



Standing Committee on Agriculture

Hansard Verbatim Report

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**STANDING COMMITTEE ON AGRICULTURE
2002**

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The committee met at 19:00.

The Chair: — Order, order. It now being 7 o'clock I will convene the Standing Committee on Agriculture. Tonight the standing committee will receive a presentation from the Action Committee on the Rural Economy.

The time from 7 till 9 has been set aside for a presentation from ACRE (Action Committee on the Rural Economy). The time from 9 to 10:30 p.m. will be used for questions of the ACRE committee. The Standing Committee on Agriculture will adjourn at or near 10:30 p.m. On behalf of members of the Standing Committee on Agriculture, I would like to welcome the members of the Action Committee on Rural Economy to the Assembly here tonight.

I now call on Ms. Audrey Horkoff, Co-Chair of ACRE, to the committee presentation.

Ms. Horkoff: — Good evening, Mr. Minister, and members of the Standing Committee on Agriculture. My name is Audrey Horkoff. I farm at Kamsack along with my husband Don and one of our sons. We have an organic farm. We farm about 1,800 acres of organic grains and oilseeds and we have purebred cattle as well.

I'm past president also of Canadian Western Agribition, which is probably what's led me to the job that I have here today. For the past year and a half I have also been the Co-Chair of the Action Committee on the Rural Economy and it is in that capacity that I am here with you this evening. Before I proceed with my remarks I would like to introduce you to the members of ACRE who will also be participating in this presentation.

Please stand as I read your names. Brad Wildeman, president of Pound-Maker Agventures Ltd. of Lanigan and Chair of ACRE's Agri-Value Subcommittee. Lester Lafond, agriculture consultant with the FSIN (Federation of Saskatchewan Indian Nations) out of Saskatoon. Dick DeRyk, past chair of Tourism Saskatchewan. He lives at Yorkton and he was the Chair of our ACRE Rural Service Subcommittee.

Linda Pipke, executive director of Saskatchewan Council for Community Development of Davidson and she's Chair of ACRE's Community in Evolution Subcommittee. Joan Corneil, general manager of REDA (regional economic development authority) Great River Lakes, Outlook, and Chair of ACRE's Tools for Economic Development Subcommittee.

Marsha Cannon, president of Saskatchewan Cattle Feeders Association, and Chair of ACRE's Farm Income and Farm Structure Subcommittee. And finally, Danae Armstrong, manager of investment attraction in Saskatoon's Regional Economic Development Authority and ACRE's youth representative.

Applause.

Ms. Horkoff: — Other members of our executive that were unable to be here this evening due to a conflict of timing was: Phil Reeves, executive director with Saskatchewan Mining Association out of Regina — and he chaired the Resources

Subcommittee; Loren Katzenberger, third Vice-Chair of Prairie Implements Manufacturers' Association of Saskatoon and Chair of ACRE's Rural Manufacturing and Construction Subcommittee; David Sloan . . . oh, David is with us this evening — Saskatchewan Transportation Planning Committee, and he's also the chairman of our transportation committee here; and Keith Lewis, director with the Western Canadian Wheat Growers Association of Wawota and he's the Chair of our grains and oilseeds working group.

One member of our executive that was unable to be here this evening was Red Williams. He's in Ontario, I believe. And Wendy Smith is the latest Chair that we have and she's going to be chairing our new labour committee.

I would also like to read the names of the other ACRE members. Some of them are here this evening; unfortunately they couldn't all be here.

Darryl Amey of the Saskatchewan Organic Directorate; Miles Anderson, Saskatchewan Livestock Association; Wayne Bacon, Saskatchewan Canola Growers; Dennis Banda, Federated Co-ops.

Dr. Ernie Barber, University of Saskatchewan; Ray Bashutsky, Sask Rally Group; Joan Chase, Saskatchewan Food Centre; Germain Dauk, Saskatchewan Pulse Growers; Deborah Ehmann, producer.

Ray Frehlick, Petroleum Services Association of Canada; Martin Gareau, Saskatchewan Herb and Spice Association; Dr. Nikki Gerrard, Saskatoon Health District; Doug Griller, Saskatchewan Bison Association; Bert Harman, Star Eggs.

Elwood Harvey, Credit Union Central; Sinclair Harrison from SARM (Saskatchewan Association of Rural Municipalities); Lorne Johnson of SUMA (Saskatchewan Urban Municipal Association). Gene Kessler, Family Farm Foundation of Canada; Les Lindberg, Canadian Bankers Association.

Kim Lock, Saskatchewan 4H Council; Raquel Moleski, Saskatchewan Women's Agricultural Network; Evan Ortynsky, Saskatchewan Chamber of Commerce; Darell Pack, senior policy adviser for Manitoba and Saskatchewan Rural Secretariat.

Florian Possberg of Big Sky Farms; Denise Smith, Saskatchewan Elk Breeders Association; Thad Trefiak, Saskatchewan Wheat Pool; Hugh Wagner, Grain Services Union.

Grace Whittington, Riverbend Plantation; Brian Weedon, Saskatchewan Stock Growers; Stewart Wells, National Farmers Union; Marvin Wiens, President of Sask Wheat Pool; and Jerry Wurz, producer.

As you can see, it's a very diverse group.

Applause.

Ms. Horkoff: — These members of ACRE come from all areas of southern Saskatchewan. Together we represent agriculture,

First Nations, tourism, manufacturing, oil and mining, community and economic development authorities, and local governments.

We understand that this is the first time that such a group has come together to undertake a comprehensive review of the rural economy, and we are proud to have been part of such a historic process. On behalf of all of the members of our committee, I would like to say how pleased and honoured we are to appear before your committee here tonight to tell you about the results about our consultations with rural Saskatchewan and to present to you our final report.

ACRE's work began in September 2000 when we held our first meeting. Our mandate was to act as a catalyst for exploring and generating innovative ideas for the government and for industry that will address the challenges and the opportunities for sustainable economic development that may emerge from the changes occurring in rural Saskatchewan; provide advice and recommendations to government on possible strategies, programs, and services which will enhance the opportunity for sustainable rural economic development; increase the competitiveness of Saskatchewan's products both internationally and domestically; and provide a framework to guide Saskatchewan Agriculture, Food and Rural Revitalization's mission; as well as reflecting Saskatchewan's commitment to co-operation, community, and fiscal responsibility.

In spite of the diversity of the committee members, there was an immediate consensus to work together to meet this challenge. We all agreed that changes needed to be made and made quickly to allow the province to move ahead. Early in our deliberations the members of our committee set down on paper what our vision for rural Saskatchewan is and it reads:

Rural Saskatchewan — proud communities that welcome and embrace change. Working together as responsible stewards of the environment, we have healthy and diverse rural communities where people of all ages choose to live and work. A network of successful farms, communities, and business enterprises is the foundation of our strong rural economy. We offer a competitive business environment that ensures our continued prosperity.

With this vision in mind we agreed to work as a team and assumed a common goal. Our commitment to that goal was evident in the tremendous work done at the subcommittee level as well as in the excellent attendance we had at all of our ACRE committee meetings.

When considering the many responsibilities these members have I think it is unprecedented to have participation to this degree. I congratulate and thank them for their input and direction.

As well I would like to recognize all of the departments within government that worked with us and assisted in the process by providing resource people to our subcommittees as well as to the ACRE committee itself. The process required many additional hours from these people and it allowed us to move through the process much quicker than our mandate had called for initially.

Following our first meeting, we established eight subcommittees to focus on areas we felt were crucial to rural development. Five of these subcommittees examined the various economic sectors in rural Saskatchewan: agriculture, agri-value, resources, manufacturing and construction, and rural service. Two separate subcommittees, Farm Structure and Farm Income, and Community in Evolution, were set up to look at rural communities and at farms because these are critical social and structural elements in rural Saskatchewan.

ACRE also set up a Tools for Economic Development Subcommittee to tie together all of the economic development levers that will be necessary to revitalize rural Saskatchewan.

Later in our process, we also set up three working groups to deal with specific topics that we felt needed further review and analysis. These were transportation, grains and oilseeds, and labour. These final three groups were established late in the process to carry out further research on these important topics which were identified by the subcommittees during their work.

The findings of these working groups will be submitted to the minister when completed and approved by the ACRE committee in the near future.

I would also like to point out that you will not see references to farm safety net programs in our recommendations. We fully recognize and support the importance of safety nets to stabilizing farm income. However this was an area we did not examine as it is the responsibility of the provincial government's Farm Support Review Committee and was not part of our mandate.

Our responsibilities were to identify long-term solutions which would stimulate economic growth and stability in our economy.

During 2001, ACRE asked rural residents for their views through advertising in rural papers and on the Internet. We received a broad range of submissions from people on a wide variety of rural Saskatchewan issues. These submissions were provided to each of the subcommittees for consideration in their work. Each subcommittee also set up its own consultation and research process which included questionnaires sent to industry, small businesses, rural and urban municipalities, school boards, and many other organizations, as well as individual producers; a significant amount of research on all aspects of the rural economy and communities; meetings with a large number of processors and manufacturers, both within the province as well as beyond; many meetings with local economic development organizations and individuals; and meetings with industry associations. As well there were meetings with rural Saskatchewan service providers including government departments and Crown corporations.

Research conducted by and for ACRE focused on a regional profile of rural Saskatchewan, rural community analyses, a survey of municipal councils, and a review of a rural revitalization activities in other countries.

Each of the eight subcommittees regularly reported back to the ACRE members at full committee meetings. Even in our early deliberations some common themes began to emerge. It soon became clear to us that certain issues had to be addressed

immediately and could not wait for the final report. Therefore, in January of 2001, ACRE approved six interim recommendations to be forwarded to government which dealt with the following areas: access to capital funding, rural skills development, approval process for developing projects, communications infrastructure, immigration policy, and education and publicity on rural Saskatchewan successes and competitive position. A seventh recommendation regarding ethanol and bio-blended fuels went forward in November of 2001.

Along with the identification of these actions that we felt needed immediate attention, we came to other important conclusions. At an executive committee planning retreat held in the summer of 2001, we concluded beyond doubt that the status quo was simply not an option. We also came to recognize the magnitude of change that would be required to have real meaningful and positive impacts on rural Saskatchewan.

We realized that we were not talking about tinkering around the edges or making a few minor adjustments. We were talking about significant and fundamental shifts in ways of thinking and ways of doing things — changes substantial enough to really turn rural Saskatchewan around.

With these realizations in mind, each subcommittee was asked to prioritize five of their recommendations that required immediate attention and would help begin the process of achieving our vision for the province. These were brought forward to the entire ACRE membership in November of 2001. As a group, we reviewed and endorsed these priority recommendations — the second set of interim recommendations. These recommendations are contained in our final report which we will be presenting to you in detail this evening. The balance of the subcommittee recommendations are listed within their individual reports.

Before we finalized our recommendations, we held a series of 12 public meetings this past February in Humboldt, Maple Creek, North Battleford, Swift Current, Weyburn, Melfort, Assiniboia, Fort Qu'Appelle, Outlook, Yorkton, Kindersley, and Moosomin. These meetings were held to enable us to present our interim recommendations to the people of Saskatchewan for review prior to finalizing them and presenting them to government. As well, we felt it was important to inform the public of ACRE's work to date and of our intentions after the submission of our final report.

During the public meetings we presented a video that captured the key findings of our extensive research and consultations, which I would like to summarize for you now.

Historically Saskatchewan has relied on producing bulk commodities for export — whether in agriculture, forestry, oil, or mining. Commodity production has become more efficient by better use of capital technology and mechanization, and this efficiency has driven down the need for labour. In agriculture, for example, this has meant that farm size has increased while the number of farms has declined along with the need for farm labour. This decline continued even during the high grain prices of 1970s. And in North Dakota, farm numbers continued to decline despite the high subsidy levels their farmers received.

Changes like these have made the service and construction sectors the largest employers of people in rural Saskatchewan. But without the industries these sectors depend on — agriculture, mining, forestry, and manufacturing — there won't be anybody to provide these services to and eventually the service and construction sectors will collapse.

Even now the number of rural businesses is declining and people, especially youth, are leaving rural Saskatchewan. If current trends continue and we keep producing the same kind of bulk commodities for export that we always have, we are going to end up with a very small number of farms in this province. This decline and the resulting loss of population would have a corresponding effect on the businesses that service this sector. As the population decline accelerated, we would reach the point where there would not be the critical mass of people needed to sustain a rural economy. This would have serious implications not only for rural Saskatchewan but for our urban centres and for the province and the economy as a whole.

So ACRE asked the question: is it possible to reverse the population trend in rural Saskatchewan? The answer is yes, but it can only happen if we create jobs to encourage people to come to and stay in rural Saskatchewan.

It is clear from our research and discussions that there are a number of real opportunities in rural Saskatchewan, many of which exist in our basic economic drivers: agriculture, resources, and manufacturing. If we develop these industries, the larger service and construction sectors will grow naturally.

ACRE has identified a number of opportunities for rural Saskatchewan and more than 40 priority recommendations for addressing the population decline and creating rural jobs. We realize that this is a long-term plan and that it will take time, energy, and co-operation from all participants.

To realize our vision for rural Saskatchewan we need to create 33,000 new jobs over the next 20 years in the sectors that drive development to create a stable and viable rural economy. If we produce the jobs in these sectors, the service jobs will naturally follow — about 90,000 of them. How can we attract the kind of investment we need to take full advantage of the opportunities that exist in rural Saskatchewan and to realize the kind of potential the rural economy holds? We have to look beyond the traditional sources and beyond our own borders to make this happen. If we want to attract the new sources of income we must be able to provide a competitive rate of return and a comfortable investment climate.

We believe that the recommendations contained in our final report can help begin that process. Many of those recommendations are directed to the provincial government which has a critical role to play — for example, in ensuring that Saskatchewan is as attractive to outside investors as our neighbouring provinces are. While the province has an important role to play, ACRE believes that at the end of the day it will be up to local communities and entrepreneurs who will make the real difference in revitalizing rural Saskatchewan. This belief is also held by Dr. David Freshwater, a leading authority on rural development who has stated that real rural development always — almost always — depends on local initiative.

The key recommendations in our final report focus on six key areas that we feel are critical for that development to occur: competitiveness, skills development, infrastructure, sector specific, facilitating change, and research and development.

At this point, I would like to call on the members of our executive who will be presenting for their recommendations in these six areas. Brad.

Mr. Wildeman: — Thank you, Mr. Chairman, members of the standing committee. It is my sincere pleasure to report to you tonight on the work and the recommendations of a group of particularly dedicated and passionate Saskatchewan citizens who collectively have forged a vision for this province — one of competitiveness, compassion, and opportunity.

My name is Brad Wildeman and I had the privilege to chair the subcommittee responsible for agri-value. In my real job I am the president of Pound-Maker Agventures, a feedlot and ethanol facility — the only fully integrated facility of its kind in the world owned by approximately 200 Saskatchewan residents. And I thank them for their patience in allowing me to participate in this historic undertaking.

In my subcommittee, I was privileged to work intimately with the following individuals whose intelligence and foresight, under the capable guidance of our Chair, Audrey Horkoff, to influence this report and who I've gained both respect and admiration for, and have forged friendships with many that will last long after our work is complete. And I thank them for their contribution. And they are Joan Chase, Brian Weedon, Hugh Wagner, Bert Harman, Grace Whittington, and for a short time Jerry Wurz and Harley Olson.

In addition there are two dynamic individuals that, without their help, we could not have produced our findings and recommendations. Thank you to Maryellen Carlson and Russ Paul, as well as the numerous others within government who most ably assisted us.

Today, as we all so well know, Saskatchewan must operate in a global marketplace. In order to both survive and grow any sector of our economy, it is imperative that a business climate is established that is competitive with jurisdictions not only provincially or nationally, but also throughout the world. When this land was first opened up, simply growing or harvesting our primary production and exporting its raw form was enough, and the province prospered. But as science, technology, and communication have advanced, we have taught the world how to grow and harvest their own agricultural production.

And although some may long for those good old days, having the blessings of an abundance of natural resources that Saskatchewan possesses is no longer enough, and capitalizing on our advantage to further processing is contingent on the presence of a competitive business environment. This transition from a primarily agricultural-based economy to a more fully processed and higher value-based economy requires massive investments — both capital and human resources. It is estimated that over \$20 billion of investment is required over the next two decades to facilitate this transition.

In order to attract this investment, both the government and the

people of Saskatchewan must embrace themselves to this new commitment. To this end, a number of recommendations were made by several of the subcommittees of ACRE. I'll briefly outline only a few of the key action items required to move this province towards this goal.

Initially that the Government of Saskatchewan conducts a comprehensive review to assess the province's current competitive status. This should occur as soon as possible and needs to include both the taxation and the regulation issues that business will encounter when they establish in this province. Investment capital will flow to where it is most welcome, and we must be sure that our welcome mat is clearly visible. A visible effort to reduce both of these areas will send a clear message to business that we are serious about change, and the opportunity to create new wealth is both available and imminent in this province.

When business was asked what would stimulate the most growth, tax reduction was the first choice of most of the respondents we consulted.

Now this is a key first step. ACRE recommends the use of several targeted tax and regulatory measures to reposition the province for growth, both internally and through investment from outside the province. Targeted taxation initiatives and expenditures can be effectively used to promote growth. The effective use of these tools was repeatedly encouraged during the consultation process with companies both in the early and mature stages of development.

Many people who have analyzed the issues facing Saskatchewan have commented that one of the problems is there are just too few taxpayers to fund the services that our citizens rightfully expect and demand.

The first step in correcting this deficiency is to create more wealth through more industry, its requirement for more jobs, and therefore more taxpayers. The following are some of the key targeted responses for the government's consideration.

Under taxation, firstly, that the province create a value-added tax credit. Clearly identifying and targeting new value-added business or diversification into higher value products by existing businesses through the use of an expiring tax credit initiative would encourage all sectors to explore and invest in new and perhaps novel value-added production. The economic activity created by this initiative and the employment that these new ventures would create would also create a new tax base from which to repay this incentive. It could then be used to fund other investments or to provide an improved quality of life for the residents of this province.

This would not require initial upfront cash by the province, but only benefit those who invested in development, and would only delay for some period taxes from these new ventures while allowing these businesses to become established and sustainable prior to being fully taxed.

Next, to create a special youth tax structure to encourage youth to invest and stay or move back to Saskatchewan. Our future lies with our youth, and ACRE believes that we must focus effort towards retaining the youth and encouraging their

participation in the economy of this province. By providing attractive and preferential tax treatment to young people, they'd have the opportunity to become more established and sustainable prior to becoming full participants in our tax system.

Saskatchewan continually produces some of the brightest, most well-educated young people, many of which are leaders in various enterprises outside of our province. Keeping these resources here and attracting some of these leaders back home would position the province for successful long-term growth and prosperity.

Next, take steps to alleviate the current education tax on farmland and reduce reliance for educational funding from the land base. While the province has taken some interim steps to address this issue, we believe a more permanent solution must be implemented. The property tax contribution is no longer sustainable, we believe, in connection with educational funding. While rural residents believe that local control of education is important and should be retained, all residents of Saskatchewan must retain some responsibility for funding the K to 12 system. And as such, local funding must not rest solely on a provincial tax base. In addition, this tax reduces the amount of equity that's allowed to be invested in new value-added initiatives in rural Saskatchewan. A major review is needed of the foundation operating grant, and increased funding for education should come from the provincial revenue stream.

Next, use of fuel tax exclusively for road construction and maintenance. While ACRE has a subcommittee that's still investigating the issues of transportation in Saskatchewan and a change is required to enhance growth of the rural economy, it is apparent that a well-planned, well-maintained road system is critical for the economy of Saskatchewan to maintain its competitiveness because we need to transport a great deal of goods over long distances in the most expedient manner possible.

There is little doubt that the road system has deteriorated over the past several years, and despite renewed commitments from the province, more will be needed. While this may not in itself be sufficient to alleviate the present conditions, the dedication of the entire fuel tax would allow for a known contribution each year to this initiative.

Next, to implement the dedicated consumer tax to provide funding for tourism, product development, and marketing. This initiative could initially be targeted for rural-based opportunities in Aboriginal, agricultural, cultural, and ecological tourism. While not a major industry at this point, in time rural-based tourism poses a significant opportunity to diversify rural economies and capture value from the vast diversity of natural and cultural assets we presently possess in Saskatchewan.

While we may have become accustomed to these provincial treasures, many people in the world would be excited to visit and experience our bounty and would gladly pay for that opportunity. Initial investment to develop and promote ourselves in this area is required however and could be funded through this initiative. Other jurisdictions throughout North America are already implementing this form of funding, including the province of Alberta, cities like Montreal and

Vancouver, and countless cities in the United States. The most common method is in the form of levy on hotel rooms.

Regulatory change. As previously mentioned, regulatory change can also play a key role in facilitating growth in our economy. If one were to poll any business, it would become apparent that the sheer volume of regulation and the application of these regulatory measures cause considerable frustration and inhibit growth.

Almost every elected government in the past has promised to reduce and simplify the regulatory environment, but little significant progress has been observed to those outside government circles. It appears that regulations are easily implemented but are difficult to eliminate. But if we were to attract new investment in our province, a concerted effort must be applied to address this.

Other key recommendations regarding regulatory change proposed by ACRE include: to apply consistently regulations on the use of roads in all rural municipalities, particularly in the area of road haul agreements. While it is recognized that rural municipalities have the authority to develop bylaws and administer various agreements, these commercial interests that need to conduct business in and through several RMs (rural municipality) consider the lack of commonality between RMs a significant impediment. In addition, road haul fees, for example, may be charged on one type of bulk hauler, oil trucks for example, but not on other commercial haulers such as grain transports. While this may have some local logic, if we are to enhance commercial interests in rural areas — particularly in the oil and gas sector — these businesses need to be treated in the same manner as in other surrounding provincial jurisdictions.

Well this is only one example. Several other examples are raised throughout the ACRE process.

Next, to provide policy and support for agriculture to enhance competitiveness through food safety and environmental practice. The most recent federal-provincial agriculture ministers' accord has identified this directive as potential advantage for Canada's exports in relation to other exporters worldwide. Saskatchewan has a significant strategic advantage in this area as we have a vast land base, a low population, and is generally perceived to be pristine. While we should actively pursue this advantage, we must be careful to structure our approach to ensure that unnecessary regulation and costs are not put into the system that result in producers being not competitive relative to their competition in other international jurisdictions.

Governments must recognize that there is a shared responsibility to both incorporate and promote our food safety and environmental advantages and base their initiatives on sound scientific principle, not on the whim of public misconception or mistrust. Investments in priority research should be actively considered to mitigate current problem areas as a first step to improve current production practices, then to establish measures to create a positive, competitive, and progressive labour environment.

The growth that must occur to revitalize rural Saskatchewan

will necessarily require concurrent growth in the labour force to fill those employment requirements. The ability to access increased numbers of people who are skilled in required areas has been cited as a major concern by potential developers. Creating an environment where both workers and employers feel that they are being adequately rewarded and protected is the only sustainable answer to achieving our objective of a motivated, trained workforce.

During the consultation process, the most frequently raised concern of the respondents was directed towards the uncertainty of the labour environment and the past record of government as it regards labour legislation compared to other jurisdictions that these companies presently operate in.

ACRE attempted to create a forum in which to address all the issues regarding labour, including such issues as education and skill development, training, accessing labour from other regions and countries, legislation, and protection for workers. We have been unsuccessful to this point and we have recently created a separate subcommittee to address labour issues and provide further recommendations.

It is important, however, to note the critical nature of addressing this issue in a planned, consultative manner rather than the piecemeal methods that have been employed in the past.

There were other recommendations that were envisioned by ACRE's committee, addresses perceived shortfalls in our strategy to attract investments from participants who as yet have not been as fully engaged in our economy as we feel they should be. Several innovative recommendations were developed and I'll highlight only a few.

First, to develop and lead an agribusiness investment strategy whose goals would be to proactively seek out and attract business to Saskatchewan. This should be implemented by the establishment of business investment teams that actively assist individual firms in addressing issues related to locating in this province. This could include location analysis, accessing equity and debt financing, navigating the regulatory environment, and determining and negotiating business costs such as utilities, accessing programs such as job training, and other potential problem-solving activities. This has been successfully accomplished in several other provincial and state jurisdictions and was rated by businesses polled as a significant factor in where they might choose to locate.

Next, to actively seek to engage the Aboriginal people in the economy and the workforce of Saskatchewan. The first step, ACRE believes, is to work co-operatively with the Aboriginal community to foster a shared vision for this province. In addition, we must engage Aboriginal people in the workforce and work towards increasing Aboriginal ownership of business, either exclusively or in partnership with other private sector participants. Policy development to encourage this to occur needs to be developed.

First Nations population now accounts for 10 per cent of our total population base. It is also experiencing the highest growth rate of all segments of our population. Traditionally, First Nations are becoming large owners of land which create . . . contain rich resources, have excellent revenue potential such as

agriculture, oil and gas, forestry, and mining.

Manufacturing facilities can also be established on these lands. Aboriginal communities have placed high emphasis on building partnerships with non-Aboriginal communities. To bring these words to action, however, will require considerable discussion and agreement with all level of government and First Nations representatives to provide mechanisms that allow Aboriginal people to fully access federal programs and services initiated at the provincial level.

In addition, removing provincial barriers to program access for Aboriginal people must also be initiated. Concurrent with that, that Saskatchewan would launch a procurement strategy for Aboriginal business. This would mirror an existing federal program and would assist Aboriginal businesses to contract goods and services with the province and would show leadership by the province in facilitating its development.

ACRE recognizes that this is a critical component in any revitalization strategy for rural Saskatchewan. Making it happen may be difficult, but it must be achieved. Reflecting on the words of Albert Einstein who wrote, "we cannot solve the significant problems we face at the same level of thinking we were at when we created them," seems most appropriate in this circumstance. And all Saskatchewan must embrace with determination to fully involve Aboriginal people in our vision of a vibrant Saskatchewan.

In conclusion, it's difficult in a few minutes to articulate properly the recommendations, either in scope or in detail. And those that are listed are only examples of this new way of thinking that has occurred within ACRE. I hope that I've captured the essence of these recommendations that I've presented, and if not it's my shortcoming, not those that conceived them.

Much more work is required to develop the detailed strategies to initiate many of these points, but I'll leave you with these conclusions.

Firstly, to ensure our province's competitiveness, policies and programs have to contribute, not deter, from Saskatchewan being a choice location for local and out-of-province investment. Secondly, the province needs to collectively address taxation, regulation, labour, and investment issues. Thirdly, there must be a close collaboration with Aboriginal people in addressing their issue. And last, while previously presented, the interim recommendations of ACRE on topics such as access to capital, streamlining approval processes for projects, ethanol development, and a publicity campaign to relate the positive developments already occurring in rural Saskatchewan must continue.

In the final analysis, however, it will be up to private individuals, companies, and communities to build this dream of a new, revitalized rural economy. Governments need to create the climate, provide the incentive, encourage the development, but then step out of the way.

As residents of this great province, we truly have the largest role to play in determining what Saskatchewan will look like in a decade or so. Only if we believe we can positively change our

circumstance and then act on that belief will any meaningful or sustainable change occur.

We can control our destiny, however, but remember this: the stakes are so very high and the clock is ticking, and the time to act is now. Thank you very much.

Applause.

Mr. DeRyk: — Madam Chairman, members of the committee, ladies and gentlemen. My name is Dick DeRyk. I am the member for Yorkton — on the ACRE committee, that is.

One of the areas that we examined in some detail is the area of skills development, recognizing that the development of the skilled labour force is an absolute necessity if we're going to build a competitive rural Saskatchewan that Brad just talked about.

We've identified several problems in this particular area. One is the access to sufficient labour within a shrinking and aging population in rural Saskatchewan, and the second one is the access to specific skills that are necessary in the labour force.

As Brad has mentioned and Audrey has mentioned, we believe that the long-term economic growth of this province and of rural Saskatchewan in large part depends on our youth — on their ideas, their willingness and ability to think outside the box that some of us tend to get into and forget how to climb out of, and in, quite frankly, their physical strength.

To harness that, we must ensure that there are strong ties between education and business communities in order to benefit from the bumper crop of youthful ideas and vitality that's available to us.

If we are going to have the necessary workforce in rural Saskatchewan, we need to promote the potential and the value of careers in trades in order to provide a greater number of skilled professionals for the rural economy. SIAST (Saskatchewan Institute of Applied Science and Technology), for instance, must direct effort to providing and upgrading welding skills that are needed by Saskatchewan manufacturing businesses so that we have the people on the production line with basic welding skills who can weld. SIAST turns out journeymen welders out of their training programs, but in many cases these then leave the province, still leaving the rural manufacturing sector short of people. We believe it means an education system that focuses more on the technical trades from an earlier age instead of our present focus which tends to be very strongly, if not almost exclusively, on academic training as a means to developing a career.

It's sad to say, but we are lacking leaders and leadership skills in rural Saskatchewan. The ability, the drive, the resources, and the entrepreneurial skills to grow business and industry in rural Saskatchewan are sorely needed.

Even sadder to say, I think we have found that Saskatchewan people have a tendency not to reward and respect success. In fact, often success is viewed with suspicion instead of being celebrated. I believe that someone's success for many others somehow violates their culture of dependence that we have

developed over a number of years.

There is a somewhat rueful joke that's not all that funny that I've heard several times in this process about difference in reaction in Saskatchewan and in a neighbouring province that shall remain unnamed. But it's a story about people in the small town seeing one of their fellow citizens going down the street in a new Cadillac. And in the other province the reaction is: boy, that's great; I wonder how I can get one of those. And in Saskatchewan the reaction tends to be: boy, I want one of those too; I wonder who I can get, somebody like government, to give me one.

We need to change attitudes, and we need to develop leadership skills through training, through mentorship programs, by attracting expatriate leaders back to Saskatchewan. We need to do that in whatever way that can best be done. And ideally we need to do that with the full co-operation and support of the business community and the business organizations within this province.

Skills development and the education system are closely integrated. They are probably inseparable. Changes in rural demographics have led to consolidation within school systems and the busing of students. In isolated areas in rural Saskatchewan we may be at the point where we are busing children as far as we can. There is a limit to how much time they can spend on the bus.

We also have adult students who wish to further their education but cannot necessarily leave to go to the city to do this because they have farms or businesses to operate or jobs to work at. In the area of skills development, we feel one of the critical components is the expansion of distance education through the use of technology. We first recommended an expanded high-speed Internet service in January of 2001 in our initial recommendations and we are pleased that government has responded, but we need to go all the way.

We need to go beyond CommunityNet so that every farm, every house in small communities has that service available. And we did the public consultation process throughout rural Saskatchewan and we talked about this. The heads were nodding. There are a lot of people there on farms and in small towns who are expecting and can see the benefits of having that connectivity in their homes. We cannot overemphasize the need for rural Saskatchewan to be connected to their neighbours and to the world.

We feel that another underutilized resource for skills development in rural Saskatchewan is the expertise of local people and the facilities owned and operated by the local private sector. We tend to think of education as being delivered in the traditional school building by teachers and instructors, but where population numbers and/or financial resources result in this expertise and these facilities not being readily available, we need to explore non-traditional alternatives.

The expertise of local people and the availability of local private sector facilities must be viewed as a way to deliver education programs where that expertise and those facilities are not readily available within the education system. Education can take place for students in local automotive or machinery

dealerships, in local food service businesses, and other similar commercial and community facilities that have the facilities that the local school may not necessarily have or be able to afford.

We strongly urge the development and implementation of a curriculum component for the primary and secondary school systems that is dedicated to business and entrepreneurship education. And we recognize this needs the active participation not only of the Department of Education, but also other government departments responsible for economic development, the co-operatives, the Saskatchewan Chamber of Commerce, teachers, the Federation of Saskatchewan Indian Nations, the Métis Nation of Saskatchewan, and others.

We need to provide youth with an alternative to traditional educational choices, and that may well mean changes in the types of credits required for graduation. At present, we do not teach the basic skills that would lead students to think of business and entrepreneurship as an alternative. Perhaps this type of education should, in any case, be a mandatory component because these same skills — and money management, personal relationships, business relationships — are equally important in our personal lives regardless of what we do.

I'm in the food service business, the retail business, and we hire students and graduate students, and I'm constantly amazed — and others in the same business will tell you the same thing — about how many students graduate from our high schools who, when faced with having to collect \$2.67 from a customer, don't know how to make change for a \$10 bill without using a calculator or cash register. That's a pretty basic skill, and some of this we have lost.

We need to increase the resources available for training people who already have a career in agriculture and in rural business, and for upgrading the skills of farmers and rural business people in the face of the continuous changes and challenges that we all meet. Not to say that people in the major cities don't face these same challenges in their own careers and their own businesses, but resources to get help are closer at hand for them. If opportunities for upgrading are not made available through facilities like regional colleges and through business organizations, they will not be available to people in rural Saskatchewan. We can't just pick up and go to the city. A comprehensive, community-based, leadership and skills training and upgrading program must be accessible. And ideally, for the sake of economics, it should be built on existing programs.

We also recommend the establishment of a venture management initiative, a mentorship program that matches experienced managers with new or expanding businesses. Many of these will be in the agricultural sector because we're talking rural Saskatchewan.

But a vibrant agribusiness is more than a good project with adequate capital. Many of our entrepreneurs come from either a scientific or a production background and have limited experience in finance, in marketing, and human resource development. The lack of these key business skills, even in the face of a good idea with good money, increases the likelihood that the project will fail.

On the other hand, we have experienced CEOs (chief executive officer) and individuals with senior management experience, some of them retired, who can be a definite asset to the province if their talents can be directed in a structured and organized way to provide assistance where it is needed and where it is wanted.

And a final point, because we would be remiss if we limited our concerns for skills development only to the skills that are required in the traditional labour force. And if you'll allow me to just go off on a small tangent for a minute, I'd like to talk about another often ignored area of skill development — the development of artistic and cultural skills.

We have identified arts and culture, along with tourism, as two areas of economic activity in rural Saskatchewan with significant potential that is not dependent on the well-being of the agricultural community.

Much of our cultural activity, much of our arts and crafts comes from and continues to exist and thrive in rural Saskatchewan. It is an environment that is closer to the hearts and the lifestyles of our artists and our craftspeople.

But it is difficult to find a market for arts and crafts and cultural activities in rural Saskatchewan because the market potential there is quite limited. So in order for these people to keep in touch with other artists and artisans, in order to show their work, in order to sell it, they need to be connected. And here we go back to what we talked about just a few minutes ago. That is best accomplished through the Internet, through technology as it is for the others we talked about earlier.

There is no better encouragement to continue skills development for these people than having their work not just appreciated but also purchased. We must not forget that special and vital area of rural life. It's a portion of rural life that adds value to people living in rural Saskatchewan that provides diversity. We must provide the means for artists and artisans to be connected, to learn, to grow, and develop, as we must for others performing the more traditional jobs in the workforce.

Thank you very much, Mr. Chairman.

Applause.

The Chair: — I'd like to take this opportunity to remind the committee that you have one hour and five minutes left in your allotted time for presentation. Thank you.

Ms. Corneil: — Thank you, Mr. Chairman, and members of the standing committee. My name is Joan Corneil. I farmed for 30 years in the Assiniboia area and at that time I became quite strongly involved in community economic development at the local area and later at the provincial level.

I am now the manager of the mid-Sask regional economic development authority and the Community Futures Development Corporation, based in Outlook. I chaired the subcommittee, Tools for Economic Development, and as well as I sit on the transportation subcommittee chaired by David Sloan. It's the new one that Audrey had mentioned.

As a member of the executive, I was kept up on all the subcommittee workings. I'm very grateful to have the opportunity to relate to you, our elected officials, a summary or portion of the information and discussion from the people of Saskatchewan that we were privy to.

As a representative from the executive I am pleased to be here this evening to present in small part some of the findings of several committees. I am also here tonight to discuss issues, concerns, and possible solutions regarding the infrastructure of the province as it relates to economic development and growth.

I wish to mention that my own subcommittee worked extremely hard at meeting with people and reading a pile of available material concerning potential tools to be used for economic development. One of our meetings was with the acting chair . . . or acting ambassador from Ireland, Mr. Donal Denham. Mr. Denham provided us with many insights into actions taken by their administration to turn their economy around.

Bearing in mind the different agendas within the European Union and the differences in our political and resource structure, we still found some extremely useful parts to their initiatives that could be replicated here in this province. One of the recommendations we brought forth was that the Government of Saskatchewan conduct a review of the programs implemented in Ireland to assist in the development of business start-ups and to determine the applicability of the programs to rural Saskatchewan.

Recognizing throughout the whole consultation process that there would be a cost to implementation of the recommendations from ACRE, we are suggesting to government that there will have to be a trade-off with existing programs until such time as our economy can support all the wants of the people in this province. Short-term sacrifices will have to be made in order to create the atmosphere and infrastructure that can move this province forward. Long-term gains in jobs and people will create a larger tax base to fund traditional expected programs.

No identification has been made to those that may have to wait their turn, but it is recognized that we as a province of 1 million people, and far fewer paying taxes, cannot sustain a tax increase. Ireland made some difficult choices but in the long run came out a winner.

Saskatchewan has a wonderful infrastructure to build on and . . . (inaudible) . . . that will play a key element in the emerging economy. The past investments into infrastructure now needs to be capitalized on through opportunities derived from value-added industries and diversification for the province.

We must look at ways to link Saskatchewan with emerging hubs and to major centres both physically by road and rail and electronically through communication hubs. The CommunityNet project has brought this forward to a great degree and this initiative alone will soon be reaping economic benefits to the provincial coffers through increased trade for many businesses utilizing high-speed Internet.

Our infrastructure needs to build upon and complement opportunities so that efficiencies and competitive advantages

are realized.

Recommendations concerning the growth of irrigation came from several subcommittee reviews. Water is a huge underutilized resource in Saskatchewan, and the use of water has the potential to grow from the current 300,000 acres to 4 million acres.

A strong recommendation has come forward to adopt an aggressive policy toward irrigation development that expands utilization of the current irrigation system and further development in order to open new areas for diversified agricultural growth.

To that end, it is necessary that the Government of Saskatchewan develop a plan for infrastructure built around key irrigation sites such as, but not limited to, Lake Diefenbaker, the Rafferty and Alameda reservoirs, and the South Saskatchewan River that includes synchronized public and private investment.

This would lead to more processing, and consideration should be given to the establishment of an irrigation-based food processing park. Such a park could assist rural processors in growing or expanding their products. This is actually part of the Irish experience in creating clusters for economic development.

With much of the infrastructure in place, the real need is to cluster development in order to optimize rotations arising from irrigation. It is pointless to develop those areas without strong coordinated planning right across government. Infrastructure should not only be irrigation but the plan should include roads, power, environment, communications, and all the elements that are needed to create further value added in areas of production and to move products to market.

A very critical component of all development is of course an effective and efficient transportation infrastructure — roads. This became apparent at the outset of the meetings the subcommittees were attending. This is why a special committee was struck. The work of this committee is not yet completed so we have not yet tabled any recommendations. However many of the subcommittees felt the urgency for a strategy that government develop and implement immediately and they are recommending that the strategy address the integration of roads, rail, and air service in the province to support business development. The development of a strategy must include municipal governments to improve coordination and integration of planning for permanent municipal roads and the provincial highway system. There's no point in having highways if we haven't got the links to get the products to those highways.

Government, of course, has a major part in providing infrastructure for business success. However, producers and processors will be required to make significant capital investments in order to move into diversified areas or further add value. This transition from traditional production and marketing will require debt financing or incentives for the capital investment.

To move this forward, we are recommending that government invest in the infrastructure that is needed to accompany agricultural producers in transition, provide financial support for water development for livestock operations, ensuring that

environmental principles for health and safety and sustainability are adhered to.

Rural Saskatchewan must have a sufficient supply of good quality water in order to optimize the opportunities that will be present with the support of the recommendations I have talked about. However, it is not practical for all communities to obtain and sustain a complete water treatment and distribution infrastructure. Alternatives must be explored and it would be incumbent on government to develop their criteria for other forms, such as under-sink systems for small communities.

ACRE also considered the effective use of our land resource. Municipalities often compete against each other for developments or if local residents are not fully supportive, go out of their way to stop development. And this is made in reference also to Dick's point on people not applauding success in small communities. Companies doing business in numbers of municipalities often experience a lack of consistency, creating a non-level playing field.

In addition, local interests sometimes override provincial interests, resulting in uses being zoned out. This is viewed by some as a constraint or deterrent to development. We are recommending that the Government of Saskatchewan, in conjunction with local governments, develop a land-use planning process that takes a balanced approach to land management in the province and establishes fair and consistent rules with respect to land use for the province.

Alternative uses or multiple uses of Crown lands can enhance the value added or benefits. However, there is a lack of, or a conflicting legislative regulatory and policy framework, that prohibits or restricts these multiple or non-traditional activities from occurring.

ACRE recommends that the Government of Saskatchewan review existing frameworks and where there are conflicts, ensure the establishment of one that is consistent and fair and that encourages the sustainable non-traditional, and where possible, multi-use of Crown lands for the benefit of rural residents, and that leases issued contain clauses allowing for integrated multiple uses by the lease owner.

The conflict in regulations is apparent in other areas as well. We heard from many groups about the duplication and, at times, conflict that arises from different government programs. It only reaffirms the necessity for more integrated horizontal planning across government. Departmental and interdepartmental planning is a necessity in order to create a good business environment in this province.

I thank you for this opportunity and will turn over the discussion around infrastructure to my colleague, Linda Pipke.

Applause.

Ms. Pipke: — Committee on agriculture, my name is Linda Pipke. I'm the executive director for the Saskatchewan Council for Community Development. I also farm with my husband in the Davidson area, and it was my privilege to be the Chair of the Communities in Evolution Subcommittee.

Other subcommittee members were Raquel Moleski, Wendy Smith, Elwood Harvey, Lorne Johnson, Ralph Eliasson, Harry Lafond, and along with three or four other resource people from Sask Ag and Food, Economic Development, and the rural team.

As Joan was mentioning, the infrastructure provided by the province will be key in elements that are emerging in the emerging economy. One of the main focuses of rural Saskatchewan must be to retain and expand local businesses as well as encourage new businesses to become established.

ACRE recognized that in order for the rural economy to evolve and expand, accessibility to major utilities including power, gas, and telephone service is required. The installation of three-phase power is very expensive for small businesses to get started. Clearly a network of high-speed phone lines and cellular coverage in rural Saskatchewan is required in communication, marketing, purchasing, intelligence gathering, in order to support the growth of industry. Dick has alluded to it a little earlier this evening about high-speed connectivity or the broadband which is an essential tool which would allow rural and remote access to service such as the Telehealth, the distance learning, and the electronic commerce.

These technologies will not only help to improve the quality of life in rural Canada but also help those communities become more sustainable and more competitive. It's as critical as water and our highways in order to attract investment and business development.

As you know, you have already responded within the next three-year period with a CommunityNet initiative that will increase access to more than 350 communities. This will certainly enable Saskatchewan people to compete and thrive in the new knowledge-based economy by assisting in a number of areas such as education, and allowing access to learning resources, on-line learning for in the classroom for children as well as adults, and to assist teachers in providing instruction for many courses that may not otherwise be available.

It could also assist in the health care system by enabling health care providers to consult and provide information with their urban counterparts and to allow the smaller health care centres to diagnose or learn new medical applications or even to use things like telepsychiatry.

It will also be very important that a co-operative approach is taken by SaskTel, the province's Crown telecommunication supplier, as it unfolds the various stages of its high-speed access for small communities; and with the federal government as it implements the recommendations from the national broadband task force to expand access to rural and remote Saskatchewan. We would certainly hope that the hardware will have the capacity to enable more users, as Dick had mentioned, so that each and every one has that opportunity, if so required, to enable them to do the kind of business they would like to do.

Therefore ACRE recommends that the Government of Saskatchewan install or ensure the installation of three-phase power, gas, telephone land lines to rural Saskatchewan and provide access to high-speed phone lines and cellular coverage so that rural Saskatchewan can be competitive and keep pace with the new technology.

But infrastructure also includes how we organize ourselves. In subcommittee consultations, working through government regulations was identified as a key concern for developing project proponents in rural Saskatchewan. It was found that sometimes a system is complicated and/or confusing for those that are working on various projects, or that the response time might be rather lengthy.

If there were a central government rural opportunities office it could provide or be available to be accountable to rural Saskatchewan; it could serve rural citizens through the mechanisms of policy, service delivery, and investment with a one-stop, no-wrong-door approach; and it could also champion rural issues and initiatives.

When we were in the consultation phase we certainly heard from a number of very successful communities and community projects that it was absolutely essential for them to have a key point person or access at a high level to someone within government to enable their project to go forward. If it had not been for that opportunity to have a certain person they could call or a key contact, their projects would have in fact failed.

It's also very important to ensure that departments work together to minimize red tape, the barriers, and to address overlap and duplication. Therefore ACRE recommends the creation of a rural opportunity office to develop and implement a long-term, comprehensive action plan for rural Saskatchewan. This could be rather simple. It could be renaming an office that we now might know as Rural Revitalization.

There are a number of organizations, federal, provincial, and municipal governments, that operate at more regional level that also impact on the economic development. Many of these organizations could be seen to overlap with each other and the lack of coordination between various levels of government hasn't been identified as a hindrance to economic development. Of course this could lead to confusion, or frustration, or isolation and . . . at the local level.

What we need is development of a common regional, co-operative, and holistic approach to the delivery of programs and services. There is an ineffective service delivery system with different agencies and individuals sometimes working at cross purposes in their programs and/or services and that may cause them to be fractured or eroded.

Therefore ACRE recommends that the Government of Saskatchewan encourage and enable the emergence of opportunity regions from the grassroots in rural Saskatchewan to alleviate the multiplicity of regional boundaries and to foster community and economic development.

As part of this process, it's recommended that the province establish a volunteer program that encourages municipalities in a region to co-operate in a reeves/mayors council similar to that which has been initiated under the regional parks program.

The opportunity regions would in stage 1 first of all lead and utilize what is working now and identify common issues in the regions, as well develop and/or build a common table or forum and encourage involvement from all levels in all departments, whether they're social, economic, or environmental, or other

agencies and groups and organizations.

Stage 2 would also utilize the common tables to provide community development programs, services, and to enable intercommunity and municipal co-operation. The intent or purpose would be to eliminate the duplication of facilities, enhance the access to services, share costs. For example, if you were speaking about the regional opportunities to the reeves/mayors council, they could be discussing things like landfill, recycling, or overcoming some of the historic barriers to intercommunity co-operation. They would also encourage collaboration within the self-defined region.

Stage 2 could also encourage the rural opportunities office to coordinate social, economic, and environmental development across government departments and agencies and become the common holistic region for service delivery coordination through common boundaries and government collaboration.

This is all about learning to work together, building relationships, gaining and understanding of the visions and directions in order to maximize, to avoid overlap and duplication. The emergence of the opportunity regions will require or could be assisted by having incentives from government to enable and encourage collaboration and co-operation to take place at the regional level.

It is also recommended that the Government of Saskatchewan, along with the Government of Canada, examine the concept of developing coterminous boundaries as a means to create a more conducive and comprehensive environment for their service delivery and rural and economic development. This would work hand in hand with the opportunity regions. Once the opportunity region is working together — and it would be defined by the grassroots — then the departments need to consider realigning their departments and boundaries to match.

I'm sure if you've ever examined all the maps of all the different regions, the different departments and agencies, you can see how some areas become so very frustrated because they have a multiplicity of boundaries, and they have to go to one area for one particular item and to another for a different service.

Things have changed: our trading patterns, where the schools are, where the hospitals are. Therefore the regions need to define for themselves, voluntarily, who they choose to work with. Some regions are already doing this in a voluntary fashion. And this could be enhanced. We could build on this. It makes me think of the value chains that we speak of within agriculture, where we used to produce whatever we best produced and the consumers would simply purchase it because that's what there was.

Now times are changing to where the consumer is in fact demanding certain kinds of food prepared in a certain way, and it's up to the consumer to . . . or the producer rather, to meet those kinds of demands. Things have changed in communities. The communities may now be saying, this is what we need to survive and thrive and be at our best. How can we best reorganize then in fact to meet those needs and to enhance that?

Over one-third of Saskatchewan residents believe that all levels of government should be involved in finding common solutions,

and that government or organizations need to act collaboratively and in a coordinated fashion in addressing rural issues and challenges. It is time to examine what people need and refine how infrastructure and service, etc., can be provided in order to enable Saskatchewan to be the place of choice to raise a family and to do business.

Applause.

Mr. Lafond: — My name is Lester Lafond. Mr. Chairman, Madam Vice-Chair, Standing Committee on Agriculture members, I'm a citizen of both Muskeg Lake Cree Nation and Canada, and of course Saskatchewan. That equal and dual responsibility is a reflection of how I like to work and be productive for my communities.

I originate from a rural community, a farming background, a family that's been involved, historically since the signing of our treaties, in cattle and grain, and farming off the reserve since 1969, and we still do today. That kind of rural upbringing and the product of the University of Saskatchewan hopefully gives me the tools and the abilities to be able to assist our community, Saskatchewan, in its endeavours to proceed in this future economic strategy.

It has been both a learning and enlightening experience to be involved on the ACRE committee, the executive, a couple of the subcommittees — rural services and farm income farm structure. I've made many new relationships amongst the ACRE committee members and of that I am grateful.

I feel strongly that we as First Nations and local communities must pool our financial and human resources to make an economic pie larger for this province. Both our peoples don't expect any less of us. I believe we must support job creation, business start-ups, and regional partnerships.

I would like now to present the sectorial-specific recommendations.

In the Agriculture Subcommittee sector, moves forward on the development of the feeding industry to complement the grains and oilseed sector by ensuring that the financing, regulatory impediments, environmental sensitivities, and leadership are addressed.

The background for this: two important items are being utilized . . . used up by business, and one is time and money, just simply to try and get through the red tape. It is very frustrating and should be more focused and reallocated back to the project. This is not to forgo any of the environmental concerns.

To expand and to facilitate increased forage production. We recognize in this province the value of having a livestock industry and an industry that's for potential for growth. We not only see it from the community at large but in the First Nations territories. This is a strategy that is a partnership and a strategy which we all want to follow, and hopefully the support through the program for conservation, cover program, and a continuation of expansion of this program will be beneficial for all Saskatchewan producers.

We would like to also broaden the basic organic strategy we

developed. This would assist this industry-driven establishment in an implementation of a national accreditation system for organic sector. The background for this is the need for common standards that will ensure market access to global markets, expansion of organic feed and animal production, processing organic production as a niche product, review of recommendations on the transportation and handling requirements of organic and processed organic sector. Of course the consideration actions to ensure organic production can co-exist with GMO (genetically modified organisms) production. This could be one project under the centre for sustainable development.

Another recommendation is to utilize the agricultural Crown land as a tool to enhance the livestock industry. This is to encourage the conservation of marginal . . . conversion of marginal cultivated agricultural Crown land to perennial forage. And also the examination and development of infrastructure programs that would provide Crown land tenants the means to construct required facilities on lands being converted to perennial forage. And also to change current land use policy to maximize potential, whether through sale or lease.

The background for the recommendations, of course, is for the fact that we have 8 million acres of land owned by the province in an agricultural zone of Saskatchewan. Approximately 700,000 acres is cultivated land leased out for growing annual crops.

One of the limiting factors to expansion of the livestock industry is the availability of summer grazing lands, infrastructure required to manage livestock on pasture, be it in the manner of water, fence, corrals, and etc. It is often viewed as a limiting factor to individuals wishing to diversify into cattle. The cost of converting cultivated lands to perennial forage requires an upfront cost along with a lag period to achieving economic use of the lands.

With respect to the third recommendation, producers wishing to expand their cattle herd sometimes face limitations in terms of acquiring lands, converting these lands to forage, and also financing these cattle expansions.

In some areas there is an excess of land for sale with few purchasers. In other areas, lands may be available for sale adjacent to existing grazing operations including community and co-operative pastures.

Expand. Another recommendation we present is expand the livestock loan guarantee program to include both bison females, feedlot program, expanded dollars in existing programs. The background for this, of course, is the feeder and breeder livestock loan guarantee program. It has been very successful for Saskatchewan producers and the expansion of such programs would assist other livestock industries in the province. This program helped to support over \$1 billion in lending over the past 15 years and the loan loss has been point two per cent over this time period.

Another recommendation is develop a central registry of available service providers and producers' demand for service to facilitate a more effective use of agricultural resources. The background for this is Saskatchewan Agriculture and Food

currently provides a feed and forage listing service to enable producers to advertise their feed and related products for sale to other producers. Providing a central registry of available service providers to include a broader list of agricultural services such as custom work availability would facilitate efficient use of current resources.

To examine the available options for assisting producers such as loan guarantees in other areas, interest subsidies, or tax incentives for those in transition to sustainable production systems. The background is, to have a sustainable primary agricultural sector in this province we will have to protect the natural resource base, prevent the degradation of soil, water, and air quality and conserve biodiversity; to ensure a safe and high quality supply of agriculture products; to ensure that we have safeguarded the livelihood and well-being of primary agricultural and agri-food workers and their families; and also contribute to the economic and social well-being of all Canadians.

We must — another recommendation — provide linkages between producers and technical expertise on market information, market access, and developmental issues. The background we have on this is that Saskatchewan's small population ensures that we will always be reliant on export markets. Providing producers and agri-business would improve market access, and market information will enhance their ability to access these export opportunities.

The subcommittee for Rural Manufacturing and Construction recommendations. I would like to recommend you explore the concept of business clusters for rural manufacturing and construction sector. The subcommittee, in reviewing the example of the machinery and metal fabrication industry that evolved in the Humboldt area, felt there may be some advantages encouraging business clusters for the industry. The cost of infrastructure would be more readily available and would be less costly than having to develop this infrastructure at a number of locations throughout the province. In addition, there would be a large labour pool available in the industry without having to locate in larger centres.

Recommendation is to promote rural manufacturing and construction sector to the people of Saskatchewan, explaining about its contribution to the community. The background on this is the public does not have an appreciation of the benefits and impact of this sector on the provincial economy. A program posed at elevating the awareness of this industry should be pursued. Creation of manufacturing week should be considered to highlight the broad range of manufacturing that exists within Saskatchewan, to change the perception that this industry is low-tech . . . and uses it as a tool to reward our local players for the successes they have achieved, information gathered and a promotional event could be further utilized as literature for promoting our province abroad and for investment attraction purposes.

With respect to health and emergency services recommendations, the recommendation is to enhance the province's emergency services to provide rural residents with effective emergency services and speedy access that will ensure delivery of primary health care facilities and services on a coordinated, integrated, multidisciplinary team basis. It's a

reflection on the background that we work not only in terms of the economy or business sectors, but the social and the health and the educational sector. We'll all have to now work as a team.

With respect to the energy sector recommendation, it invests the significance . . . significantly in research aimed at reducing fuel consumption and development of alternative fuel sources. By background, we have the reflection of the ethanol discussion, the diesel additive at Foam Lake.

The other activities that we must be aware of is Saskatchewan producers spent an estimated \$504 million on fuel in the year 2000, representing 11 per cent of their total estimated gross operating expenses. And reducing producers' fuel costs can improve their profitability. Using alternative fuels may also prove beneficial to the environment.

Thank you.

Applause.

Ms. Cannon: — Mr. Chairman, and members of the Standing Committee on Agriculture, and other guests in the room, my name is Marsha Cannon. My husband and I live and work on a farm near Rush Lake, Saskatchewan, east of Swift Current. We run a finishing feedlot, a commercial cow-calf herd, a grain operation, and in addition to that, I'm a working professional artist and I'm also serving a term as the president of the Saskatchewan Cattle Feeders Association.

I'm pleased, very pleased to be in this place at this time with these people. And I think it's a significant moment in Saskatchewan's history. While I look eagerly forward to returning home to things like neglected fences and neglected family, these past months working with so many talented, dedicated people has proved fulfilling. Together we've seen highs, we've seen lows, we've seen breakthroughs, we've seen disappointments, and we've seen vast successes in our group.

I've had the privilege of chairing the Farm Income Farm Structure Subcommittee and I would like to at this time to acknowledge a debt of gratitude to my fellow committee members: Germain Dauk, Ray Bashutsky, Darryl Aimy, Dennis Banda, and Lester Lafond.

I would also like to thank the Sask Ag and Food staff members Rick Burton and Jason Johns without whom our consultations, deliberations, and ideas would never have come forward strongly and clearly as they did in our final report.

You've heard this evening that in order to bring Saskatchewan and its residents proudly forward many things must change. New ideas and attitudes will be at the forefront of these changes. We must step out of the familiarity of status quo and give ourselves reason to fly.

A key area in determining where Saskatchewan will be in the future is research and development. Saskatchewan has a long history of innovation. Much of what was and is cutting edge in agriculture, manufacturing, biotechnology, and other areas has been developed on a world scale in this province. In order to move forward, that research and development activity must

continue and expand.

Historically the majority of Canadian agricultural research was carried out in public institutions and universities, agricultural research stations, and facilities such as that. Research funding in large part came from government, and in particular the federal government, and the decision to publicly support agricultural research as a public good was based on a lack of private investment but more importantly on the premise that society as a whole benefited from the research through such things as better yields, reduced inputs, higher quality, and less costly foods. Being deemed to be a public good, the output of such research was and is freely given to producers to use to the best of their ability.

In recent years intellectual property rights have been established for many of the products of agricultural research. Together with changes to government funding, these changes have increased the incentives for private research. ACRE subcommittees heard concerns about potential adverse affects from increased privatization of agriculture research such as increased input costs, reduced competition in the research sector, and freedom to utilize genetic material.

Privatized funding is typically not targeted at basic research where ideas are often many years away from commercialization. In order to stimulate new, unique, and inventive activity, the ACRE committee recommends that the Government of Saskatchewan invest a maximum of available dollars into publicly accessible research and development. That will provide the greatest benefits in opportunity areas, education, and tech transfer for the industry.

Much of the crisis in agriculture in this province has resulted from a severe cash crunch for many producers. Costs of doing business, seeding crops, purchasing livestock, and day-to-day living have all escalated. Unfortunately, there's little incentive for private funds to be funnelled into research areas that result in lower input demands, even though reducing those input costs would have significant benefits for producers.

As an example, the commitment to research in organic agriculture has become almost entirely producer-driven, with most of the research being carried out by those farmers on their farms. It is imperative that this government invest in research into production practices that will help to better utilize land and energy resources.

As Dick alluded earlier, we must remember that for rural Saskatchewan, research and development is not and cannot be solely targeted to agriculture. Resources, manufacturing, health, culture, the infrastructure we all count on — roads, water, power, and telecommunications — all rely upon innovation and research.

We must be aware that all this research does not go very far if it isn't tied together with information sharing, with technology transfer, and with education programs. The people of this province must work to ensure that the results of public research fill a need and are shared with those who can best utilize them. Government and university extension services must continue to play a key role in this transfer of information, and we as the beneficiaries must seek to increase our knowledge and utilize

such services as they are available.

Research is also not just about developing new and different approaches to what we do. Along with the rest of the world's population, we've entered a new era of environmental and social awareness. There's a large need for public research to address environmental issues, food safety, and the health of our land, our animals, and ourselves.

As our knowledge base grows, so does our responsibility for that which surrounds us. In such a beautiful and pristine province, it is incumbent upon the people of this province to lead so others may follow in our footsteps. Much is within our grasp if we collectively work to attain it. The key will be ensuring that changes are significant and sustainable.

Much has been said this evening about change that must occur within this province, this government, these people. Facilitating that change is a key area for ACRE. It's all for nothing if we can't get it going.

I mentioned at the beginning when I started speaking that I live near Rush Lake, Saskatchewan. I've not always lived there. I moved to this province nearly 20 years ago. I grew up near a town called Iron Springs, Alberta, and I'm sorry, Dick, I will mention the name. The two towns are about the same size, and — as you can imagine from the names — that's not very large. But the economic activity, the hope and the drive in them, is vastly different.

For nearly 20 years, when people in Saskatchewan have asked me where I came from, I give the answer — I say, southern Alberta. The most common question that follows, bar none, is: why did you move to Saskatchewan? And that's the way they ask it, as if I should have never considered moving east of the fourth meridian.

In order to enact change, people must be willing to change.

Prior to the Great Depression of the '30s, Saskatchewan was a place where high optimism prevailed. During this time the province was billed as the place to be in Canada, boasting endless opportunities for entrepreneurs and others seeking freedom and fortune. The decade-long drought and economic setback of the '30s not only affected pocketbooks and investments, but it infected a people's psyche. People's attitudes towards risk taking, as well as their view of what role government should play, changed.

One can make a strong argument that much of Saskatchewan has never recovered from that Depression.

Some of what ACRE members heard as they listened to others, both within and without Saskatchewan, was a perception of a province that has little future and little to recommend it. They heard many comparisons made to neighbouring provinces. They heard that it was too late to try to compete. They heard that our governments must rescue us and that we can't rescue ourselves. They heard that our youth were leaving in droves and that success in Saskatchewan is viewed with suspicion and jealousy. This negative attitude has been accentuated by media which often highlights negative stories while giving relatively little air time or column length to the positives. And the end result has

been a lack of a collective willpower to try.

Saskatchewan has become known as a province where we wait for somebody else to do it first, and then we wait to see if it's still going to work, and then we wait to see if somebody else is going to try it again. And as we're doing all this waiting, we don't dare to dream and we've become complacent over our collective cups of coffee, nursing a grudge against other more affluent neighbours.

Early in this process ACRE put forward an interim recommendation to address the problem, emphasizing that the residents of Saskatchewan must develop the mindset that Saskatchewan is the place to be. In this room tonight, surrounding us, are collected many of the finest minds and leaders in this province. The most critical role we have to play as a group is to alter false perceptions.

The rest of what ACRE members heard as they listened was that this is an incredible place for opportunity, that our workforce is skilled and motivated. They heard that our educational institutions rank highly, that our climate, our land base, and our intellect are equal to the task of bringing Saskatchewan leaping back to life.

In our reports and documents we list many recommendations that will make a significant difference to the health, wealth, and well-being of the citizens of Saskatchewan. The members of ACRE worked incredibly hard — and I can't emphasize that enough — to deliver what was asked of us, but it means nothing if we cannot believe in our need and ability to carry these tasks out.

On behalf of the members of the Action Committee on the Rural Economy, I urge you, as members of the Legislative Assembly, to listen and act together. You cannot wait for somebody else. Help us, as the citizens of Saskatchewan, to help ourselves once again.

Within ACRE's report you will find recommendations for government to take a leading role in convincing us of our worth and creating an environment in which we can attain it. We recommend that in conjunction with provincial associations, organizations, individuals, and the media that you develop and commit to an action plan that builds positive attitudes and promotes rural Saskatchewan.

We recommend you highlight our successes, identify, promote, and reward publicly our leaders, our entrepreneurs, and our mentors who will take us forward. And we recommend you take this message, not just to the people of Saskatchewan but to Canada and the world. Make us all believe again that this is truly the place to be.

We also urge the media to work with the leaders of this province to get the good news stories out so that we can all see it is really possible and happening already all around us.

We urge the people of Saskatchewan to take hold of these changes and run with them, to trust that we can rebuild this province.

I moved here from Alberta initially because I believed the

education that I would receive at the university of my choosing in Saskatoon was superior to what I would find elsewhere. I was not disappointed. I stayed in Saskatchewan because I believed it was the best place to carry on the business that I carry on. Nearly 20 years later, I still believe that. I hope in a very few years time, that people will no longer ask me why I moved here, but they will say it was a move well made. Thank you.

Applause.

Ms. Armstrong: — Good evening, Mr. Chairman and members of the Standing Committee on Agriculture, and other guests. My name is Danea Armstrong and I'm the manager of investment attraction at Saskatoon Regional Economic Development Authority.

I'm also from Sceptre, Saskatchewan, and have an organic farm there growing medicinal herbs on a large scale. And I'm founding president of an organization that's now called Saskatchewan Young Professionals and Entrepreneurs; and it's starting chapters across Saskatchewan and it's for young people who are committed to working and living and succeeding in Saskatchewan.

I've been very involved at a local level, at a provincial level, and most recently at a national level on youth issues. I'm Chair of the youth portion of ACRE. Early in the ACRE process, ACRE recognized that although they had youth representation on the committee, that a more in-depth examination had to take place by youth of rural Saskatchewan.

In September, 2001, ACRE invited eight young adults to form the steering committee that would host a youth forum. Our task was to address rural revitalization in Saskatchewan from a young person's perspective. Our question that we asked was what would it take? What would it take not only to retain youth in rural Saskatchewan but to attract additional youth to rural Saskatchewan?

We prepared a delegate list that was aimed at ensuring a balanced representation between gender, different areas of the province, Aboriginal representation, different industry sectors, as well as students and entrepreneurs. We had individuals who came from all across the province bringing their perspective. We had newcomers to the province who had moved here with young families to take advantage of the opportunities that we have here in agriculture.

The age range for the forum was between 16 to 35 years of age, and we wanted to accomplish three things. We wanted to cultivate new ideas and produce concrete recommendations that we could pass on to the ACRE committee. We wanted to provide feedback on the ACRE process and review their recommendations and give recommendations for changes.

But we also wanted to help build a network for youth in rural Saskatchewan. We see this as being very important for our youth to know what other youth are doing in other areas and for them to build a network so that they have a support system in those rural areas. One hundred and forty-three delegates were invited from across the province and we ended up having 60 that attended. Our report is included in the ACRE report if any

of you wish to read that.

Overall we agreed with the ACRE recommendations that we made. The message came out loud and clear that youth who are living in rural Saskatchewan are very dedicated to their communities and are willing to help out in any way that they can. Although many of them have moved away because of career opportunities elsewhere, we know that if they had the same choices in rural Saskatchewan that they would stay.

Youth see rural Saskatchewan as a great place to raise a family. It provides a high quality of life but they understand that in order to keep youth in rural Saskatchewan we have to have jobs — not just any kind of jobs. A lot of our youth are well educated and we need high-level jobs, well-paying jobs, jobs for university graduates and people with post-secondary education.

We all know that jobs are created either by expanding existing companies started by local entrepreneurs or attraction of new companies to the province. So we felt that Saskatchewan isn't as business friendly as we could be and many of our themes followed along the lines of how to make Saskatchewan more business friendly.

Investment was a big topic for us. We talked about access to capital and how sometimes grants for youth will be 500 or \$1,000 or this is what they have access to. Youth cannot start a business on 1,000 or even \$5,000. We need access to that capital and people who believe in us and the ideas that we have.

We need simpler programs, programs that work between departments and eliminate overlap within the programs. We see that there's a lot of untouchable money, old money in the province. And we talked about a lot of ways that we could get access to that, including RSP (Retirement Savings Plan) contributions and contributing more funds towards funds such as golden opportunities fund to invest back in local companies.

Many of the participants were in favour of what Crown Investments Corporation and SOCO (Saskatchewan Opportunities Corporation) were providing for investment capital. Some did not think that they took enough of a risk for what some projects needed to get started.

We talked about First Nations bands and being able to partner to use treaty land entitlement money as a way of financing projects. And we talked about a need for more capital in the agricultural sector to support projects. A lot of these are seen as high risk and they take a lot of capital to get involved in.

Economic development was also a big topic for us. We need to promote Saskatchewan as being open for business and mean it. Government should support private industry. This was something that everyone agreed on, but not everyone agreed on whether or not government should be directly involved in private industry.

We talked about taxes and how both corporate and personal taxes should be lowered in order to attract people but also investment into the province. We talked about promotion of profit for profit-community projects. A lot of communities want to have a town hall and a swimming pool, but they don't seem

to work as hard on something that is for profit, like a community project that would be an ethanol plant or something in the agricultural sector.

Tourism was mentioned as being a huge opportunity and something that we should be taking better ... we should be making better use of.

We also talked about co-operatives and community-based projects and how there is a time and a place for those, and maybe they're only a stepping stone working towards private industry and to help build support infrastructure for private industry, but maybe not being the sole goal of a community project.

We talked about the oil and gas industry and how the time for taking advantage of our natural resources by lowering taxes is now because we might miss the opportunity if we wait too long.

We talked about research and development and how clusters that should be located in the cities could help the rural areas by providing them with opportunities to grow new crops and to supply plants with different agricultural materials.

We talked about the Kyoto agreement and how maybe Saskatchewan or Canada could become a green leader.

We talked a lot about attracting more companies to Saskatchewan and using regional benefits to help build business clusters in rural areas.

We also discussed the Internet and how it's a huge tool for the rural areas because this will help bring Internet-based business into communities, helping to create jobs and business.

Agriculture was a big theme of ours. Saskatchewan farmers have traditionally had the mentality that they are producing food to feed the world. We talked about how this could be changed to producing non-food products, products like ethanol or fibreboard where we're not feeding the world anymore. We're using it as a business to be able to sustain rural Saskatchewan.

The rest of the world sees Saskatchewan as being beautiful and pure and natural, and we should be taking more advantage of that by promoting organics and the organic products that are produced in Saskatchewan. We need a strong branding strategy for organics, but also for other sectors.

We talked a lot about Alberta's beef branding program and how Saskatchewan should be doing something like that. Alberta's beef branding program is known around the world.

Young farmers are concerned about the transition process between older farmers who are trying to get out of farming and themselves. There isn't enough capital for them to enter farming, and they have to be able to support whoever is leaving the farming industry as well as their family, so they feel that the government can play a big role in the transition process.

We talked about how different crops should be grown in different areas and how government could help to promote those different crops in different areas instead of promoting

only one industry or one crop to be grown. Different areas are better at growing different things. And we also talked about land for grazing and how the land that's meant for grazing should be transformed back into grazing land.

We talked about intensive livestock production. We couldn't come to a consensus on whether or not the government should be promoting it, but we do know that we have access to all of the input — land, feed and water — if people want to enter that industry.

We also talked about regional clusters where one plant would get input from every farm in the area. So instead of having one intensive livestock operation, you could have one larger feedlot with smaller . . . or one larger ethanol plant with smaller feed lots that would be inputting into that larger plant. All participants were in favour of the provincial government promoting value-added processing and funding value-added companies or attracting companies that would complement existing ones.

We talked about infrastructure and rural services. We explored air services and how that's a big part of attracting companies, and we also talked about railways and how we can make better use of our rail system.

We talked about a two-tiered health system and how this could be explored as maybe a way to shorten waiting lists and to make better use of our current health care system. We also talked about a user fee — a minimal charge — so that our health care system wouldn't be abused or would be made better use of. Nursing homes in rural areas are a great opportunity because that's one area where we need skilled professionals to work in, and those could easily be placed in rural areas.

We talked a lot about attitude, and we applauded the provincial government for the Saskatchewan Dream and Seeds of Success. These have both been very successful.

But we also talked about . . . people in the province know that this province is a great place to live in, and we need to do more external promotion and working with the media at a national and international level.

We talked about more Saskatchewan in our education system — learning more about the government, learning more about Aboriginal organizations and Aboriginal history — because we felt that this was very important. It was an area that was missed.

We also talked about education at a high school level that would focus more on business, so different business programs that could be a partnership between the REDAs and the school boards, and using different leaders in the community as mentors for this.

On-line education is a huge opportunity for youth in rural areas, especially in northern Saskatchewan or in some of the smaller communities, so that they can have access to different programs, especially in the areas of business and entrepreneurship.

We also viewed the trades as being a top priority. We need to promote them in order to have a labour supply in rural

Saskatchewan that we need.

Going forward, we talked about a lot of different ways that we can build a provincial network of young adults. We talked about a Web site that would be able to facilitate discussion — discussion between youth and discussion between youth and the government.

We talked about an annual forum like the one that we held in February. This could be independent or government assisted.

We also discussed a youth ACRE subcommittee that would be a liaison between the government and the youth of rural Saskatchewan in order for us to have input into policy.

And special project groups. A lot of people were interested in working on specific projects in small groups. And we welcome any ideas for specific projects for youth in rural Saskatchewan.

So we're unsure where we're going to go from here. We appreciate the opportunity to be included in the ACRE process, and I appreciate the opportunity to speak to you tonight.

Thank you.

Applause.

Ms. Horkoff: — Thank you everyone. The recommendations that you have just heard came not from ACRE members themselves, but from rural people, businesses, and organizations all across Saskatchewan. It is their belief and ours that by targeting these six key areas and acting on these priority recommendations, we can create the kind of environment in which economic growth and job creation can occur in rural Saskatchewan.

One of the questions that I and other ACRE members have been asked often over the last few months is, what's next? What happens after ACRE's final report is submitted? As I mentioned earlier, we still have three working groups: transportation, grains and oil seeds, and labour. Once their reports have been completed, ACRE will meet to review them before they are submitted to government. Our executive committee is working on an accountability process to allow us to monitor the response to our recommendations.

This will include keeping an eye not only on the impact of government actions but also on what is being done at the community level to stimulate the rural economy. We will also continue to meet with the minister, Minister Serby, on a regular basis to discuss government response to ACRE's work and to share ideas on growing and developing the rural economy.

As I mentioned earlier, we fully recognize that what we are proposing will require great investment in rural Saskatchewan. It will also take time. The decline of rural Saskatchewan has been in progress for 50 years and reversing that trend will not happen overnight. Two major challenges that we had identified early in the process were attitude and resistance to change, but change has already begun in some communities in the province where people are identifying those opportunities and developing strategies to take advantage of them.

ACRE profiled a sampling of eight of these communities in our publication, *Community Success Stories*. We are confident that many other communities across Saskatchewan have what it takes to take charge of their own futures and to succeed, based on their own unique strengths and resources. And we believe that through our recommendations ACRE has provided some of the tools necessary to begin the process.

ACRE's vision statement, which I read earlier, describes not only what we want for rural Saskatchewan but what we really believe it can be. Now it's our responsibility as individuals, businesses, organizations, and governments to work together so we can realize the full and rich potential of rural Saskatchewan.

Thank you, Mr. Chairman.

Applause.

The Chair: — Thank you, Madam Chair. We're being very punctual. We have a couple of minutes to spare only.

The balance of the committee meeting, the next hour and a half, will be for questions and answers. The time, as agreed by the committee, will be as follows. The first 25 minutes will go to the opposition members, including the time used by the Leader of the Opposition. The following 25 minutes will go to the government members of the committee, including the time used by the Minister of Agriculture.

Then we will revert back for the last 10 minutes to the opposition members, the next 10 to the member of the third party, and the last 10 to the government members. And that will bring us very close to our adjournment time.

So with that in mind I will turn the floor over to the Leader of the Opposition.

Mr. Hermanson: — Thank you, Mr. Chairman. And good evening committee members for ACRE.

We have been very interested in your report being tabled and I can say that the official opposition is very impressed with the report that you have delivered. It's extremely large and I think that's a credit to the committee who I believe was tasked initially with doing this job over four years and you have come in at far less time, I believe two years or less, in completing or nearly completing your work.

And we thank you for your diligence and we thank you for the broad scope of issues that you looked at in preparing that report. I think that is a real credit to each of the members on your committee. And as the official opposition we want to say a very sincere thank you for the work that you have done.

In looking at the executive summary, and I will limit my comments primarily to the overall situation, you don't sugar-coat the current situation that rural Saskatchewan faces — a decline in numbers, a falling population, an out-migration of young people, and a real concern of, will there be enough critical mass left in rural Saskatchewan to maintain a lifestyle of community and infrastructure for which these communities must have or must . . . are required to exist.

You talk about the fact though that there still is hope, and we would certainly concur with that conclusion that it's not time to throw in the towel and to give up, but that rural Saskatchewan still has a lot of potential, and that we are not in a death spiral but in fact we can reverse the fortunes of rural Saskatchewan, and we appreciate your optimism.

You talked in your interim recommendations about, I believe, seven key areas for which we certainly are supportive. Four that jumped off the page when I looked at the report was access to capital funding. We concur that that's particularly important.

We are pleased to see that you talk about an immigration policy that will positively affect rural Saskatchewan, that you stress the importance of education, and also that you are supportive of an ethanol and bio-blended fuels. We think that's particularly encouraging.

However what jumped out of the executive summary report when I looked at it this afternoon was what I would describe as a recipe for growth. And I noted that the committee believes that if rural Saskatchewan is going to succeed its population will have to grow from 575,000 to 800,000 over the next 20 years in order to provide an adequate labour force. That's a population growth over 20 years of 225,000 people.

And in achieving this growth it looks like you're calling for an increase in GDP (gross domestic product) and of course that would have to reverse the current trend. Unfortunately this year Saskatchewan was the only province that had a negative GDP. And it was encouraging to see that ACRE believes that rural Saskatchewan, let alone the province as a whole, can achieve a positive and growing GDP. You also identified that investment must come from the private sector and we find that particularly encouraging and that there must be an increase in international and interprovincial migration to the province.

You go on to say that the status quo or business as usual is not an option, that we can't keep doing what we've been doing if we're truly serious about reversing a decline and that we need to end the negativity about rural Saskatchewan, that we need to create jobs in rural Saskatchewan, and that the role of government is not to pick winners. And then talk about some of the recommendations that you support including dealing with regulatory impediments, infrastructure, education and training, and tax issues to name a few.

I want to express our appreciation that you didn't just dwell on agriculture although you recognized how important agriculture is to rural Saskatchewan, but you talked about a changing agriculture. You talked about the role that tourism will play in rural Saskatchewan which I think was very important; about the role that Aboriginals will play in the growth of rural Saskatchewan and I think you're on the mark there; and that education and skills training is essential to the growth of rural Saskatchewan.

So my . . . I hope it's a simple question given all of this information that you have provided and given the fact that you believe Saskatchewan and rural Saskatchewan in particular can actually grow which by the way I share and my caucus shares that opinion with you. Looking at not what rural Saskatchewan will do for itself and I agree with you that a lot of the initiative

needs to be taken up by those of us who call rural Saskatchewan our home.

But we also know that government needs to make the right decisions to create an environment where this will happen. If we're going to see rural Saskatchewan grow by 225,000 people over the next 20 years, which can coincide very nicely with our plan to see the province grow by 100,000 over the next ten years I might add, what would you say would be the two or three key initiatives or key changes, and you talked about change and we like the . . . we like hearing talk of change. What would be the two or three key changes that government would play a role in to creating that environment where the population of rural Saskatchewan could grow so substantially over the next 20 years and ensure its continued vitality and important role in the life of our province?

Ms. Horkoff: — First of all, I think, probably, the thing that we have always felt has to happen before anything else can is this attitude change. As soon as we believe in ourselves that we can do these things and accept the responsibility for where we are, and it doesn't really matter why we're there. We're there. We've decided we're going to move ahead, and that's what we're going to do. And once we take that attitude, that's the message that will go beyond our borders, and that's the message they will hear in neighbouring provinces and south of the border, and then people will start looking to invest, looking to relocate in Saskatchewan. We have to start telling people what we can do, not what we can't do, and if some of the other executive would like to chime in on other issues, they're welcome.

Ms. Cannon: — If I may, I think the second key area that we targeted strongly through several different lines of communication was regulatory changes and reducing the burden of paperwork and red tape for going through many of these processes of delivering a manufacturing plant or delivering an intensive livestock operation, delivering on a new business venture within a certain area. We heard from many, many, many people both within and without of the province that the stress of losing your time and money over the permitting process made them lose their yearning to do the actual act they had started out to do, and it's a very large frustration and I think the key area that needs to be addressed very quickly.

Mr. DeRyk: — I guess the preferred one, if I may, Mr. Chairman, is a whole area of favourable treatment in the area of taxation for value-added processing in rural Saskatchewan. It is not a situation of the government giving up tax revenue. It's a situation of postponing tax revenue in order to bring about value-added processing that is a short-term sacrifice in order to get a long-term benefit of a solid industry and solid industries in rural Saskatchewan. That the people that are taking the primary products that we have traditionally sent out of Saskatchewan, if they keep them here and into the next stage or the next stages of processing here, there should be an incentive to do that. And treatment of the capital that's required with taxation that's required to do that is the best way to do that.

Mr. Wildeman: — Yes, I would just reiterate a little bit of that, to say, you know, the first we need is a competitive business environment, and I think I stated that in my comments. Again, it was the number one issue that was raised . . . (inaudible) . . . We

simply need to be there to be competitive whether we like it or not.

And then secondly, I think we really need to address this whole issue of capital and where are we going to access this capital and what means are we going to access capital. If you live in some of the other more developed areas of Canada, certainly access to capital isn't a big issue. If you look in southern Alberta where Marsha comes from, I mean a lot of their ability to access capital for growth has come because of, you know, the increase in land value that's allowed to capitalize that and use that money for sort of other value-added activity.

We just simply haven't seen that in this province, and so somehow we have to get some mechanism. And one of the things that we did propose was the whole idea of trying to get, you know, a pool of venture capital similar to what working ventures would be but that was specifically be targeted towards agri-value production because again we need to get these stimulus, and then that'll start to drive these land values up, and then we'll start to be able to sort of procure our own capital. But we need to get this kick-start because we simply have a long ways to go.

Ms. Harpauer: — I just want to follow up on something that Marsha Cannon mentioned, and that was that we need to reduce the regulatory environment in order to attract the best investment. In comparing our environment to the neighbouring jurisdictions, is the permitting and the regulatory process more costly, or is it just more fragmented, time-consuming, and more frustrating process in that manner?

Ms. Cannon: — There's several things to address, and it depends on what it is you're trying to set up. My expertise is obviously in intensive livestock. The regulatory environments between the neighbouring provinces and this province are . . . the base regulations are relatively similar. What is required, the environmental protection areas in this province are actually more stringent — which we are proud of — but the interdepartmental lack of communication is worse in this province, and it's what adds to the time frame, and it's what adds to the cost.

The other significant difference, I think, especially in the livestock industry, is that most of the new permits, with very rare exceptions in Alberta, are for large-scale operations. Saskatchewan's livestock industry is not wholly at that point. There's many who want to develop smaller-scale operations, and for them the cost of geotechnical engineers, the cost of water testing, the cost of going through the entire process can sometimes put a halt to their decision to do business in this province because it is simply too costly for a small-scale operation, and that needs to be addressed . . . is the size. If you're putting forward a large operation, whether it be a manufacturing plant or a livestock facility, it's easier to capitalize that end of things, to put the money towards the large-scale business plans, large-scale testing, than it is if you're trying to do it growing one pen at a time.

Mr. DeRyk: — The other thing that we had talked about at some length . . . and something is being done about it. Before we even get to the permitting stage, any business that is going to establish itself needs to gather a tremendous amount of

information just to know where to locate things like soil types and water availability and regulations, you know, at three different levels of government and all this type of thing. And that in itself is a time-consuming and cumbersome process because we do have three levels of government, and there is no central source of data. That is being addressed, and we had a presentation, you know, from . . . what are you calling Economic Development these days, the new department?

A Member: — Industry and Resources.

Mr. DeRyk: — Industry and Resources, yes, and they are developing that type of database. And that was one thing that we had identified in my subcommittee as being extremely important, that people can go to one place and find the information that they need about a location instead of having to run from pillar to post to try and get all of this. And having that kind of database . . . which the technology is there to do it. It does cost money, and it does take some time, but the technology is there. It would be of a tremendous benefit to get people to the point where they can start, you know, the permitting process. If that then also, you know, is made simpler, that is a great incentive for people to get into business. I mean, some of these processes alone scare people off.

Ms. Harpauer: — There's no doubt that your committee, in doing consultations around the province, is hearing much of what we're hearing as legislators. And we're also hearing that the lack of venture capital in Saskatchewan is quite a serious problem, so we as a caucus discuss this on an ongoing basis.

If we addressed — say, four areas, one being the regulatory environment — if we looked at the labour laws and the Workers' Compensation rules and regulations and altered them to make them more competitive and fair and equitable to the neighbouring provinces, and if we addressed the taxes that apply to agri-business and brought them more in line with our neighbouring provinces, within our fiscal possibility within our own province — and in particular, we're hearing problems with the corporate capital tax — and if we actively went out and championed our province globally on what's available here, both for resources and people, would we then make a significant leap in attracting venture capital investment, both within and outside of our province, to our province from the private sector?

Would those four initiatives alone make a significant difference?

Mr. Wildeman: — I would say that those would be four very significant things that you could do. And I had the opportunity to travel around Canada and talk to several agri-businesses that are located . . . that have operations here but have their head offices located somewhere else, as well as some that aren't here now that we thought should be here. And I would say that, you know, that the things that you talked about would be the four pillars that they would be looking forward to.

The other thing — and I alluded to this in my comments as well — it's proven very successful is that . . . you know, there's a lot of jurisdictions out there competing for businesses to come there. I mean, I think you could open any paper and see that. But what a lot of them said is that they just don't know enough

about Saskatchewan. We're just not perceived as being a place where a lot of business establishes.

But there is jurisdictions where they actually have teams — and I've spoke about that — where we'll sit down with these people and find out what their needs are, and then actively go out and find it — whether it's a building, a location, negotiating sort of the permitting agreements, finding some financing for them, setting up a job training program. So they're bringing the whole package, and they're working one-on-one with these businesses.

And when we talked to them about that . . . and as well when we had the chance to sort of tell them our story about Saskatchewan and the opportunity here, I mean many of them had never heard it. And so we need to be out there more actively selling ourselves. We need . . . I guess not only do the people in rural Saskatchewan need a boost in confidence, maybe we all need a little boost of confidence to tell us what's going on. But I think we could be very successful.

When we asked them, by the way, how they rated their Saskatchewan operations compared to their operations throughout Canada, we rated extremely high when it came to profitability. But when it came to relocating here, I think they are somewhat worried about sort of the regulatory environment here compared to some other ones. So I think those things would address a great deal of that.

Mr. Elhard: — I want to commend the committee for the extensive work they've done on this report. It, as Mr. Hermanson said, it, you know, it speaks volumes to the issues. And I don't think there's very much in here that anybody could disagree with; there may be some minor exceptions.

But I noticed in the interim recommendations that came from ACRE, the very first thing that was indicated as an obstacle to the kind of initiatives we're talking about was access to capital. It was really emphasized, actually, in the interim recommendations.

But now that we get to the final report, I don't see the same emphasis. In fact, it's significantly lacking. I do see, you know, talk about value added tax credit, which I'm sure is important, and several other areas. But venture capital isn't going to happen by wishful thinking. Would the committee care to address what they see as the sources of this venture capital that is so desperately needed in this province?

Mr. Wildeman: — I hate to, you know, apologize for dominating this discussion, but it seems like you're heading them in my direction.

You know, certainly, and we're doing work right now, and in fact Dr. Williams is in Ottawa today, talking to, you know, a number of senior government officials in the federal side, talking about this whole idea of how do we . . . what, you know, what can we do to loosen up some of this money that's already in the province? And, you know, and can we come up with some tax credit scheme much like working ventures where we could start to give, you know, these tax credits for people that leave their money in for a period of eight years, which is of significant time. If you really look at the life cycle of establishing a new venture, eight years gives you a lot of time to

start to get your finances in a stable place where you can kind of get the rest of the debt financing to do that. So that's an excellent sort of program.

And there's a provincial role to play in that program as well because it's a federal-provincial issue. And I think we come to the table with that, I mean, there's a number of venture capital companies out there, many of them that are funded out of strictly Saskatchewan investment. And I think they can jump on board, but I think a lot of people are looking for, you know, the commitment of the provincial and federal governments to come to the plate first and, you know, unfortunately that's just the way it is. And so I think if we can get this program together, certainly, you know, I think there's a number of other things and that'll loosen up all kinds of other investment.

We are seeing significant investments in these communities when you look at the number of projects that are happening right now, whether it's Leroy Agra-Pork, what we're seeing now with the pelleting plant down at Wolseley, and other things. But some of these projects need more money than what a community can normally raise, and so we have to have these top-up funds or we simply can't get there. So, you know, that's one thing.

On the livestock side, and that's been emphasized a number of times today, you know, building livestock facilities is not an expensive proposition. Most people can fund the capital of building a few pens. But stocking those things is very expensive. You know, \$1,000 a head is not outside of the realm of possibility today. And so if we're even talking about a relatively small feedlot of 4 or 5,000, we're talking 4 or \$5 million worth of capital. We need to do that.

Again, you know, the reason why that industry is where it is today is because those people, because of their increased land value, have been able to go to their lenders with that kind of, you know, equity built in their business, and they've borrowed against that and that's filled those feedlots.

We simply have not seen that same kind of effect on our land prices. In fact if anything we've probably seen a deflationary cost of land. And so it's very difficult for us to do that, and so somehow we need to get a kick-start. We're saying that there needs to be a new program much like feeder associations, but strictly targeted towards feedlots because of the needed capital is quite a bit higher than it would be on a normal farm.

And again, you know, we think that there's the kind of controls in place that can make the investment by the province, which is a loan guarantee for those of you that know that, you know, that we could make that a very safe investment. And once these things get . . . once these people get a chance to get their feet under them, they'll be able to transfer that debt to the normal lending institutions.

But we got to have a kick-start. I think that's what we were talking about.

Ms. Horkoff: — Excuse me. I would like to respond to the first part of that question where you've mentioned that we hadn't brought it up in the final report as far as access to capital. Those original interim recommendations are part of the final report; so

it was stated earlier on and that's why we didn't state it again in the second part of it.

And there has been some action in that direction. We've been watching and the Prairie Ventures Fund has been established and we're waiting for some more activity. So things are moving.

The Chair: — Mr. Elhard, last question.

Mr. Elhard: — Thank you, Mr. Chairman. Because it's my last question I might not get to ask this, and because of my curiosity I want to go to the end of the book and see how this ends, this whole process.

On page 4 of your introduction you talk about the report recommendations being too important to ignore. So as a consequence:

ACRE will develop an accountability and monitoring mechanism to ensure . . . the provincial government is held accountable in implementing . . . recommendations put forward by ACRE (committee).

What I'd like to know is what kind of mechanism does the ACRE committee envision? And secondly where are you in the development of the accountability mechanism?

Mr. DeRyk: — We are going to continue in our role as ACRE members. This was established as a four-year process. We decided at the very first meeting that we didn't have four years — Saskatchewan's rural economy didn't have four years. So it was compressed into 18 months, but that doesn't mean that with the presentation of this final report, you know, we're done and are going to disappear.

We are going to monitor what's happening to the recommendations — the priority recommendations. There are in the thick piece in the individual committee reports another 100-and-some recommendations. And some of those, while they were not prioritized this year, may become important next year or the year after, or they may drop off the table because they are addressed, you know, in the general process of things happening.

So we are going to continue to meet not nearly as frequently as previously of course, but we will continue to meet to get reports on what's happening to the recommendations that we have made. And we are going to on an ongoing basis review the remaining recommendations that weren't prioritized for this go-around and see which ones need to be brought forward or which ones have been satisfied and, you know, and disappear. So it'll be the ACRE group as a whole that will continue to act as a monitoring body and as a body that will continue to bring forward recommendations.

Mr. Elhard: — Briefly then if this is possible. I think it was Mr. Lafond talked about the rural opportunity region concept, and that's an intriguing idea that I think could come apart in the results of one hard-fought hockey game between two rival communities, the biggest obstacle to working together in rural Saskatchewan that ever existed. However having said that, I want to know what kind of support the committee had for this

idea. How are you going to make that kind of an idea work when there is such tremendous resistance to amalgamation at the local municipal level?

Ms. Horkoff: — Actually we aren't mandating anything. This is a voluntary opportunity that we've asked people to look at. We know better to mandate things like that.

What we're saying is it's already been done. There are communities that are doing this. People are working together and they're finding solutions by sitting down and communicating in a better way than we have in the past, and by doing that, everybody benefits. And all we're saying is, there are examples out there of people that have done this. There's opportunities for everyone to do it, and it just works better for everybody instead of everybody working independently, but it's voluntary.

Mr. DeRyk: — I might also add that I think attitudes are changing about that kind of, you know, rivalry between communities that are close. I know some people, for instance, in Unity who are genuinely excited about the developments that are taking place in Wilkie, that it's not, you know, a them-versus-us type of situation. They're actively participating in the development that's happening there. And I'm sure that, you know, people in Melville are very excited about the development that's going on in Yorkton. Aren't they? And vice versa.

You know, there are . . . we do have a large number of traditional rivalries, and a lot of them centred around the hockey rink, you know, from years gone by, but I think there's also a realization that that's not the way to get ahead and that what's good for a region is good for everybody in the region. I think that . . . I think those things are changing.

The Chair: — Thank you. The next 25 minutes is slated for the government members, and I recognize the Minister of Agriculture.

Hon. Mr. Serby: — Thank you very much, Mr. Chair, and Madam Chair and members of the committee, and members of the opposition. I'm very pleased this evening to, just to make a couple of statements and of course I have a couple of questions that I wish to ask the committee to entertain as well.

What I've recognized and appreciated most about this process is that a group of 43 men and women who live and work in rural Saskatchewan, who knew very little about each other I would expect, if at all, were able to come together within a period of 18 months and provide for the people of Saskatchewan a blueprint of what we might do in building rural Saskatchewan.

What I observed first and foremost is that in our activities in this place, in this building, we tend to travel the province and talk a lot about our successes on each side of the House. And we talk about where there are . . . where people are succeeding in rural Saskatchewan, where they're not succeeding, and why they are or are not.

What your committee has been able to do, in my view, is paint the reality of what rural Saskatchewan today looks like and to identify for all of us in a non-partisan fashion what we need to

do in order to make a difference in rural Saskatchewan as well as paint the picture about how it is that we got there.

So when you talk about thinking outside the box, clearly this document and the work of your committee takes us to look at thinking outside the box. I appreciate very much you saying to Saskatchewan people in a non-partisan fashion — people who live and work in rural Saskatchewan whom I think rural Saskatchewan people will pay attention to — is that the status quo is no longer acceptable, that we need to redefine and redesign what we need to do and how we participate in doing that in rural Saskatchewan.

You talk about the fact that rural Saskatchewan is in fact vibrant, and it's filled with opportunities. And when we travel the province as individuals or we talk about the communities from which we come, we recognize that there are many, many things that are happening in our communities that deserve a great deal of credit and also deserve mention. And I heard someone say today in your committee that often rural Saskatchewan doesn't get the kind of credit that it should because we read in the newspapers or we see on our television sets or hear on our radio only those things that aren't working, and so it's critical if we're going to, and as we make a difference in rural Saskatchewan, that we start talking more frequently and more often about the successes that are there.

I very much appreciate in your commentary the notion that you've taken to build a more positive attitude in rural Saskatchewan, where you talk about change occurring because people want to be part of that process. And this is such a critical piece for us to build on.

In my time in this legislature which has now been 10 years, this is only the second occasion that the Standing Committee on Agriculture has in fact met and talked about rural and agricultural issues. In the time that the Standing Committee on Agriculture has been in place I believe this would only be the fourth time in the history of this committee that we've actually had the Standing Committee on Agriculture actually meet and visit and learn about what's happening in rural Saskatchewan in agriculture.

And so today is a very important process from two fronts. Not often in this province have you seen the democratic process more vibrant in helping design and decide what the future of communities or the future of rural Saskatchewan might be about.

To think that we're sitting in a room collectively tonight with men and women from smaller communities and larger communities across this province who are developing policy, developing policy for Saskatchewan people and the future of our rural communities, can only happen, in my view, in a province like Saskatchewan because it is here where we've pioneered and piloted processes that other provinces and countries often think about doing.

And so tonight to share a desk and a table and a microphone with men and women who are, in my view, considered equals in this province is a significant undertaking. And so I want to extend first and foremost my appreciation to the members of the ACRE committee for their hard work and their time and the

dedication of 18 months. This is a massive piece of work that you've undertaken on a timeline that I know we all wondered about whether or not you could achieve.

And so on behalf of the government members, and certainly the ministry and the department, I want to congratulate you this evening on your work, and look forward to our work as we move along to implement the recommendations in a timely and fashionable way, given all of the challenges that we have in providing those kinds of successes that we think we'll see.

I have a couple of questions that I'm interested in asking. One, in your document . . . and a number of people have asked this evening already, and there's been commentary around the capital investment. And we share, as you do, the importance of growing the population of rural Saskatchewan, trying to make a dent on the 70/30 percentage of rural/urban, or urban/rural which is 70 per cent urban today in Saskatchewan and 30 per cent rural. Just but 35 or 40 years ago that percentage was the other way around. It used to be 70 per cent rural and 30 per cent urban.

And so the challenges for us to grow the rural economy will require the two things that you talked about, people and capital investments of somewhere in the neighbourhood of a billion dollars annually, a bit more actually over a period of 20 years, to make the kinds of significant changes that we want to achieve.

I read through your report and listened carefully tonight as members of the committee talked about how we attain our capital targets that we're talking about, and it seems to me that we need to look at . . . and I'd be interested in your comments on this. In Saskatchewan I've heard you say that attraction of capital has been a serious challenge over the years and we've seen a variety of different models exercised. The private sector capital, public sector capital, a combination of private/public sector capital, the use of co-operatives or co-ops in the province, the ability to try to extract old money, I heard somebody say today, and loan guarantees are a whole host of options that I hear you talking about this evening.

And I just think in the last several years about some of the projects that have come to Saskatchewan or have been spawned here, like Big Sky pork, like the recent investment in Community Pork, the recent investment in Premium Brands, some of the investments in Centennial Foods, the Popowich Milling plant, from where I come and the member from Yorkton comes, and the ethanol, Pound-maker in Lanigan which had a combination of funds.

In your deliberations and discussions, would it be your opinion that there needs to be more than one venue to attract investment to Saskatchewan and investment dollars to our province?

Mr. Wildeman: — Yes, absolutely. You know, \$20 million is a lot of money no matter how quick you say it and so it's going to take all those things.

And certainly there's some significant outside money, and the one thing that we haven't sort of addressed here tonight is really how do we bring in money from outside of, you know, of Canada, perhaps, and how do we bring . . . You know, because

one thing about immigrants coming into our province, they'll not only bring their capital but they'll bring their fresh ideas. And maybe that sort of answers two of the questions that we've been talking about today and that's how we do bring in sort of this new positive attitude and that entrepreneurial spirit, and secondly how we do get that, they have to bring their capital with them.

And so, you know, we've certainly made recommendations about that and that we need to open up the door to these people that want to come here. Some of us, you know, tend to focus on our own problems and yet there's people around the world that would look at this province as a province of vast and untapped opportunity. And so we need to bring in those types of people as well.

And we need to attract these businesses. And again, you know, in my opportunity to sit down one-on-one with a number of these businesses — some of them extremely large — and I really think there's an opportunity to get them into our province. But as I said in my remarks earlier, that we simply have to make our welcome mat more visible and show that we really are committed to giving them a competitive place to do business. And then I think they'll come.

Mr. DeRyk: — The other . . . I think it was Danea that had mentioned old money, and we've talked about that. We've talked about it at the public meetings. It came up a number of times.

The per capita savings in Saskatchewan are extremely high. And I believe they're the highest in the country. But this is money that people are not willing to put at risk. This is retirement funds, and this is money that, you know, even at receiving lower interest rates, it's the security that people are looking for. Some of this money, I think, has the potential to be utilized, you know for the development of the economy, but it requires guarantees. And it requires someone to provide some security for the individuals that are lending this money. That if it is at risk, that somebody is going to, you know, to provide them with some assurance that they're not going to lose it all.

Now that is obviously a cheaper way of doing it, than having to raise — on the part of government for instance — having to raise the capital. And people tend to think that, you know, that government guarantees are fairly, fairly secure. If due diligence is done on the projects where this money goes, there need not be a risk, assuming that, you know, that good due diligence is done before the money is advanced. And that is a source, an untapped source, of considerable size for capital for development in Saskatchewan, and these people tend to also like the idea of investing in their own province. So if they can be encouraged to do that, you know, and the risk is shared or minimized, that has some real potential.

Hon. Mr. Serby: — Thank you, Mr. Chair. On another front, I'm interested in your notion of a Saskatchewan opportunities foundation and how you might see that working in a more generic fashion.

I've heard from time to time, and some of you obviously in your deliberations have heard as well, that in a province the size of Saskatchewan with a million people, we might in fact have

too much government. We have health boards. We have school boards . . . or regional health authorities, sorry. We have school boards. We have municipal levels of government. We have 58 MLAs (Member of the Legislative Assembly) in Saskatchewan. We have 14 members of parliament.

And accordingly, we talk now in — or you talk in your paper — about developing a Saskatchewan opportunities foundation or a cluster of communities that will work together, of which money might be redirected to that cluster, or from the foundation to that cluster, to administer a whole host of different services.

And would you see this as being a replacement, say, for the REDAs in Saskatchewan, or would you see REDAs as being a part of that process? What do you see as happening to local governments in that process? Would this be a level of funding that you would provide over and above those existing levels of government that are there today?

Ms. Corneil: — I really think that needs to be reviewed. My own subcommittee took a look at the whole situation and we actually developed quite a nice little set of maps and the overlays for it, the clear view overlays of the, as you mentioned, the health districts, the REDAs, community futures areas, the gamut of organizations that are set up in this province to enhance community economic development, and we just about blurred out the whole province.

So the idea behind the opportunities corporations on . . . or the opportunities regions on a voluntary basis is to take a look at some efficiencies within the system, provide some funds in there where a determination can be made as to some of the funding that goes down to these various organizations. I think it needs more research into how it's actually going to be fleshed out. There is some examples out there, as Audrey had stated earlier, on communities that are working together, rurals and urbans that are working together.

In my own area, I manage a REDA, regional economic development authority, which is made up of 13 rural municipalities and all the small towns and villages in it; and also a community futures area which is much larger, which is 30 rural municipalities with all the small towns and villages within it. So there are examples of co-operative efforts out in the rural areas that are working. They need to be looked at. They need to be built on. And what we call them is really irrelevant as long as people are working together to reach common goals in a region.

Hon. Mr. Serby: — Just one other question then as it relates to the human resources that are necessary in rural Saskatchewan.

Having grown up and lived the major part of my life in rural Saskatchewan, I find today that in the community of which I farm in, that when I drive out to my farm from the town of Theodore, which is about . . . our farm is about three miles down the way, there isn't a farmyard between the highway and our farm. And then when I go beyond my farm for another three or four miles, there isn't anyone living there either.

So what's happened over the last 30 years of course — or 35 years — is that much of the people who used to stay out there

and work on the farms and work in the industry are no longer there.

And so when you talk about developing the human resources that are required to refurbish and regenerate and grow rural Saskatchewan, who do you have in mind that would be in a position to do that kind of work — work in the intensive livestock operations, work in the large farms that we're talking about today, the grains and oilseed operations that we have where we have highly technical people who need to do this kind of work? What do you have in mind in your thinking about who might in fact be part of that human resource sector to help us grow the economy?

Mr. Wildeman: — And I don't know that there's one quick solution to this but certainly we spent a lot of time at ACRE talking about this because, you know, as many of you know, there's already operations today without this development that we're talking about that are struggling to find labour to put into some of these places.

And although a lot of that labour could come from . . . and in our place, for example, a significant number — about three-quarters — of all the people that work at our place also farm actively on the side. And so there's a chance for some off-farm income. And certainly that's one thing but as we grow this industry we are going to . . . you know, we may not have the opportunity to continue to do that. And so we've talked about the ability to bring in immigrant labour.

One of the . . . We are the only province that comes to mind that does not allow migrant workers to come in and work. And again . . . so that's one thing. And so for some of the industries, and I'm not talking about intensive livestock here necessarily, but certainly if you talk to market gardeners and to fruit growers, the access to migrant workers is a critical component to their success.

And, you know, we need to open up the immigrant laws and actively go out there and bring some people in because for a lot of these people they would look at this work as being extremely rewarding, and again it would bring some new ideas and new enthusiasm. So we support, you know, both actively bringing people in from across Canada but also from other countries in the world.

Ms. Atkinson: — Thank you. First of all I want to thank the committee members for presenting your legislators with an ambitious plan. And it appears as though you've confronted some difficult issues in our province, and there are some difficult issues that you have not yet addressed that I suspect you've left for another day.

The fundamental question that I have for you is this. Saskatchewan now has the most productive farmers that we've ever had. We are producing more than we ever have in our history with fewer people. We just got some bad news today where subsidies are going to continue to exist in the United States; in fact it's going to get worse.

Farmers are doing everything that they can to make a living. The trick is how is your plan going to include farmers so that they can convert their volume to value? How does your plan

keep profits as much as possible through agri-value on the farm?

I hear you talking about outside capital investment, attracting capital to the province for agri-value. But if those farmers cannot maintain a livelihood, there isn't going . . . we're going to be looking at some other way of farming I suppose. So how do we include farmers in the agri-value chain?

Mr. Wildeman: — And I think that is absolutely is the essence of our discussions as well. And, you know, it's sort of the same old discussion. I mean you could have an elevator in your town, doesn't necessarily raise the price of grain in your town.

And so what we're saying is that we need to put some tools in the hands of some of these people in rural Saskatchewan to start to own their way up the value chain. And, you know, and there's a lot of examples of that whether you look at, you know, again the Wilke pelleting plant, some of the investments, you know, the most recent at Leroy with the Agra-Pork scenario or the way we need to get more value out of our primary production is to own part of that.

Now certainly we don't have the kind of capital that's going to need to create the demand for all these products internally ourselves, and so we're going to need to go out and bring some of that capital in. But what we're saying is that again that we need to put tools . . . and all of our access to capital recommendations that you read in our report are really targeted to allow those agricultural people, those rural people, to gain control of their own destiny for the most part.

Ms. Atkinson: — I have one final question. The first part of your presentation contained a lot of tax-related recommendations and what government should do. I'd be interested in knowing have you costed out your plan?

Ms. Horkoff: — Our understanding, our mandate was to come up with suggestions and ideas to get the rural economy and . . . revitalize rural Saskatchewan. As far as the actual costs, we didn't get into that part of it because we, first of all, we don't have the resources to do that type of thing. We didn't have the time, and we feel that that's something the government would be looking at and researching before they took on any of these issues. So we just didn't feel it was part of our mandate because that's aside from what we understood our mandate to be.

Ms. Corneil: — Just to add to that, we recognize that there would have to be tradeoffs. We know that there's going to have to be some shifts in where government is spending their dollars. We recognize that. We're not saying that government should just wholesale fund everything as is. We realize that there's going have to be some mean, tough choices made.

Mr. Bjornerud: — Committee members, I'd like to talk for a second about non-priority recommendations that I have read in the presentation here.

You've had presenters tonight . . . have talked about removing regulatory impediments to business and investment in the province. You've had presenters tonight talking about raising land values, I believe, in the province. You've talked about creating some of our own capital through raising land values.

We've also talked and I think we're in agreement that we need to raise outside capital from other places, not just in Canada but all over.

I want to talk about the farm ownership, the farmland security Act . . . and I think we're not naive enough on this side to think that's the end-all and solve-all of our problems. But I do believe that the Saskatchewan Party believes that it's one part of the overall puzzle to creating some of this, and I think it's very controversial in the province I think.

And I would be very interested to see . . . and I know the whole ACRE committee has not gave its blessing to this. But I'd like to get your response to what you feel and where we should go with that.

Ms. Cannon: — The recommendation that's in your documents came from my subcommittee, and the recommendation is that the government open the farmland security Act to citizens of Canada to purchase land within the province of Saskatchewan.

We had lots of discussion on this. My subcommittee met with and had a long meeting with the Farm Land Security Board. We discussed all sorts of issues about how decisions were being made, what decisions were being made, and what was needed within the province.

The conclusion we came to was we weren't certain what the net actual effect of the Farm Land Security Act was, but we were very informed by the end of it as to what the perceived effect was. And the perceived effect is having a great effect on this province and people being unwilling to look at it to decide.

We brought our recommendation forward because competitiveness was a large part of what ACRE looked at. Our neighbouring provinces have both removed those restrictions under their Acts. It has not caused the wholesale disaster that is much feared within this province when this topic comes up. It has not resulted in either of our neighbouring provinces being owned by offshore multinationals. It has not resulted in a huge glut of foreign owners who do not live or reside in those provinces.

Our feeling was that the net effect would be to encourage those individuals to come into this province, make an investment, take their time about how they want to be here and be a part of it. And we felt the net result would be investors who want to be a part of Saskatchewan, who want to carry on business here, who want to leave some money here, and who want to encourage growth in the province. It also, obviously to my mind, would have the effect of increasing competition for our land that is for sale, increasing the land values. And as Brad said, an increased land value is the basis on which a farm can roll itself forward.

Mr. Bjornerud: — Thank you very much for that answer, I think we're kind of in agreement. I have one short question in another area. And you've talked in your report about the heavy burden of education tax on agriculture land, and I think we all agree that something's got to be done there.

The one problem I think we've all seen out there is with assessment and SAMA (Saskatchewan Assessment

Management Agency) itself. Do you have one magic solution that would solve the problems on both sides of the House that we could get by this problem and solve all our problems in one fell swoop?

A Member: — No.

Mr. Bjornerud: — I was afraid that's what your answer might be. It was no.

Mr. Weekes: — Thank you, Mr. Chair, and welcome to committee members. I have a question concerning your labour recommendations.

Have you noted that throughout the interviews that you conducted with agri-business both within and without Saskatchewan, there is a perception that this province's labour environment is unfriendly to business and not competitive with other jurisdictions? What is your recommendation concerning the government's announcement to the pork industry that legislation will be introduced this session to bring the hog industry under the Labour Standards Act while our competitors in Alberta and Manitoba are not under the labour standards?

Mr. Wildeman: — You know, in all respect, I don't think it's ACRE's responsibility, you know, to speak to that.

But I would like to, if I could, speak a little bit to what I said at my presentation, that . . . We've got an economy to build and we know that it's going to take both capital and labour to do that. And we need to build, you know, we need to set aside some of the old ways of thinking about labour and sit down in a truly consultative manner and talk over these issues.

And, you know, on my subcommittee we had representation from organized labour. And we spent a lot of time talking about this and we did come to concurrence on that point — that simply, the old way isn't working. And so here's an opportunity, I think, now as we move forward, to talk about the kind of environment where we think that both business and labour can prosper.

And we know it's going to be difficult, and certainly there's been attempts made to do that. But again all we can say — because we're not in power — is just to simply say that we need to sit down and somebody needs to take control of this thing. And let's sit down, you know, in a cool and organized manner and talk about what the future of business and labour is together, rather than, you know, these . . . rather than piecemeal announcements that come out from time to time on one side or the other.

And that . . . again, we need to do this in the spirit of creating a competitive environment for business, and adequate protection and, you know, and remuneration for workers. And if we can, if we can agree on those two principles, I think there's a lot of room to talk about a different way of doing things. But certainly we haven't been successful in the past and so we need to have a new way.

Ms. Harpauer: — In many of the subcommittee reports and the recommendations, there's a recognition and an affirmation that the First Nations and Métis people need to be afforded the

opportunities to become full participants in the economy, and the Saskatchewan Party agrees with these recommendations.

And I would like to ask the ACRE committee members to elaborate on their views of what would be one or two of the priority issues that we need to address immediately to see the vision come to fruition where the First Nations people can become active and equal participants in our economy.

Mr. Lafond: — I'll respond in this fashion. One, the first initiative is to, in our own world, have an attitudinal change about our participation within Saskatchewan. That's taking place and it's ongoing. As much as your rural community has to have attitudinal change, so does our community. But I speak it in the context that both will have to, to recognize the opportunities.

Secondly, some of the deficiencies we have within our communities are shared with yours in terms of access to capital, utilization and training skills of our human resources. So if we can match our initiatives and recognize the opportunities — and I reference in my presentation about a larger pie, not a share or a slice, but to ensure that the slice is enlarged by our development together.

Mr. Weekes: — A follow-up question which Mr. Wildeman touched on. And I noted with interest and optimism in the ACRE's recommendations that you recommended the Saskatchewan government and organized labour and industry enter into a dialogue, and you touched on that to establish measures necessary to create a positive and progressive labour environment.

And I also agree with your recommendations to investigate ways to work co-operatively with First Nations and Métis people to increase their employment opportunities in rural Saskatchewan. In the Irish experience, all sectors had to compromise and work together to achieve a social partnership. And if you could elaborate a bit more, what are your . . . what were your . . . what are your recommendations concerning the process of the dialogue that you suggest, and really what are the conditions to bring groups with divergent views together to ultimately agree on a social partnership here in Saskatchewan?

Mr. Wildeman: — We had proposed a round table concept where we could bring in, you know, affected parties from all sides — whether that was small and large business, both organized and unorganized labour — to sit down and have a discussion because certainly those things are different. And as well, there is differences within industry and so we need to do that, and certainly, you know, we don't hold any magic bullet here as well. But I think we're really asking the province to take some leadership in trying to do that and bring this thing together. And as much as can be done in a non-confrontational manner, to really speak about the future.

And so we look forward to that. We think it's necessary, but we don't have a firm design as I understand it.

Ms. Horkoff: — No, we don't. We've just established a labour committee because there are some issues that we've been looking at for quite some time. It was our understanding there would be some round table discussions and that hasn't

happened. So in the meantime we've established a committee of our own to look at the issues that we had identified in our questionnaires earlier on in the process.

And that's how we've begun the process ourselves. And we're hoping that the whole round table discussion will take place and it will benefit everybody on all sides. We feel communication is the only way it's going to get resolved.

The Chair: — Thank you. The next 10 minutes have been allotted to the independent member, Mr. Hillson.

Mr. Hillson: — Thank you, Mr. Chair. Welcome committee members. And again my thanks to the committee. I believe that this report will be a blueprint in the master plan for the redevelopment of Saskatchewan. And of course while you've concentrated on rural Saskatchewan, obviously the revitalization of rural Saskatchewan is the revitalization of the entire province.

It seems that most of the interest has focused in on the inherent problem we have, and the very high savings rate in our province, and yet capital not being available for growth. And it seems to me that you have identified that as probably the biggest, single obstacle. And you've mentioned venture capital funds; you've mentioned also tax credits for value-added enterprises.

I'd like to hear a bit more about how we can mobilize the capital which apparently we already have — that's what I understand, the capital's there. And I'd also like to hear from Mr. Lafond though. My understanding is that as First Nations complete their shortfall purchases, that there is a capital pool there too that is available for other investments and other developments which work for First Nations, especially in the area of providing employment and economic opportunities for First Nations young people, many of whom, again, obviously live in the rural area.

Because I want to know if that too is another possibility of an investment pool that could be used for joint projects which provide opportunities for First Nations young people, and I'd like to just hear a little bit more about how do we mobilize the contradiction of Saskatchewan having a very high savings rate, having a very high rate of money in Credit Union accounts and bank accounts, and yet investment capital isn't available.

Mr. Wildeman: — Lester said if I take the first one, he'll take a cut at the second ones.

But you know one of the revelations I had, and certainly I guess once you hear it, it sounds you know like basic common sense, but one of the reasons why we're having trouble accessing some of these savings is that people obviously think that their savings are at risk. And if you're in a vibrant, growing economy you'll see a lot of that money naturally come out because we can get them higher rates of return than they can get from Canada Savings Bonds or with T-bills. But as people perceive that the risks get higher, they tend to start putting it in safer investments.

And so, you know first of all again, so we need to get, you know, some carrots out there that will get some portion of that

capital back in utilization; and I think if we can show that we're good stewards of those investments, and we can give them higher rates of return and still be secure, that money will flow.

There was certainly you know a lot of money taken out of those savings back when you could invest in some of these mutual funds you know in double-digit growth, and now as soon as that turned back, they went back into savings. And so I think again, our recommendation is simply to get some things out there that'll help loosen that up, allow some of these businesses to get up and start, and I think we can show that we can give them rates of return and a safe investment, and then I think we'll get some of that done.

Mr. Lafond: — With respect to the treaty land entitlement capitalization, we have situations where we are discussing and trying to promote this regional concept, regional adventure of value-added projects for not only the First Nation tribal council areas but the local areas. It's new. It's attitudinal change that's being requested, and that's what we're asking for.

Just to give you a context of the funds themselves, they don't simply are . . . are simply not for economic development. They have 10 categories. And believe it or not, the federal government does not supply all the cash we require to survive as a government and to service our people. We have to recognize these other costs that are being shortfalled by the federal government.

And in respect to my First Nation, in their trust settlement, they've now voted into perpetuity but they have five categories. One is for small business. One is for major capital, and the other three are social programs for the elderly, the education, and skill training.

So we have a diversification of the allocation of our capital. And that's going through many of the First Nation communities, so we don't have full access to the full amounts. So that's why the partnerships is what we're promoting so that we can pool these monies to look at these regional partnerships.

Mr. Hillson: — We know that this province places a higher reliance on the property tax base to fund education than any other province. So we know that we rely on property tax as our means of funding education — say — more than anywhere else in Canada. And you have flagged that in your report.

And I would like to hear, though, if the committee did any discussion on the alternatives available. I mean, obviously the school system has to be funded. And maybe we, to an unfair extent, look to property owners, therefore farmers, to fund our school system. But nonetheless, if we come to the conclusion that we're doing it wrong, that we put an unfair reliance on farmers and property owners, we still have to accept the fact that the costs of education don't disappear. They still have to be borne.

And I want to know if the committee did any discussion on that subject of what do you do about the very real issue that we have these education costs. We perhaps pushed them unfairly onto farmland, but we still have to deal with that issue.

Ms. Cannon: — It is a very difficult issue, and we did have a

lot of discussion on it.

I'd like to point out first that because we're the Action Committee on the Rural Economy, the recommendation came out as taxation on farmland. The background information in the supplement to the final report carries out further our discussions in that we recognize that it is not only farmland that is affected by this method of taxation, and we acknowledge there's an urban impact as well.

Our discussions centred that we were very well aware that taking it off of farmland meant it had to go somewhere else. We are not willing to lose that necessary funding. Most of our discussion centred around moving it towards the population base rather than the property base, especially in light of the changes that have been rather dramatic over a very few years, of population moving off the land base to where we now have a critical situation of very few people paying a disproportionate amount on their land base.

How to exactly put it onto the population base, we didn't come up with an answer. We would have liked to have come up with an answer. We went around the discussion table a great deal.

So I guess it's fair to say that the conclusion we came to is spread it more equitably across the citizens of the province, as education is a citizen issue.

And make sure that while you were doing it that you were not putting undue burden on the citizens as is currently happening.

Mr. Hillson: — You also said that even more important than the investment issue and the capital issue, mobilizing capital, it first and foremost comes down to attitude.

And I sometimes think that we as Saskatchewanians like to see ourselves as a friendly, warm, and welcoming province. And yet, Mr. Lafond, you've pointed out quite correctly that we have not always done a good job of working with First Nations communities, living side by side with us.

And you have also, as a committee, you have flagged the issue of immigration. We have not significant immigration into our province now for I think at least 75 years.

And that there is just this natural rejuvenation of new ideas and new excitement and new ways of doing things that come from exposing ourselves to farmers and new farming practices in Europe, the United States, and even, even in Alberta.

And I was interested that the economics of Saskatchewan now look pretty good compared to Alberta. I was also very interested in your saying that notwithstanding the higher American subsidies, the fact remains that the situation in North Dakota is certainly no better than here; if anything it may be worse.

So I'd like to hear a bit more about how you would like . . . concrete steps we could take that would make us a more open, welcoming people; and some of the benefits you think can flow from us learning, from our European friends, people from other parts of Canada, possibly Americans as well.

Ms. Cannon: — And Brad thought he was answering all the

tough questions.

I think that you've sort of hit the nail on the head and that we can learn from others. I think education is the first priority and understanding that there is the rest of the world out there. And the rest of the world does things how the rest of the world feels they should be done. Saskatchewan does not have all the answers and is not necessarily the place to learn everything. And I think we need to broaden our scope, both within and without of this province.

There's a vast population who does not speak to 10 per cent of our population. That needs to change through education because the vast population — descendants of immigrants — who do not wish to have immigrants in this province. That needs to change through immigration. And it needs to change through education.

I think we need to address within ourselves and within our communities where we wish to go and how we wish to get there. As Canadians and as Saskatchewanians if we do not wish to do certain jobs and we see those jobs as an opportunity for the province, then we should encourage those who do wish to do them. I think it ties together in understanding how other people live, what they want, what their expectations for a good life are, and being able to provide some of that to new immigrants coming into the province as well as to our residents who are already here.

Now the concrete things that can happen. Number one, education. Both teaching others about Saskatchewan and teaching Saskatchewan about others. And number two, as was said earlier, making the welcome mat more obvious. It could be as simple as a poster campaign nearby. I don't know the exact answers to it but sometimes Saskatchewan is forgotten by its lack of action and its lack of shouting. Maybe it's time we speak softly and carry a big megaphone. And I think that will help to address many of the issues as we see them.

We at one time encouraged mass immigration and I think we can certainly encourage targeted immigration now in a real and affluent way for this province. But I think we also need to look within and start working with each other and understand we're human beings, we're herd animals, and we have to work together in order to accomplish something.

Mr. DeRyk: — To that, we tend to be afraid of things that we're not familiar with. And my generation and younger generations haven't been exposed to the, you know, to the large scale immigration that we had in the past.

And unfortunately we tend to forget that we're all children of immigrants in Saskatchewan. And the attitudes, you know, need to change through exposure to this happening in Saskatchewan to, you know, a greater influx of new people which will prove to the people that are already here that, you know, this is a good thing and not something to be feared.

But unless we get that ball rolling, you know, there is no reason, there is no way, there is no basis for people to change their attitudes on. So we need to get it going in order to prove, you know, that this is not something to be feared.

Mr. Lafond: — I would just like to respond in terms of the immigration question. My leadership has indicated a negative response to the initiative, but I think in Marsha's comments which alleviates some of my personal concerns about immigration is that as long as we educate the immigrants coming into this province about the fundamental structure of these communities that we exist in and a co-existence in which we historically have been and will be into the future, and I think we have hopefully less fear for these individuals that come in. We're just concerned that the sensitivity or insensitivity by the immigrants with lack of education about the co-existence we have here or the attempt to, in terms of both social and economic are important to us.

Mr. Forbes: — I'd like to thank you as well for your thoughtful and thorough report. I appreciate the different perspectives that you've brought to the table on this. My question is this: have you thought about any strategies or recommendations for all the partners involved in making this report happen to how you involve the people of the two larger urban areas in this province? We've talked about outside the province, inside the province. Some of us may not know the difference between a stubble field and a summerfallow field. So I appreciate your thoughts on how do we bring us all together as a province to support this report.

Mr. DeRyk: — Well there is no doubt that we can't ignore, you know, Regina and Saskatoon as far as their influence on rural Saskatchewan. Our mandate . . . and we went through this discussion when we set up the series of consultation meetings in February. Our mandate was specifically rural Saskatchewan, and we defined right from the beginning that rural Saskatchewan was everything outside of Regina and Saskatoon, you know, including the other cities, which are much more heavily dependent on the rural economy.

I guess this kind of process here, as well as the news conferences and the media exposure that results from that that were held today, it's not a case that we don't want to talk to Regina and Saskatoon, but that wasn't our immediate mandate. We have every confidence that it will take an interest in it and that they will be informed, and there are websites, and they do have high speed connections, so they can get there fast, that these people will take an interest because the other thing that happens when we start talking about capital, a goodly portion of that capital tends to be centred, you know, in the larger centres as well. So they need to be involved in the process.

The reporting back that we're doing here, the tabling of the report, the attention, you know, media attention that that gets, you know, we hope and trust, you know, will provide the people of Saskatoon and Regina with, you know, with information. And certainly we're still going to be around and if there are questions, you know, if people are interested, there are still going to be, you know, points of contact where they can . . . that they can address.

Mr. Lafond: — I would just like to add to that in terms of an example that took place in the city of Saskatoon through the Saskatoon Chamber of Commerce, who initiated an agricultural initiative with respect to Sask Agrivision. It was started in urban Saskatoon, initiated to support the agricultural industry of Saskatchewan, because it was a relationship that the . . .

(inaudible) . . . commerce thought was important for the city of Saskatoon and its business community, so that that initiative was started from the urban to ensure that the rural would be successful and healthy and vibrant so that they would support the city in its endeavours.

Hon. Mr. Osika: — Thank you, Mr. Chairman. I would like to ask a question and then, following the response to my question, I have a few other comments that I would like to make, if I may.

What did you learn during the course of your consultations about the state of rural economies and rural development issues in other . . . outside of Saskatchewan? Were you able to make some comparisons or make some determinations?

Ms. Cornell: — Mr. Osika, I think Brad will probably have some insight into that also. I spoke about the Irish experience and what they had gone through and how they turned their economy around. We talked to them; we received a huge pile of literature from them. And we're also . . . it's still ongoing. There is somebody in the federal government over there taking a look at their programs and we're hoping to get the information back from them.

They developed a mentorship program for businesses in there and they encouraged it quite strongly and they got a good response from businesses that were successful to help new businesses get going. They also implemented an education strategy, a very aggressive one. Every Irish student receives a free university education. And they traded that off for something else within their economy and don't ask me what because I'm not sure. But in looking at those jurisdictions, there are ways that you can turn a country around; there's certainly ways we can turn this province around.

Mr. Wildeman: — I think the interesting thing for me was that when you look at sort of just primary agriculture, it simply didn't seem to make a lot of difference, you know, what the support level was for that — whether you look at North Dakota, or when we compared ourselves to the rest of the United States, when we compared ourselves even to the European Union, where we know the subsidy levels are extremely high.

You know, the economic well-being of those primary producers is not much better. And it seemed like all that increase in subsidy ended up being in the cost of land. So when we talked to our neighbours in North Dakota, for example, we'll talk about the difficulties that they're having at the farm gate, and yet their land may trade for \$2,000 an acre instead of \$400 an acre. So it seems to be capitalized into that which really, I think, drilled down to the core of our discussion and that's, you know, would \$7 wheat cure anything? You know, would \$7 wheat ever revitalize rural Saskatchewan?

And after we really looked at that, because I think a lot of people said if I could just get more for my grain, all the problems go away. You know, we simply couldn't find that in the data and so we realized that, you know, although that would certainly help the economics for some people, that wasn't the answer to revitalizing rural economy.

Only by creating jobs out there . . . and jobs have to come

through other industrial enterprises — preferably owned by those primary producers, but not exclusively — that was the only way they were going to create more jobs.

While we talk about a 3 per cent growth in GDP, we found out that technology is moving and eliminating jobs faster than 3 per cent growth. And so we need to have a growth rate that's probably more like 5 or 6 per cent GDP to actually start generating jobs.

Hon. Mr. Osika: — Thank you very much. We've listened here with a great deal of interest all evening. I want to express my appreciation to the committee, all the committee members, and echo what the Deputy Premier had said earlier. This is awesome. We have people from diverse backgrounds that come together and work together over the last 18 months and come to us with some enthusiasm and some candid views of what we need to do and boy, I'll tell you . . . let me tell you, I really liked the words . . . and I made some notes here.

I liked your talking about, we need to work together, we need to build some relationships. You even used the words coterminous boundaries, although you were very cautious about how you referred to that. Community reorganization — I kind of like that sort of thing. And I just want to tell you that it's really awesome to hear that you are an encouragement very definitely to people in Saskatchewan about the opportunities that we do have in this great province.

So I, from my perspective, I'd like to thank you. I'm sure I speak on behalf of a lot of people here, to thank you very, very much for your work and we look forward to continuing reviewing and moving towards implementing the recommendations that you've made.

And if I was going to end on a question, it would be what's the time frame that you see these priority recommendations being implemented?

Ms. Horkoff: — Well I'll make a couple of comments. First of all, thank you for your comments about the committee. And if you want to see enthusiasm, you really ought to be at one of our meetings. As Chair, it's like trying to take care of a runaway team. This crew is just so enthusiastic, they keep me on the edge of my chair just trying to keep everybody going the same direction.

It's been, for myself and for the members I think, it's been really good for us as well because we've had an opportunity to share this enthusiasm, share our ideas, and we do appreciate having had that opportunity, and we thank the people in government that did allow us to do this.

Your second question . . . your question was, I'm sorry?

Hon. Mr. Osika: — What time frame do you see the implementation of the priorities?

Ms. Horkoff: — We see that a number of these recommendations are things that can happen immediately. There are some things that are going to take a year or two years. There's things that aren't going to happen perhaps for 10 years. But as long as the beginning has been made, we feel if the

process begins and we get started, the rest will look after itself. And I think a few of those basic initial recommendations, once they're implemented, will get us rolling and the rest will fall into place.

The Chair: — Thank you. And seeing that the time has elapsed on the government's 10 minutes, that brings us to the conclusion of the question and answer period.

And on behalf of the Standing Committee on Agriculture, I wish to express our gratitude to the Co-Chair of the Action Committee on the Rural Economy, Audrey Horkoff, and all the other members of the committee for your comprehensive, thought-provoking presentation.

The committee also wishes to recognize the tremendous effort of all the members of the ACRE committee in compiling this report. I thank you on behalf of the committee very, very much.

Applause.

The Chair: — Now the committee members, we have a bit of business to do. All the committee members have received a draft copy of the report. Is there any discussion on the report? Not seeing any, I have a motion and I'll read the motion out:

That the report regarding the appearance of the ACRE Committee before the Standing Committee on Agriculture be adopted and presented to the Assembly.

Can I get a mover for that? Ms. Harpauer. All agreed? Agreed. Carried.

Since we have two minutes before our scheduled adjournment, I will need an adjournment motion. Can I get somebody to move the motion of adjournment? Mr. Osika. The Standing Committee on Agriculture now stands adjourned. Thank you all very much and have a good evening.

The committee adjourned at 22:28.