that I was the one recommending the formula, and that was not true.

And also, Mr. Deputy Chair, we heard today that 0, 1, and 1 is not 0, 1, and 1. There's something to do with higher math that I don't understand; 0, 1 and 1 could mean 2. It could mean 1. It could mean anything.

And the minister said, and we could check the *Hansard*, that funding to the revenue sharing was up. Well I would just like to read to the minister from their document, not my document, their document:

Urban revenue sharing 2004-2005, 44,109; 2005-2006, 44,109.

I can't find an 8 per cent increase in that. And that's the minister's document. Rural revenue sharing, 33,961 in 2004-2005. What is it for 2005-2006 — 33,961. That is not 8 per cent. And that says right in your book, rural revenue sharing. Northern revenue sharing, 6,980 — 2004-2005. 2005-2006, what is it? 6,980 — that is not 8 per cent.

So I think that should be out there to the people when we talk about another infrastructure fund, and I'll get to those questions in due course. But how can the minister stand up and say that it's increased, when in his own document it is exactly the same as last year? It's froze.

Hon. Mr. Taylor: — Well, Mr. Deputy Chair, I think when we review the blues or the *Hansard* from the committee tomorrow or the next day or whenever the member opposite wishes, he will notice that I never said the revenue-sharing pool was up 8 per cent. I said funding to municipalities was up by 8 per cent. The member's question opposite implies that I was saying something that wasn't accurate. The funding to municipalities is up. The revenue-sharing pool is the same as it was last year.

And I indicated in my, as he indicated, 15-minute speech I don't know how long it was, but last year at budget time the municipalities indicated to us that the priority for them was infrastructure. We were negotiating a new deal with the federal government on renewing the infrastructure program which is very popular across this province. Virtually every municipality in the province had an application come forward for infrastructure money over the last five years — a very popular program. In fact we could probably use twice as much money in that program as had been in place for the last five years.

So renewal of that program was very important. The municipalities wanted not just federal money; they wanted matched provincial dollars. And for the last five years, the province has been able to do that. The municipalities indicated it was their priority that in fact we fund the infrastructure program.

And when you make choices in government, Mr. Deputy Speaker, I think the member opposite doesn't understand that when you're on this side of the House you do have choices that have to be made. You can't do everything for everybody all of the time. You have a certain amount of money to work with. At the end of the day, you've got to make choices as to how you distribute it. And when it was brought to our attention from the municipalities that first priority was infrastructure, we met that priority, Mr. Deputy Chair. We not only met that priority, we made choices to ensure that we would get there.

At the end of the day, we recognize that municipalities are growing. They're growing with the province and that as a result of that growth, they have additional needs. And therefore revenue sharing is an important matter that we have to address. That's why we have agreed to sit down with the municipal sector, look at how they're interpreting their needs and the future relationship with the province of Saskatchewan, and determine how we can best fit in to those needs.

I also add that in terms of making choices we have now identified, as I say, approximately \$10 million or \$38 million over the next four years for infrastructure. Should we have additional dollars available to us in future budgets, I think that as far as the municipal priorities go, municipalities are indicating revenue sharing is what they would like us to look at. And I think we are indicating to them that if that's their priority, that's what we'll be looking at if there are any future dollars available to us, providing predictable and sustainable funding for municipal needs.

Mr. Huyghebaert: — Well, Mr. Deputy Chair, I wonder if the minister can . . . He's touting the infrastructure funding, and it's going up by a number of millions of dollars. And I totally agree with the minister. The municipalities have a huge need for infrastructure dollars, but could he tell the percentage base of how this is to work?

Hon. Mr. Taylor: — Okay. I don't completely follow the member's questioning. I think in terms of dollar . . . Is the member asking the percentage of the increase, how much is going to municipal rural infrastructure fund, how much is going to the urban development agreements, and how much is going to other municipal programs? Okay. I'll have that for you in a moment.

[16:30]

Mr. Deputy Speaker, we do have increases of \$9.2 million under the Municipal Rural Infrastructure Fund. That's a 100 per cent increase because the Municipal Rural Infrastructure Fund did not exist previously. Under the old Canada-Saskatchewan strategic infrastructure fund, we're seeing \$1.3 million. In actual fact that's 28.26 per cent increase. But I think I'm going to have to check on something here first because this is the sixth year of the five-year program — fifth year of the five-year program and these are additional extra dollars.

Under the urban development agreements of course we've got 500,000 of a \$2.5 million program. This is actually 100 per cent new money on the urban development agreements because that program didn't exist. But if the member will give me just a moment, I'm going to clarify this percentage on the strategic infrastructure fund.

Thank you, Mr. Deputy Chair, and members opposite. I've just had the strategic infrastructure fund program clarified for me.

The funding available in '04-05 for the strategic infrastructure fund — which is separate and apart from the Canada-Saskatchewan infrastructure program which is actually ended — we had 4.6 million in the program in '04-05. We've got 5.9 million available in '05-06, which is a \$1.3 million increase for 28.26 per cent.

It's also been clarified for me that under this CSIF fund, Canada-Saskatchewan Infrastructure . . . Strategic, pardon me, Canada Strategic Infrastructure Fund there's no requirement to match the federal dollars but we've chosen to do so anyway. And that, in this case, amounts to 5.9 million in this year.

Mr. Huyghebaert: — Thank you, Mr. Minister. Mr. Minister, also what I was looking for is on the infrastructure funds — there's the rural, there's the strategic, the urban — is it correct that they would be matched 25 per cent by the federal government, 25 per cent by the province, and 50 per cent by the municipalities?

Hon. Mr. Taylor: — Yes, that's correct.

Mr. Huyghebaert: — Mr. Minister, that comes back to the problem about revenue sharing. Here we have municipalities that are strapped. We both agree that infrastructure is a huge, huge issue in a lot of the municipalities and what we're saying

is to the municipalities, we're not going to give you any more money. However, we're going to put a bunch of money in this pot and you have to come up with 50 per cent in order to improve your infrastructure.

So I would like to ask the minister how he can justify — it's another way of downloading actually — justify by giving them no money increase, which we've already identified that in the sharing, but now for them to access infrastructure dollars they're going to have to find another way of coming up with money. And we know that the only way that they can come up with money is increasing taxes. So it's another method of downloading.

And I wonder if the minister in his deliberations for this budget took any of that into consideration because, as I explained, if they have to come up with 50 per cent of dollars for infrastructure money at a time when there's no increase in revenue sharing — and we'll get into some of the tax issues later on — how can the minister sit at the table and say we're not giving you any more money in the revenue-sharing pool?

Hon. Mr. Taylor: — Thank you very much for that question. And I think again the simple answer doesn't tell the whole story, and I'd like a couple of minutes to discuss the whole story to ensure that we can keep all the pieces together.

The simple answer is that for the most part municipalities themselves at our round table discussions indicated that 25, 25, 50 is acceptable. They asked us to go from one-third, one-third, one-third financing to 25, 25, 50 — and I'll elaborate on this in just a moment — because it meant that more communities would be able to receive funding.

We'll go back just for a second. When we take a look at the old infrastructure program, the Canada-Saskatchewan infrastructure program, the 5-year arrangement in which the federal government put up money, the province matched it, the municipalities made applications with funding of their own; the one-third, one-third, one-third.

There were 1,685 applications for funding brought forward. We had a project management team made up of SUMA and SARM representatives, government representatives from the province, government representatives from the federal government, that set criteria, examined the applications, and recommended dollars to flow out of this program.

Out of those 1,685 applications received, 1,281 did not receive funding. That indicated that with a popular program, communities that desperately needed this money — despite the fact that there were tens of millions of dollars in the program — we were unable to provide any funding at all to a number of communities across the province, across the province.

So when it came time to negotiate the new program, the municipalities realized that there's unlikely to be a greater amount of money coming from the federal government or the province. The least they could hope for was a similar amount of money coming forward. They still had all of their projects that needed funding. Therefore, to ensure that more communities received a piece of that, they wanted to see a change in the formula.

So at the end of the day, when the government negotiated with the federal government on how this money was going to be delivered on behalf of the municipalities of Saskatchewan, we negotiated the 25, 25, 50 to ensure that more communities at the end of the day are going to receive some federal and provincial money towards their projects.

Now that having been said, I am very much aware that there will still be a number of communities in this province that don't have the financial capacity to fund their projects on their own. There are others that, even with the amount of money coming, there will still be challenges at the municipal level, even with federal and provincial money to deliver a infrastructure initiative without additional costs to the taxpayers in those communities.

But at the end of the day, what the government of Saskatchewan has done, has anted up another \$38 million over the next four years to support these communities. We've got a very effective committee in place. Again, that committee is made up of SUMA and SARM representatives, federal and provincial government representatives, that will examine applications and will try and meet the needs as best we can of the municipalities across this province.

So I guess the long and the short of it is, we listened to municipalities. We heard what they had to say, and we negotiated a program that will provide this funding to those communities. Now we also negotiated another piece in this, and that is for municipalities that can show hardship. We will return to one-third, one-third, one-third, and it'll be all part of the application and review process.

Mr. Huyghebaert: — Well thank you, Mr. Minister. To me it's very understandable that municipalities can sit around a table and agree with the . . . if they're getting any money out of the provincial government or the federal government, that it would be acceptable.

But I think if they're sitting around the table, they also think it would be acceptable if their revenue-sharing formula was changed. Because it's nice to say we're going to give you 25 per cent, but if we can't put the 50 per cent up, and even maybe the one-third if that's the case, so when you say it seemed like a lot of people — I don't know your exact words — but a lot of people around the SUMA/SARM table were very pleased with the 25, 25, and 50 per cent, have you sat around the table with these same number of people and said, you didn't get any money in the revenue-sharing pool? How many of those people were pleased and happy that they got nothing? I wonder if you'd answer that.

Hon. Mr. Taylor: — Again I do believe that I, as minister, and this department has a very good working relationship with municipalities across the province. During the last two years — and I say two years because I've now attended, as minister, two provincial-wide conventions of both the Urban Municipalities Association and the Rural Municipalities Association; I've also attended their regional meetings and in the case of SARM I've attended their mid-year convention — in each of those gatherings of municipal leaders, I've made myself available to answer questions from the municipal leaders in attendance at those meetings.

And in both cases of SUMA and SARM, without question, there have been individual communities, representatives of individual communities who have stood at the microphone and asked me why their community didn't receive any funding under this program. And in each case they outlined why their community was in need of additional funding.

I am very much aware that the programs themselves are inadequate to meet all of the needs of the province, just as at the national level, the federal government and other provincial governments have been unable to meet the infrastructure needs of communities. In fact the whole new deal for cities and communities brought forward by the federal government is a direct response to the Federation of Canadian Municipalities' call for a filling of the infrastructure deficit, which I think has been now identified as about \$60 billion nationwide.

Municipalities are trying very hard to fill the municipal deficit at the local level. We at the provincial level are making choices to try to assist them to meet the choices that they're making. Obviously the federal government is doing much the same thing, but it's going to take a number of years to meet all of the infrastructure needs. There is no magic formula that identifies exactly the kind of money that should go to every single community across Canada. Every province has different priorities and needs; every municipality has different priorities and needs. Under the current infrastructure program, the new MRIF[Municipal Rural Infrastructure Fund], we've identified a process to evaluate and recommend dollars for distribution. We have been told by the federal negotiators that the Saskatchewan process is a strong one and a model for the other provinces to examine and even take up.

We rely heavily on the representatives from SUMA and SARM at the distribution table to tell us what their priorities are. And the recommendations coming forward to me for funding are always taking into account the local needs at the local level.

Mr. Huyghebaert: — Well, Mr. Minister, I realize you've attended SUMA and SARM, but my question is basically more to this budget and referring back to when you say so many of SUMA and SARM representatives found that the infrastructure program was acceptable. My question was simple: how many SUMA and SARM individuals think that your budget of zero per cent revenue increase, found it acceptable? Have you any people from SARM and SUMA that have spoke to you and praised the fact that they got no new money? And that was what my question was.

[16:45]

Hon. Mr. Taylor: — I think it's safe to say that the majority of opinions that have been expressed to me have been, we are disappointed that there is no new revenue sharing in this budget. We are disappointed that we don't have additional provincial dollars to move forward in a challenging climate. That climate is fuelled by growth in this province — growth at the municipal level, growth in population, growth in business, growth in retailing, growth in all sectors, with the exception of agriculture, in this province. This is an indication of the municipalities recognizing the value of the management skills of this government and being able to build a province in which there is considerable growth projected.

So now we are, as a government, sitting down with our municipal leaders and identifying the tools that we will need to be able to go forward and share in this growth, understanding exactly when the municipalities bring forward their information, how that growth in those communities can best be supported by the province. We are aware that growth in the community also increases the assessment base in a community. Those mean new dollars for municipalities without additional mill rate increases.

We have to discuss all of these potential issues as we go forward at our working group table to ensure that when we make a decision, when we make choices for next year's budget and out-year budgets, that in fact we are addressing the needs of the municipalities.

Coming into this budget process — which really began in, probably in October and moving into November — we were still at the municipal tables talking about the new deal for municipalities from the federal government. The municipalities were telling us that we had to be at that table with the feds, and negotiating on their behalf the new gas tax money, which we're very close to resolving at this moment. And they were telling us, resolve and complete this issue with infrastructure.

Before we had signed the deal, we identified the provincial dollars necessary to sign on. And so we were meeting at our budget process time, October and November, the stated needs of the collective municipalities across this country — federal government negotiations on gas tax, federal government negotiations on infrastructure.

And as members will know, it was the mid-year report in late November that indicated that there were new dollars available to the province, showed the continued strength of the Saskatchewan economy, and the growth potential of this province. And it was that point that the municipalities started to talk about a change in the revenue formula.

That process, had we begun discussions on that very day, would likely not have concluded prior to our choices on budget for this particular year. We've engaged in that process and we are committed to ensuring that all the options are discussed, that there's some consensus reached prior to the budget setting process for the coming year.

Mr. Huyghebaert: — Well I would agree. I would have chose different words when you say that municipal leaders were mostly disappointed with the budget. I would have had a much stronger word to use, that I might not be able to use in the House, because I've had municipalities and leaders of municipalities that have told me that when times were tough, we understand. We as municipal leaders understand that we can share part of the pain. We were down in the '90s to really share a lot of the pain and people on your side of the House always blamed the '80s. Well we can blame the '70s. We can blame whatever we want. The fact is, today let's move forward.

Now you talk about, you talked about, Mr. Minister, about how good this province is — growth and population. Well excuse me, but in the last figures that I've seen, we're back under 1 million people again in this province. I don't call that growth. And I don't know the exact numbers — we might be up three or

four, or down four or five more — but it's not growth.

And you alluded how to, when municipalities grow, you've got more taxpayers but you need more, you need more infrastructure possibly. Well how about the communities that are losing people? You didn't touch on that. And all you have to do is walk outside of a couple of cities and you'll find out that people are leaving the province.

And you talk about how the economic boom . . . Your government had nothing to do with \$50 oil . . . for oil, a barrel of oil. It had absolutely nothing to do with that. In fact if you wanted to praise the oil prices, you'd have to go back to the Iraqi war which all of you were totally against — you didn't want to see any Canadian participation in that — and that was actually what caused the oil prices to climb. And now they're at \$50 a barrel and you're taking full credit for economic growth within this province. And really it has nothing to do with it so . . . [inaudible interjection] . . . Well, Mr. SPUDCO is starting to answer questions over there. I'd like you to move into the minister's chair so I can ask you some questions.

The Chair: — Order, order. It's a tradition in this House that there will be no personal attacks on individuals and I'd ask the member to caution or temper his language. And the issue before the committee is the Department of Government Relations. So if we could stay even near that topic, the Chair would appreciate that. I recognize the member for Wood River.

Mr. Huyghebaert: — Well thank you, Mr. Chair, and I will stay near the topic. I noticed the minister was drifting quite substantially off it, and that prompted me to probably drift off to answer his specific or to retort to his specific comments.

So anyway my question to the minister is, the municipalities took it on the chin when times were tough, and we understand that. Now we just heard how good this place is booming and \$1.2 billion of new money last year, 400 million forecast for this year, which is based on \$40-a-barrel oil. So how can the minister say that we can't give you any more money? We just got 1.2 billion. When times are tough, we're going to give it to you on the chin. Now we're in good times, and we're still giving it to you on the chin.

And that's my question. How the minister can sit around a budget table and now go out and look at municipal leaders saying, we've got \$1.2 billion last year in new money, we've got 400 million this year, but by the way you're not getting any.

And this is leading to . . . And I know the minister might talk about the infrastructure dollars again. It's not that it's zero, but all you've got to do is look at the revenue sharing that I quoted from his own Finance document, or the Finance minister's, which I'm sure he had a part in.

So my question is, how can you justify to municipal leaders that when times are now good — as the minister just touted on about, how the good times were here — and yet we're not giving municipalities any more revenue-sharing money?

Hon. Mr. Taylor: — Again, I'm very sympathetic to the communities that the member opposite indicates. Rural communities that indeed may be losing populations, having to

maintain infrastructure at the local level, are struggling to sustain growth. I believe very strongly in working with the local regional economic development authorities, working with the ACRE [Action Committee on the Rural Economy] committee, working with others who are very active on the rural economic development front to try and find a way to address some of the issues that those communities are facing.

And it is interesting to note that a considerable amount, almost 50 per cent, actually, of the sewer and water dollars under the infrastructure fund go to the rural communities, the smaller communities that essentially have the most difficult time in funding their infrastructure projects.

But the member talked about \$50 oil. The Minister of Finance, when he put his budget together, and with the help of all members on this side, recognized that oil prices are very volatile. Oil prices were in 1998 at \$15 a barrel. Oil prices a couple of days ago were over \$50 a barrel. Today they're under \$50 a barrel. Yes indeed, as oil prices fluctuate, there are more or less dollars available for the Government of Saskatchewan to distribute to health care, to education, to property tax payers, to municipalities.

The one thing the municipal leaders have said is, we want predictable funding. What happened in the early '80s cannot happen again. We want predictable funding. We cannot base a future revenue-sharing formula on the price of oil solely because the price of oil, as volatile as it is, could mean that municipal leaders are asking for a decrease in revenue sharing on a fairly regular basis because the price of oil and gas fluctuates.

Now there's a considerable amount of other measures that one can look at, which is why . . . discussing with the municipal leaders what our choices are on basing a new revenue-sharing formula. We did not have the time to do that prior to this budget, but we are committed to doing that prior to the next budget.

We believe that the budget brought down by the Minister of Finance is a sustainable budget. The money available to municipalities in this budget is sustainable. We won't be seeing any further cutbacks or clawbacks because the money that's there should be sustainable into the future. And if we can identify revenue streams that are predictable and sustainable, we will ensure that revenue sharing is included in the distribution mix.

Now when the member opposite talked about municipalities sharing in the pain, now they want to share in the gain, let's remember exactly what prompted some of that pain. And I indicated it earlier, there were significant deficits in the province and there were significant federal clawbacks. And the municipalities shared in that.

But when we look at what happened to revenue sharing, we had 5, 6 per cent or zero per cent responses by governments in those years. The last three years, this provincial government has increased revenue sharing to the municipalities by 54 per cent. And there isn't a formula in the world, there isn't a formula in the world that would have made that predictable or sustainable. This government was committed to putting money on the table

to assist municipalities, 54 per cent in just 3 years. There's an additional \$30 million in the revenue-sharing pool today than there was just four budgets ago, and that commitment to sustainable, predictable funding remains our credo.

The Chair: — I recognize the Government House Leader.

Hon. Mr. Van Mulligen: — Mr. Chair, I move the committee rise, report progress, and ask for leave to sit again.

The Chair: — The Government House Leader has moved that the committee rise, report progress, and ask for leave to sit again. Is this agreed?

Some Hon. Members: — Agreed.

The Chair: — That is carried.

The Speaker: — The Chair of committees is recognized.

Mr. Addley: — Mr. Speaker, I am instructed by the committee to report progress and ask for leave to sit again.

The Speaker: — When shall the committee sit again? The Chair recognizes the Government House Leader.

Hon. Mr. Van Mulligen: — Next sitting, Mr. Speaker.

The Speaker: — Next sitting. The Chair recognizes the Government House Leader.

Hon. Mr. Van Mulligen: — Mr. Speaker, I move the House do now adjourn.

The Speaker: — It has been moved by the Government House Leader that this House do now adjourn. Is it the pleasure of the Assembly to adopt the motion?

Some Hon. Members: — Agreed.

The Speaker: — Motion is carried. This House stands adjourned until tomorrow at 1:30 p.m.

[The Assembly adjourned at 16:59.]

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CABINET MINISTERS

Hon. L. Calvert
Premier

Hon. P. Atkinson
Minister of Crown Management Board
Minister Responsible for Public Service Commission

Hon. J. Beatty
Minister of Culture, Youth and Recreation
Provincial Secretary

Hon. B. Belanger
Minister of Northern Affairs

Hon. E. Cline
Minister of Industry and Resources

Hon. J. Crofford
Minister of Community Resources and Employment
Minister Responsible for Disability Issues
Minister Responsible for Gaming

Hon. D. Forbes
Minister of Environment
Minister Responsible for the Office of Energy Conservation

Hon. D. Higgins
Minister of Labour
Minister Responsible for the Status of Women

Hon. J. Nilson
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Minister Responsible for Seniors

Hon. P. Prebble
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Minister of Justice and Attorney General

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Deputy Premier
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Hon. M. Sonntag
Minister of First Nations and Métis Relations
Minister of Highways and Transportation

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Hon. H. Van Mulligen
Minister of Finance

Hon. M. Wartman
Minister of Agriculture and Food