

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Muirhead: — Thank you, Mr. Speaker. Again today I will be laying some petitions on the Table and at your request I'll just read their prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

As in duty bound, your petitioners will ever pray.

Mr. Speaker, I have four pages here. The first page is all Southey; the second one is all Melfort, Star City, St. Brieux; and the third page looks like it's all Cupar with the exception of two or three from Punnichy; and lastly, Lampman, Arcola, Kisbey. Thank you, Mr. Speaker. I now lay these on the Table. Thank you.

Mr. Neudorf: — Thank you, Mr. Speaker. I have petitions as well from petitioners across the province and I will read the prayer, Mr. Speaker.

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

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

Mr. Speaker, these petitions are a composite of Saskatchewan with petitioners coming from Delisle, from Swift Current, Outlook, Vanscoy. There's an entire page almost of Delisle except for one person from Kindersley, another page from Delisle, and a page from Kyle, from Kyle, Saskatchewan; White Bear and another page from Kyle, Mr. Speaker, and it gives me great pleasure to present these petitions to the Assembly at this time. Thank you.

Mr. Martens: — Thank you, Mr. Speaker. I too have petitions that I want to lay on the Table for the people of the province of Saskatchewan and the prayer is this:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

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

And, Mr. Speaker, they are here, signatures here today from Star City, Melfort, Brooksby, Spalding, Beatty,

P.A. (Prince Albert), Turtleford, and Mervin. I present them to the Assembly here today.

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, I too have petitions to present to the Assembly and I'd like to read the prayer to the Assembly:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy Inc. corporate governance and financing arrangements.

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

And, Mr. Speaker, the petitions here are signed by individuals from McCord, Glentworth, a number of people from the Maple Creek area, Consul, Tompkins and the Eston area. I so present them to the Assembly.

READING AND RECEIVING PETITIONS

Clerk: — According to order, the following petitions have been reviewed, and pursuant to rule 11(7), they are hereby read and received:

Of citizens of the province praying that the Assembly may be pleased to defeat any legislation introduced to redefine the NewGrade Energy corporate governance and financing arrangements.

INTRODUCTION OF GUESTS

Mr. Jess: — Mr. Speaker, I'd like to take this opportunity to introduce to you and the other members of this Assembly 36 grade 3, 4 and 5 students in the west gallery. I can't see up there very well from here myself, but I understand there's 10 chaperons.

I will be meeting with them for photos at 11 a.m., and following the photos we will meet for drinks in room 218 and hopefully some very easy questions. These students are accompanied by their teachers Sharon Assman, Roberta Mansfield, Miriam Buswell.

And I will look forward to meeting this group later and I would like to ask you to join with me in welcoming them.

Hon. Members: Hear, hear!

Ms. Bradley: — Thank you, Mr. Speaker. It's indeed with great pleasure I want to introduce to you today and through you to the members of the legislature a group of students that are visiting here from Milestone School. These students are a grade 4 class, 15 students, and they're a class that I feel very close to as they're from my home town and also a class that I had taught before I was elected.

They're a very capable group and I've actually visited in their classroom last, oh about two weeks ago,

where I had an interview with them. And I must warn our press gallery that we have some very budding journalists and interviewers there.

I'd like to welcome them along with their teacher that's brought them here today, Rhonda Pyett, and the chaperons, Debbie Winkler, Debbie Keys, Kathleen Haack, Brenda Kalina, and Lynn Erhardt. I will be meeting with them after for pictures and a good discussion and drinks, and I'd like all members to help me welcome them here today.

Hon. Members: Hear, hear!

Mr. Muirhead: — Thank you, Mr. Speaker. It's a pleasure to introduce to you and to members of this Assembly, 54 grade 3 students from the Outlook Elementary School. They are sitting in the east gallery, Mr. Speaker. It's always a pleasure to have Outlook here. This is my 15th year I've been here and there's never been a year, I don't believe, that Outlook hasn't been visiting this legislature. And I thank them for their interest and we're going to look forward to a visit with them in room 255 at 11 o'clock, I believe it is, and then a photo afterwards.

And I ask all members of this Assembly to join in welcoming the students, and their teachers, chaperons — I believe there's 10 of them — and bus drivers.

Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Hon. Mr. Tchorzewski: — Thank you, Mr. Speaker. I too would like to draw to your attention and to the attention of the members of the House, some 24 students from St. Theresa School, in the west gallery, who are here to visit the legislature today. They are a class of grade 4 students from a school which I know very well because I used to teach there, as I indicated when there was another large group here just a few days ago.

And I want to also mention that they are accompanied by their teacher Elaine Pack, and Carol Tompka and Mrs. Matt.

I would like to ask members to join me in extending a warm welcome to these students who are guests here today, and I look forward to meeting with them after the question period for some refreshments and some discussion and the taking of a picture.

Hon. Members: Hear, hear!

Hon. Mr. Cunningham: — Mr. Speaker, it gives me great pleasure today to introduce to you and through you to the members of the Assembly, a class that I know very well. They're from my home town, from Lintlaw-Okla School. There are 31 grade 2, 3, and 4 students. There are 12 chaperons, and if I had my glasses on I could probably introduce them as well.

These students are very good students; they're learning a lot this year. I know that because they have two very tough teachers, one Gwen Olszewski, and a Donna Cunningham who happens to be related to me through marriage. So I know that they're behaving very well this year, as I do all the time. So I'd like you to join me in welcoming them to the Assembly, please.

Hon. Members: Hear, hear!

Hon. Mr. Penner: — Thank you, Mr. Speaker. I'd like to introduce to you and through you to the members of the Assembly, a good friend of mine and the pastor of my church in Swift Current. He's here to observe the proceedings today. Mr. Lorne Willms is sitting in your balcony, Mr. Speaker. And I assure you that I will be on my usual good behaviour when my pastor's here watching what I'm doing.

I ask you to welcome him here today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Compensation for Hemophiliacs

Ms. Haverstock: — Thank you, Mr. Speaker. My question is directed to the Minister of Health. Madam Minister, as you are probably aware, three provinces have agreed to compensate hemophiliacs who have contracted HIV (human immunodeficiency virus) from tainted blood.

And in the time that has passed since hemophiliacs in our province began pursuing compensation, six of these individuals have died. What are your plans regarding the surviving 24 hemophiliacs in Saskatchewan who have contracted HIV from tainted blood?

Hon. Ms. Simard: — I thank the member opposite for the question and would like to make this comment. That the matter is going to be discussed in June at a deputy ministers' meeting throughout Canada. All deputies will be meeting and they'll be talking about that specific issue.

The member opposite is probably aware of the fact that there are lawsuits in Saskatchewan pending on that issue and therefore it becomes difficult to talk about the issue publicly because of the pending lawsuits. However I can state that the matter is under discussion and will be discussed later this month at a deputy ministers' meeting across Canada.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Thank you, Madam Minister. I wish to quote from a letter dated October 26, 1990 to the Health minister of the day. And this letter states, I quote:

I write to encourage your early and favourable response to the request of the hemophiliac society. Catastrophe relief is an appropriate

title for the situation facing these 25 citizens of our province.

And as you will note, this letter in 1990 cited 25 citizens . . . there are now 24.

Madam Minister, this letter is signed by the current Associate Minister of Health, the member for Moose Jaw Wakamow. Why is there something that was a catastrophe in 1990, now an issue that can wait when the author of this letter is in a position to do something about it?

Hon. Ms. Simard: — Well the member opposite knows that there was an agreement with provinces that took . . . The member opposite knows that there was an agreement made by the former government with the provinces across Canada that they would not accept legal responsibility for this compensation, because in effect the federal government is responsible for monitoring the blood supply.

That agreement took place, I think it was in 1990 or 1991. The issue is now under review. We are aware of the situation with respect to hemophiliacs and the hardship that this has created on many families. So the issue is under review. It is considered important by the government. And as I pointed out, there's a meeting this month to discuss that very issue.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Well, Madam Minister, there seems to be some conflict here, because as recently as May of 1993 the member from Moose Jaw Wakamow wrote the president of the hemophilia Saskatchewan stating, and I quote: financial assistance to HIV-infected hemophiliacs, extra to that provided by the federal government, will not be forthcoming from the province of Saskatchewan.

Now, Madam Minister, what we have here is what was referred to just a moment ago. And that is that we have a member who made one commitment while sitting in opposition, but has since turned his back now that he is in government. And I'm really wondering how you can explain to these individuals in the hemophiliac society who have received this information, why is it that this is now transpiring from exactly the same individual, Madam Minister.

Hon. Ms. Simard: — I believe the hemophiliac community has also been advised — and I'm sure you're aware of that — that this situation is being re-evaluated. The member opposite also knows that there are lawsuits pending, and therefore it becomes very difficult to speak publicly about what may be taking place in terms of re-evaluation.

But I do believe the member from Greystone is aware that the associate minister has indicated that it is being re-evaluated. I have also indicated that to the press, that it is going to be discussed by deputies in June. Ministers have it on their agenda for September. The matter is being re-evaluated across Canada right now.

However we do have lawsuits pending. And I think that . . . like I appreciate you raising this, but we must be very careful that this, with the lawsuits pending and with the gravity of this case with respect to these families, that we don't play politics with the issue.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Speaker, Madam Minister, if we're talking about who's playing politics with this matter, anyone who will claim that simply before this . . . this is a matter before the courts, so you can't comment, and you'll wait until your Health ministers' conference in the fall, the fall may be only three months away for the Health ministers in Canada, but three months away may be a lifetime for the 24 people we're talking about.

If you're not prepared to deal with this issue on a humane level, then let's just look at it from an economic level. These people, the 11 out of the 24 who are prepared and are in the courts about this matter, are stating that they will drop their legal actions if in fact the Government of Saskatchewan deals with them in a judicious way. There are 24 hemophiliacs in Saskatchewan; 11 of them are pursuing legal action. And they say, with the adequate compensation of \$30,000 per person, per year, they will drop the pending legal action.

Now one claim of this nature, Madam Minister, that was launched against the Government of Australia, ended up costing that government \$15 million as a result — one claim, Madam Minister. Now these people are not asking for an unreasonable amount. Their request is \$30,000 per person, per year. Can you assure me that you are going to stop ignoring their plight?

Hon. Ms. Simard: — For the member opposite to represent the government as ignoring their plight is false, incorrect, and unfair. And she knows full well that there was a letter sent to the hemophiliac association in June 3 where it was indicated by the Associate Minister of Health that the position was being fairly re-examined and re-evaluated, and we are looking at the situation.

It's not a question of not being compassionate. It's not a question of not being humane as the member opposite wants to portray it. It's a question of balancing the legal actions and re-examining and re-evaluating these issues in a manner that will be fair to everyone involved.

So the member opposite should simply . . . I appreciate her raising the issue but let's get the facts straight. The facts are, and she knows, that it's being re-evaluated. The facts are, and she knows, that it's being re-examined. The facts are, and she knows, that the hemophiliac association has been advised of that. The facts are it's being discussed in June and she knows that. She knows as well there was an agreement across Canada by provinces made by the former government. She knows that. She knows that this is all under re-evaluation and there will be an

eventual conclusion to this matter.

Some Hon. Members: Hear, hear!

Ms. Haverstock: — Mr. Speaker, Madam Minister . . .

The Speaker: — Order. Last question.

Ms. Haverstock: — Madam Minister, what we should be asking is what you're really telling the people versus what you've been telling the hemophiliacs of this province. How much less could you be doing for innocent people who are paying such a high price for someone else's mistake? It's just astonishing. You've been in government for 19 months. These are people who are dying as you stand by and say that you're so terribly concerned.

Madam Minister, I'm going to quote from one more letter here and this was written by the member from Saskatoon Broadway who stated at the time, and I quote: I support your request for relief for the 25 affected families. Please advise me as to how I can help.

Well I'm going to tell you how your government can help, Madam Minister. You can ask your Premier to have enough decency to meet with these people who he told he would not meet on June 1 of 1993, just some 10 days ago. These people are living on borrowed time, and as recently as the beginning of this month he indicated that after you have exhausted speaking with everyone else, Ms. Simard, Mr. Calvert, and the Department of Health and your organization feels that a meeting might be helpful, I would at that time consider your request for a meeting.

Well I suggest if you're so concerned as a government, request from your Premier that he please meet with these people. Will you commit today to have the Premier of this province meet with the individuals who are suffering from HIV as hemophiliacs in the province of Saskatchewan?

Hon. Ms. Simard: — Mr. Speaker, the government is meeting with hemophiliacs on an ongoing basis. They're having ongoing discussions with the hemophilia association. The associate minister has met with the hemophiliac . . . either a group of the hemophiliacs or the hemophilia association in Saskatchewan. There are ongoing discussions between the Department of Health and the association. And I want to assure the member that we are doing what we can to have this matter resolved.

And the very fact that the deputy minister has been instructed to discuss it in more detail with his counterparts across Canada, the fact the ministers consider it enough of a priority to put it on their agenda — all this is happening, Mr. Speaker, and I'm convinced that the matter will be resolved in due course.

Some Hon. Members: Hear, hear!

Increased Taxation

Mr. Toth: — Thank you, Mr. Speaker. Mr. Speaker, and to the Premier, I, like most people in the province of Saskatchewan, I'm sure, as we observed the news last night, were rather breathing a sigh of relief when we heard that tax freedom day had reached the Canadian population. Today was going to be tax freedom day.

However I find out this morning, Mr. Premier, and Mr. Speaker, that the Fraser Institute has released their report and low and behold, for Saskatchewan people, we can't breathe a sigh of relief just yet. In fact, Mr. Speaker, we're going to have to wait till July 8 to breathe a sigh of relief and finally realize that the dollars we're working . . . and earning are finally going to go into our pockets rather than the pockets of the province of Saskatchewan.

The Fraser Institute has determined that, because of the government's policy, tax freedom day will not take place until July 8 here in the province of Saskatchewan. Mr. Premier, from 1992 to 1993 tax freedom day has moved back from June 27 to July 8 — the biggest jump of any Canadian province.

Mr. Premier, when you were elected you were elected primarily because you promised that . . . you suggested Saskatchewan people were overtaxed and there would be no new taxes. Yet we see Saskatchewan people have the greatest tax burden in all of Canada.

Mr. Premier, how do you justify promising Saskatchewan people that you will lower taxes and then nail the same people with the biggest tax burden in all of Canada? How do you do that?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I'd be pleased to answer that question. The members opposite should have very carefully considered the possible tax burden that governments would have to impose on the citizens in the '90s when they governed in the 1980s and they racked up a huge debt — the highest per capita debt of any province in Canada.

This government is committed to balancing the books of the province. Our approach was to begin with expenditures — that is with cuts — which we did. But there's a limit to how much you can cut. Therefore, we were forced as well to raise taxes.

I find it very, very interesting that these members are raising this at this time. As I say, had they considered more carefully what they were doing in the 1980s, we would not have to raise taxes in this province.

Some Hon. Members: Hear, hear!

Mr. Toth: — Thank you, Mr. Speaker, and to the Minister of Finance. As I suspected, Mr. Speaker, the Minister of Finance has responded in the usual manner — just by pulling out the blame thrower and going back to what was built up in the 1980s. But as

we said earlier, Mr. Speaker, the deception that has been used of always accusing the government of the '80s, when they forget about the '70s and even the '60s and the fact that governments of the '60s and the '70s failed to put the appropriate funds in the pension plans.

Madam Minister, the Fraser Institute has named you and your government the number one taxman in all of Canada. Because of you, Saskatchewan people pay 52 per cent of their income in one form of taxes or another. In fact we're the only jurisdiction where over half of the average family's income goes to pay taxes. Our tax freedom day is fully two weeks behind the other worst province in Canada and that's B.C. (British Columbia) and guess who they have for a government — it's an NDP government.

Mr. Premier, you were the individual who promised not to raise taxes. Madam Minister, why did you deceive the Saskatchewan people?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, I'd like to take the member opposite up on one of his points about the facts of the situation. What I would refer him to is the Manitoba budget. And what I would refer him to particularly in the Manitoba budget is a table, and the table compares the cost of taxes and basic rates in Winnipeg and in Regina. What the member would find there is that it is cheaper to live in Regina in terms of taxes and basic costs for basic utilities.

So what I would say to the member opposite is that, don't look just at what's happening in Saskatchewan. Compare what's happening here to other provinces — where they do happen, by the way, to have Conservative governments — and you'll find that we stand up pretty well in terms of comparisons.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, again to the Associate Minister of Finance, and maybe it should be to the Premier: Mr. Premier, I understand that the NDP (New Democratic Party) leader in the province of Prince Edward Island is considering laying himself off and going on poge for the summer. I wonder if it would be possible if you would lay off all your cabinet ministers and go on poge. It may not be the appropriate thing to do, but it may save the taxpayers a lot of money.

Mr. Premier, your government's budget documents had a number of charts showing the Saskatchewan people had a fairly modest tax burden when compared to people in other parts of Canada. Today we see that simply isn't true. We have by far and away the heaviest tax burden of every province in Canada due to your government.

Madam Minister, why did you mislead the Saskatchewan public by including those inaccurate, deceptive charts in your budget materials?

Hon. Ms. MacKinnon: — Mr. Speaker, what I would refer the member to is the budget address. And again in there you'll find tables. And what those tables will show is that a family earning \$25,000 a year in Saskatchewan has the third-lowest cost of basic necessities — that is taxes and basic utility rates.

So what we're very proud of is the fact that although we are in a very difficult financial situation, inherited from the members opposite, still we are doing the best possible job of protecting the average family from rising costs. We're very proud of that.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, another question to the Minister of Finance. Madam Minister, in 1992 the average Saskatchewan family had a tax burden of \$20,032. In 1993 that tax burden has jumped to \$23,159 — an increase of over \$3,000 in just one year. That's \$3,000 extra taken out of the pockets of every family in Saskatchewan.

Now unless you're working in the minister's office, I doubt that there are very many Saskatchewan families that saw their salaries increase by that kind of money. Madam Minister, when you take \$3,000 out of the pockets of every family in Saskatchewan, it's no wonder our economy isn't growing.

Madam Minister, when are you going to realize the damage that this level of taxation is doing to Saskatchewan, and when are you going to start keeping your promise to start lowering the tax burden instead of raising it and live within the means that the Premier promised of \$4.5 billion?

Hon. Ms. MacKinnon: — Mr. Speaker, it is absolutely incredible to hear the hypocrisy of the members opposite talking about us learning to live within our means, when in the 1980s on average they overspent \$1 billion each and every year that they were in government. Absolutely incredible.

The other thing that's incredible though is that we have this year a deficit of just over 500 million for the previous year. If in fact we were getting from Ottawa the same dollars as we were getting in 1988, we would not have a deficit. So the federal government managed to offload on the members opposite when they were in government 500 million — and silence.

Now it's gone further. The members opposite are actually supporting — many of them — a candidate to be prime minister of this country, who has said openly, I'm going to cut another 8 billion from the provinces. So they've gone a step further. In the '80s they were just quiet about the offload; now they're actually promoting the offload. Shame.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, and to the Minister of Finance, well it's certainly nice to hear the Minister of Finance finally admitting that there was some debts created in the 1970s. When the Minister of Finance

says the government of the '80s spent about a billion dollars a year and they continue to bring up 16 billion, that leaves \$8 billion at the feet of the province of Saskatchewan and the government of the '70s. And even the media have seen through that. And the people of Saskatchewan have also seen through that.

If you look at the Fraser Institute report, Madam Minister, you'd see that when resource taxes are factored out, tax freedom day remained unchanged from '84 to 1992. And between 1992 and '93 it jumped by 11 days. In other words, Madam Minister, from '84 to '92 the tax burden in this province remained the same. Taxes may have gone up, but they went up at the same rate that people's incomes were rising. Between '92 and '93 taxes shot up sharply and incomes weren't even close to keeping pace.

Madam Minister, why can't you understand the type of jarring effect that kind of tax burden has on the economy and jobs and on the people's lives of Saskatchewan. When are you going to follow the example of the associate Finance minister and say that there is no impact.

Hon. Ms. MacKinnon: — Mr. Speaker, once again, it's incredible that the members opposite are irresponsible enough to sit there and pick at our solutions to the problem that they handed us.

We would have a surplus this year, that is we would have extra money to spend on health care or job creation were it not for one single factor, the fact that we will be paying in excess of \$800 million a year, \$200 million each and every day on interest — interest on the public debt created when the members opposite were in power.

We are beginning the process of turning this province around. We have a plan to balance the books of the province. Instead of sitting there and carping, join with us in providing hope and optimism about the future because we are living within our means in this province.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, when the Minister of Finance continues to blame the feds for their problems, in fact the federal government has a larger debt than even the per capita . . . than the people of Saskatchewan do. I wonder who the local governments blame. It would seem to me that their finger is going to have to be pointed at this government.

Madam Minister, the Fraser report is full of interesting numbers and here's another one: Saskatchewan has the highest municipal tax burden in all of Canada. Saskatchewan families pay about 3,400 in property taxes, \$300 more than the second highest which is the province of Ontario.

Now I'd like to think that's because we have the highest property values, but unfortunately that isn't the case. It's because of all the downloading that your

government has done onto municipalities, cuts to revenue sharing, offloading the cost of policing and environmental protection, grabbing a greater share of municipal fine revenue. And it's only going to get worse.

The 8 per cent revenue-sharing cut that's coming next year and the downloading of health care onto the property tax base as we're seeing the Minister of Health doing, are going to make property taxes sky-rocket in 1994.

Madam Minister, how do you justify all of this downloading onto municipalities? How do you justify giving Saskatchewan the highest property taxes in all of Canada?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, there are statistics, statistics, and other statistics. There are studies which say that Regina and Saskatoon have amongst the lowest property taxes in all of Canada. So we can battle the statistics back and forth.

But my main point remains. Face up to the reality. You left this province in a very perilous situation. We are beginning the job of getting the situation under control. We have a plan to balance the books of the province. When we devised that plan, we did worry about jobs. Because, for example, when the business community told us they did not want a payroll tax, as they have in Manitoba where there is a Conservative government, we listened, because they made a very good argument. A payroll tax discourages employment.

So we were very careful and cautious in the way that we approached taxation and the way we approached the whole budget. But what we're doing is we are cleaning up your mess, and we have the support of the people of this province. Because although these are difficult measures, they know we have a plan, they know we are committed to living within our means, and they know we are committed to developing a long-term plan for the future of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Toth: — Mr. Speaker, and to the minister. Madam Minister, the fact that there is \$3,000 more coming out of the taxpayers of the province of Saskatchewan in one year is reflected on nobody else but yourselves. In fact that \$3,000 is because of the choices that you have made as a government, the choices to expand cabinet, the choices to increase the budget to the principal secretary's office, the choices to increase the salaries of assistants, MAs (ministerial assistant) in ministers' offices.

Madam Minister, those are your choices, and because of your choices, Madam Minister, the taxpayers of Saskatchewan have to dig deeper. When are you going to finally admit that the choices you have made have hurt the people of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Ms. MacKinnon: — Mr. Speaker, the member opposite is very misleading. We could close down the whole legislature and all the costs associated with that and we would pay the interest on the public debt for about two or three days. What would you do about the interest for the other days of the year and the other expenditures of government? What I ask the member opposite, who is sitting there again and carping at our attempts to clean up their mess, if in fact they were not going to increase taxes, what then were they going to cut? Where are they going to find another \$200 million in cuts? Close hospitals, close schools, close universities?

We believed it was important to make cuts, but we also believe in compassion. There has to be a basic safety net there below which people cannot fall. My suspicion is that the members opposite either would not care about balancing the budget or would balance the budget on the backs of the most vulnerable people in this province.

We're committed to balancing the budget. We're committed to creating jobs. We're committed to rationalizing services. But we're also committed to ensuring that there is a basic safety net for the most vulnerable people in our society. And we're proud of it.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

General Revenue Fund

Agriculture and Food

Vote 1

The Chair: — At this time I would ask the members to come to order and ask the minister to introduce his officials.

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. With me today I have Dr. Hartley Furtan, who is the deputy minister; Terry Scott, who is assistant deputy minister; Harvey Murchison, who is the director of administrative services; and Ross Johnson, who is our department budget officer; and Norm Ballagh, general manager of Ag Credit Corporation.

Item 1

Mr. Muirhead: — Thank you, Mr. Chairman. Mr. Minister, I believe I was one of the last ones asking questions when Agriculture estimates were on before, and I'm only going to be talking for a few minutes because I have to leave to go out to the students. So I just wanted to touch a little bit, Mr. Minister, on what I was . . . the requests that I gave you when we closed off. And I thank you for the material that you sent me and the questions that you answered.

And the one I want to talk about now is just to continue on about ACS (Agricultural Credit Corporation of Saskatchewan) settlements. We were talking about, I asked you about, policies on settlements with ACS people and the inconsistencies that have been drawn to my attention out there.

And, Mr. Minister, I can understand how you can have policies for people that are just . . . that are still paying and what not. The policy I'm talking about, Mr. Minister, is when a farmer is either winding down or just hanging on and how we deal with it. Because I see, I definitely see inconsistency.

I see inconsistencies from the . . . even comparing from the Watrous office to the Outlook office. When you . . . seems to be dealing out of the Watrous office which takes in the Davidson area, it seems to be fairly commendable compared to out of the Outlook office. Now I don't know whether that's different directions or maybe just personalities, I don't know this. But it's caused a little problems and I'd just like your comment on how we try to get some consistency into those kind of settlements.

The Chair: — Before the minister answers, I'd like the cooperation of the members. The business before us is the consideration of estimates and as part of that, officials are here to listen to the questions that are being put by the members. Because of the noise in this Chamber, because of the many conversations that are taking place, it frankly becomes difficult to do so. And I would ask members to respect that and to not interfere.

Hon. Mr. Cunningham: — Thank you, Mr. Chairman, and thank you, member, for that question. As you know, there are some very difficult times in rural Saskatchewan and many farmers because of conditions well beyond their control have difficulty making payments to lending institutions, and certainly ACS is one of those.

As we pointed out in the answer, we have guidelines that we use, that ACS has for policy, and I think we try to be consistent because that is only proper for a government agency operating with taxpayers' dollars, to try to treat taxpayers in different parts of the province, and clients, in a similar fashion.

We try however, I think, to leave a bit of flexibility to deal with individual situations. We don't want to tie up our personnel to the point where they're implementing policy in a heavy-handed way that follows rules to the line and therefore make decisions that aren't very advantageous to either ACS or the client. So we do try to give them a bit of flexibility and there may be some differences.

I think often, although cases on the surface may appear to be very similar, when you look at the case in detail there are differences, types of security and loans and repayment ability, and so on, that although two cases that may appear very similar on the surface may be dealt with in a somewhat different manner. There

may be reasons for that, is that they are, when you look into them, not exactly identical. But certainly it's a problem.

We hope that we're as consistent between regions as we can be, and if the member thinks that there is some evidence that we are not being consistent, I would certainly like to see it and we would try to rectify that.

(1045)

Mr. Muirhead: — Thank you for those comments, Mr. Minister. Yes, I understand this very serious situation that we're into. As an MLA (Member of the Legislative Assembly) we can have farmers come to us, we can have farmers go to different personnel in Agriculture or ACS, and it can sound on the outside or look exactly the same situations. They can be sitting in coffee rows in town and one farmer can tell the other one, well I got this settlement or that settlement, and the other guy can't understand why he can't get the same. And maybe you're right, Mr. Minister, maybe it's an entire set of different circumstances.

I don't want to labour on to that. I have one particular one and I'm not going to mention names of course, Mr. Minister. I have an individual in the Elbow area, and his wife was just fired from government not too long ago, and it's caused a very bad financial situation.

And I would just like . . . I have two or three that there seems to be inconsistencies as far as I can see, and I just . . . I don't want to talk about it in the House here other than get a commitment from you, who in your department that I should go to and explain these and maybe bring these individuals to and not have to . . . because they're not in a position where they want to go to the board. One person's 85 years old and he's been hashed a little bit to pay some of his pension. And it just doesn't seem to be fair.

And I think that if the right people could get a hold of these here situations, it could be righted. That's all I ask you, Mr. Minister.

Hon. Mr. Cunningham: — Certainly we'll make that commitment and in fact be quite thankful for the opportunity. I suggest that the member bring them directly to my office and I will deal with them with the appropriate authorities. And certainly if there are inconsistencies I want to know about them. And if we can be helpful in those cases, I will certainly appreciate your bringing those to me.

Mr. Muirhead: — I appreciate that because we have this one person that's . . . he's about 65 years old and he's not well, and only thing he's kept is a few cattle. And he's offered ACS all his machinery and it looks to be fair, but maybe there's . . . if we all get in the same room together there might be something different. And I will do that.

I just want to . . . I have to go spend some time with some students and I'd just like to leave this with you, Mr. Minister. We're hoping that we get rain this

weekend; we're all hoping for that. The whole province is needing rain really, more or less, except for small little pockets here and there. But I'd like to . . . I can remember when we were in opposition . . . when we were in government and you were in opposition, every time that there would be a dry weekend out there, you'd jump up in the House over here and scream and holler that you better get some policies for these here cash-strapped farmers.

Now it's you're over there and we're over here, of course, and I want to bring that same thing to you. Because we felt that we did have . . . as best we could, tried to make plans ahead of time, not after the fact.

Now I'm seeing a bad situation out there this summer with the bad crop last year, lower prices, and they're talking about lower grain prices again for the 1993-94 crop. We're hoping that isn't going to be the case but that's the tendency and it's put a lot of worry on farmers. And some areas of the province, and I think most areas, the feed situation looks to be a disaster out there unless there's some heavy rains and some quick turn-around. I think there's a lot of damage. I know through the irrigation area in the Outlook, Elbow area, a lot of the low-lying areas have touched with frost, and that's where an awful lot of hay comes to feed cattle in Saskatchewan.

So what I want to leave with you is, please, don't leave this. And I ask you for the sake of the farmers: are you working on some plans if . . . and to have in place if there's an emergency? I just don't want you to leave it. And I'd like your commitment it's not left after the fact to have to put plans together in the last dying minutes after farmers are cash strapped, got no crop, no grain to sell, and no feed, and no grain in the bins. What's your plan for something like that?

Hon. Mr. Cunningham: — Well obviously the member's right. We need to look ahead, and there often are droughts in Saskatchewan. In fact we did strike a drought committee of people from Crop Insurance and Water Corporation and department and Grant Whitmore, or I should say the member from Biggar, I know where he's from. We are trying to . . . we did that this spring before there was any sign of droughts.

We wanted to look at droughts, insect problems, or whatever emergency arises to sort of keep a handle on the situation so that we at least know where the situations are occurring and what might be done in terms of cattle feed or moving cattle or getting insecticide or whatever might be necessary in the case of emergency.

So the member makes a good point. Although we don't have huge dollars in our budget for emergencies, certainly we do want to monitor and be on top of the situations as they occur.

Mr. Muirhead: — Mr. Chairman, Mr. Minister, I just have time for one more question. I'd just like to leave this with you. Maybe I could get your commitment that you could send to me, or the critic for Agriculture,

the hon. member for Morse, an outline of some of the planning you've done and maybe some of the things that you have in mind for emergency if emergency comes.

Especially, Mr. Minister, we know that one of the things in agriculture that's putting a dollar in people's pockets is the cattle industry, especially the cow-calf. And we'd sure hate to . . . We can't help the grain situation. We know that the prices are the cause of that. We understand that. We can't help the weather. But we need something in place.

Like we've always been through cash-strapped years before and drought for the cattle industry. That's my biggest concern. If you could just send us, or the critic, something outlining your plans so we know you're doing it. Have it in writing so we know what your plans are. If you could commit to that.

Hon. Mr. Cunningham: — Yes, we can do that.

Ms. Haverstock: — Thank you, Mr. Chairman. Mr. Minister, and officials, welcome.

I will pick up where I left off actually when we met last. Mr. Minister, who's making the decisions in terms of prioritizing what research gets funded?

Hon. Mr. Cunningham: — That primarily is a decision of the ADF (Agriculture Development Fund) board.

Ms. Haverstock: — Is there a strategy?

Hon. Mr. Cunningham: — Yes, there is a strategy. It involves agricultural extension plus into areas of value added. And certainly we're hoping to fine tune that strategy. When we have our ag strategy paper completed and we think we know where we're going in agriculture, we will be working with the ADF board to coordinate research that corresponds with the directions that farmers are telling us that agriculture needs to go in the next 10 years.

Ms. Haverstock: — Mr. Minister, am I to understand then that there is a strategy as far as prioritizing research, that strategy has been either articulated by or adopted by the Ag Development Fund and that one could have access to how that strategy is implemented?

Hon. Mr. Cunningham: — The ADF is made up, as you know, of farmers and academics and industry people. They have adopted a general policy of enhancing agriculture and doing value added. We will have hopefully a more . . . we'll be expecting them to do a more detailed strategic plan when we have our agriculture strategy paper in place and can give them some better direction as to where agriculture is going. Right now they operate basically on that general principle of enhancing agriculture and doing value added.

Ms. Haverstock: — Thank you, Mr. Minister. I guess what I'm most interested in here is that we know that there are scarce resources. And if in fact your

government is allocating scarce resources, it begs the question, to what end? And surely after 19 months in power you can tell us toward what end you are allocating the scarce resources in the agriculture budget.

Hon. Mr. Cunningham: — Well certainly we know that we want to enhance the agricultural industry. And the ADF board is a board that we have a lot of confidence in and they are making those decisions, and hopefully are prioritizing in a manner that is proper.

As the member has pointed out, there certainly are a scarcity of dollars. And I believe they are doing a good job of allocating those resources in general. Or there may be decisions that they've made that are not the best, but we believe they're doing a reasonably good job of allocating those resources.

And we hope to give them more guidance when we have guidance from the producers in this province who tell us what it is that they want to do in agriculture.

Ms. Haverstock: — Thank you, Mr. Minister. Mr. Chairman, and Mr. Minister, has the government established target sectors?

Hon. Mr. Cunningham: — No, we have not targeted sectors of agriculture. We hope that . . . or we expect that that may come out of the ag strategy paper.

I think that it's not incumbent upon a government to do that on their own. I don't think there's a point of the Department of Agriculture targeting the hog sector or a cattle-feeding sector if the producers in this province are not targeting that sector, are not prepared to develop that sector.

So I think that's the purpose of the ag strategy paper, is asking the producers and determining what there's an interest in. And if then we need to target sectors in research we could do it on a basis of something that's likely to come to pass and to be productive in the future.

Ms. Haverstock: — I take it then, Mr. Minister, that what in fact you're saying is that you are collating information. And based on that information you will then determine the best way to allocate resources. And once seeing that information, you will then be able to say, this is where it makes most sense and these particular sectors will be targeted.

Am I following you correctly?

Hon. Mr. Cunningham: — Well that's a fancier way of saying . . . No, I would have . . . I would say that we're talking to farmers and to see what sectors it is that they want to target, or if they do want to target sectors. And at that point we certainly want to give them our best advice as to what we see in markets and economic possibilities and correlate with them where we should go.

But basically I think what you've said is where we're headed.

Ms. Haverstock: — Thank you, Mr. Chairman, and Mr. Minister. So what are your goals as an Agriculture department?

I would like you to tell me what your goals are in terms of numbers of farms, perhaps what you've been discussing in terms of biotechnology, what the department talks about in terms of its goals in hogs, what your goals would be in terms of special-crop numbers, the way in which your department is conceptualizing everything from, you know, livestock and so forth. I mean are there ways in which the department has actually looked at everything in an overview and said these are the things that are realistic in the province of Saskatchewan? Is there a plan?

Hon. Mr. Cunningham: — Well overall goals, I think we have a vision statement that we are discussing, that we propose to farmers which is now under discussion which basically says that we want to see self-reliant agriculture with as many people in rural Saskatchewan as possible in vibrant rural communities. That's the overall goal.

Certainly we're looking at how do you achieve that. You know, we certainly are trying to determine which sectors might help us do that, what value added might make sense in this province. And hopefully when we get our strategy paper out we can have that in more detail in that paper.

(1100)

Ms. Haverstock: — Thank you, Mr. Minister. I'll tell you where I've been going now. I am wanting to understand, because a lot of people are not understanding what's happening in agriculture in the province. And I think it is very important that you are consulting with people, but there still is no understanding about what is the strategy involved. Does the government itself have its own strategy, does it have its own identified mission in the department and its goal and the objectives outlined and an understanding of its own self as a department of government?

And when we're talking about something like targeted sectors, what is your strategy? Is it a first come first served thing? Is it who lobbies you the best? I mean it's important for us to have some understanding of this because it appears as though a lot of people who are in the agriculture industry don't understand. And we're not simply talking about producers, we're talking about agriculture overall.

I think that it's very valuable that there will be this conference at the end of next week and I know that I'm looking forward to it. I hope that we'll have an opportunity for many of us in this particular House to not have to be sitting so we could be at it. But I would like your comments on that because people are having a sense that agriculture does not have a direction in the province. And I'm not suggesting that

it should simply be government that provides that direction, but surely we have to provide some kind of statement to people, some sense of, as a department, that the government knows what it's doing and where it's going.

Hon. Mr. Cunningham: — Well I couldn't agree more that we do need a sense of direction. I think it's been lacking in agriculture in the past number of years. People need a sense of direction and a sense of hope that there is a future and we certainly are struggling to provide that. Again that's the purpose of the strategy paper.

I don't think that can be provided strictly from the department. I don't think a department target to triple the number of hogs in the province of Saskatchewan as an example, will go anywhere if there isn't some producer and community support for that sort of notion.

And we can say that it looks like there's market for hogs or looks like the feed lot industry could do well because there's markets in Asia, or you know, we can point out what we think is possible for the future. But ultimately it will be the producers in the rural communities that must buy into a strategy and be prepared to implement it and live with the consequences of their decision.

So I'd appreciate the member's attendance at the conference that we're having and I'm sure we'll get some input. And we are hoping that this strategy — and I think it's long overdue — will give us a sense of direction in agriculture.

Ms. Haverstock: — Thank you, Mr. Minister, I do appreciate the responses that you gave me the last time that we were in Agriculture estimates and the time you've given today. I have one last area to which I want to make some reference, and that's the farm stress line.

You know stress doesn't take a day off, but it appears that the farm stress line does. And I think one of the things that . . . I want you to know that I've actually spoken to the person in charge and indicated what I believe is a solution to this. Because I think it's quite inappropriate that I continue to receive phone calls at midnight, and 1 and 2 and 3 in the morning which I am quite prepared to take, that I do take, and that I do follow up when the farm stress line does not.

And even though there may be statistics stating that there are only a small percentage of people who will phone at a particular time, I assure you, Mr. Minister, nobody phones anywhere at that late of an hour unless it's in a state of desperation. And the people who are alone and desperate and feeling truly isolated at that particular time are the people who need somebody at the other end of the line, not someone taking their message and phoning them back after they have received the message on their answering machine the next day.

I really would like to know if in fact there's going to be

some innovation used here. There is an opportunity for there to be what I consider to be . . . call a clearing house. There are many people in a state of crisis in the province of Saskatchewan. There's no question about it. There are all different kinds of services that are being utilized through particular crisis lines, and I think that it's important for us to get the biggest bang for our buck and provide the best service possible. And that can only be done if there's going to be a fully coordinated kind of system for the province of Saskatchewan.

Hon. Mr. Cunningham: — The member makes some very good points. I believe we did, during seeding time, open it on Sunday where it was closed and that's a day that we found, of course at seeding time when family was home, that often that was a day when people were working and machinery was breaking down and creating stress. So we did extend it to Sunday.

We are working to get a back-up from the other crisis lines. We don't have it fully in place at this time but it's something . . . The member makes an excellent point. If we can provide back-up from some of the other services that exist we can possibly do that.

We certainly looked at total integration into the other services that are available which may have saved us some money. We thought that there was a need for a definite rural or farm crisis line and identified as such in having a separate number for farmers because we thought that they would be more likely to use it. But certainly we are looking at a back-up linkage to other agencies to try to cover that off, and I certainly appreciate the points.

Ms. Haverstock: — Mr. Minister, the real point in a clearing house is not that people wouldn't have their own line like a farm stress line. It means that there would be a greater coordination of services; there'd be 24-hour connection. There are people who in fact are suicidal in the middle of the night. And trust me, if you don't have people who know what they're doing at the end of the line, it's not going to prevent a suicide in all likelihood.

And I think that . . . it is of great concern to me that we still have an unprecedented number of marital breakdowns, unprecedented family violence, people who are suffering from feelings of total hopelessness and helplessness. We have an extraordinary set of circumstances and it's not getting better.

And I know that it may not be considered part of your department, but I do think that what we need is, again, greater coordination between the Department of Health and yourself because what we're talking about here is to come up with some possible solutions for people, and it's not simply a health issue.

And a lot of individuals who are requiring assistance, acquiring help, are requiring assistance and help from people who do understand about their particular kind of background, the things that they're going through. And they aren't people who simply fit into some

psychiatric disorder that they may be treated for if it's purely from a health perspective.

And I continue to be really disconcerted, alarmed, and disappointed that after all of this time, the work that I did throughout the early and mid-1980s leading up to 1989 when I left my position, there is still no one in the province of Saskatchewan who is considered to be a farm stress expert who has people surrounding the individual to whom people like I'm referring to can be referred.

And you can speak with . . . it doesn't matter if it's someone at the Saskatoon Mental Health Clinic who's brought in and discusses farm stress issues with people — she will still say, Dr. Gerrard will still say, that there are not the people available to make referrals to. And it's an extremely serious problem and it's not going to simply go away.

And with the kinds of changes that people in rural Saskatchewan are experiencing over and above what's happening in their day-to-day living with just being part of farming in this province, it's astonishing what people are going through. And the calls from whom I am receiving information now, these individuals are, in many instances, considered to be the most outstanding people in their communities.

These are people who are involved in their health centres; they are involved in their municipal councils or their rural municipalities; they are involved in all different sorts of things. These are the people who have kept it together to provide leadership to everybody else. And when you have individuals who are the ones who have to portray to everyone that things are fine, and things are not fine with them, you begin to see all the pieces beginning to crumble around them. And it's extremely important. I offer whatever assistance I can be to attempt to address this issue which I do not believe is being adequately addressed by your government.

Mr. Neudorf: — Mr. Speaker, with leave I would like to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Neudorf: — Thank you very much, Mr. Chairman, and Mr. Minister, for allowing me to . . . for the interruption. I've just been informed, Mr. Speaker, that we have a group of 28 grade 12 students from the town of Shellbrook here.

And I take special pleasure in introducing this group to the members of the legislature, for these young adults that are here and also for their teacher who happens to be, Mr. Speaker, a gentleman called Colin Neudorf, who is a nephew of mine, and is continuing the — I don't know if he wants to admit to that — but he is continuing the fine teaching tradition that Neudorfs have in this province as educators. So I want to welcome them here from Shellbrook.

It's not very far from Hague. And I'm sure that the students of Shellbrook are familiar with a couple of my sons who played for the Hague Royals and the Hague midgets and so on, so they may have had contact from time to time with them as well. And we've had some good rivalry with Shellbrook over the years and we certainly look forward to having more of those in the future.

So, Mr. Chairman, I would ask all members of the legislature to please help me welcome those students and teachers and bus driver from Shellbrook this morning.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Agriculture and Food Vote 1

Item 1

Hon. Mr. Cunningham: — Thank you, Mr. Chairman. In response to the member from Saskatoon Greystone, obviously has some expertise in this area and we would certainly appreciate . . . I will meet with her personally or have a meeting set with officials of the deputy and Mr. Imhoff, who is in charge of the stress line, and possibly somebody from Health if that's so desired. And certainly it is a great problem. And if there's any advice and help that we can get, we will certainly appreciate it.

Mr. Martens: — Thank you, Mr. Chairman. Mr. Minister, I have a number of questions that I want to have you respond to, dealing with the Western Grain Transportation Act. I'd like to know from you what the position that Manitoba is taking in relation to the payment to the western Grain . . . or from the western Grain Transportation Agency. And I'd like to know what their position is in relation to whether they want to have the money that is paid in by the producers to move the grain from Thunder Bay to Montreal, whether that is going to be included in the discussion as it relates to the pooling portion of the Wheat Board.

And I'd like to know from you what their position is in relation to the discussions that are going on today, and then I'd like to know also what Alberta's position is in relation to that.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I don't know that I speak well for the position of other governments on this. I can give you my impression of what their position is. I certainly don't want to speak for either Mr. Findlay or Mr. Isley.

The last meeting I had with Mr. Findlay, he has many of the same concerns that we have. Realizing that this is now a regional subsidy was really part of the tradition and the development of western Canada. It was one of the benefits that we got in some saw-offs that saw other benefits go to eastern Canada and is certainly concerned about the dilution of that benefit.

Manitoba is concerned about the pooling problem, and there's about a \$60 million problem that they believe they have, which has been promised to them off the top of the western grain transportation subsidy, which is a concern to us. One of the problems with the proposals that we see is that not only are they talking about changing the method, they're talking about reducing the amounts and diluting it in many different ways.

(1115)

So Manitoba certainly shares some of our concerns on western grain and some differences as to how it should be paid. But they certainly have some concerns as to maintaining that as a regional subsidy and not losing the money to western Canada.

The position of Alberta, again I can't speak with any authority for the Government of Alberta. I think they basically are, as you know, wanting to change the method of payment and do not seem to be too concerned about losing it altogether.

I guess part of the whole dilemma around the Western Grain Transportation Act is that Saskatchewan is the government . . . or the province that has the most to lose on this. We get the largest portion of it. And so on balance we have some serious disagreements with Alberta about how much of that subsidy should be paid to Saskatchewan and how much will be paid to Alberta. We also have some serious disagreements about how it should be paid out.

The interesting thing with Alberta is they have a feed subsidy which they claim is there because it's an offset to the WGTA (Western Grain Transportation Act). WGTA has been reduced by 10 per cent. They did not reduce their feed subsidy, so to me that would suggest that that argument is not valid.

However, I guess there are some papers around that we can get you on positions of those governments, but I really hesitate to speak for other governments.

Mr. Carlson: — With leave, I would like to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Carlson: — Thank you, Mr. Chair. I would like to introduce to the members of the Assembly 56 grade 4 students from Parkview School in Melville that are visiting here today and are in the Speaker's gallery.

They are accompanied by their teachers, Darlene Taylor, Elmer Heshka, and Stan Merydk; with chaperons of Diane Smith, Marilyn Kozakevich, Mrs. Yelle, and Mr. Keel. And bus driver is Mrs. Armbruster and Mr. Al Schatz, should be here there some place too.

Also, Mr. Chair, I'd like to acknowledge one of the other students who is a neighbour of mine, and I'm

friends with his parents, Mr. Owen Reid, behind the bar on the main floor here. And I'd like all members of the Assembly to welcome the students in today. Thank you.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Agriculture and Food Vote 1

Item 1

Mr. Martens: — Mr. Chairman, and Mr. Minister, the reason I'm asking about what the Manitoba's position is is because you're in a position to negotiate on behalf of Saskatchewan.

And the concern that I have is that what has been traditionally about a 55 or 54, 55, or 56 per cent of the Western Grain Transportation Act money coming into the Crow benefit, that that volume of dollars is usually accrued to Saskatchewan. And we want to know for sure that we maintain that, and we need to be in a position where we can argue that we maintain that volume of dollars to the province of Saskatchewan.

The reason I raised the Manitoba position, Mr. Minister, is that the Manitoba's position is there and it was there to include the pooling portion of the freight rate from Thunder Bay to Montreal, was there to be included in how the method of payment was going to evolve eventually to where it's going to get. And I'm not sure where that is.

But what it does, Mr. Minister, it reduces or dilutes our particular benefit in Saskatchewan. And I'd like to know what their position is in relation to that so that the public of Saskatchewan can understand that there are many issues in dealing with this that are not just simply either pay the railway or pay the producer.

There are other issues on the table that I think need to be addressed. And I'd like to have what their view of this matter is in order to bring some more of the issues to the awareness of the public.

Hon. Mr. Cunningham: — Certainly the member is right, and I think it's fair to say the position in Manitoba is that they would like their pooling problem fixed and the \$60 million taken off the top of the Crow benefit which obviously is not beneficial to the province of Saskatchewan. We would gain some on the eastern side and lose some on the western side, and on balance, Saskatchewan would not gain anything. And certainly we're not going to agree to somebody getting \$60 million off the top before it's distributed.

But I think the wider issues on where the money goes is, first place, will it stay in western Canada as a regional subsidy? What the feds are proposing is we're going to roll this into safety net; safety nets should be national.

So over a very short period of time what we're saying is a Crow with \$726 million, which is regional benefit, instead of coming to western Canada, gets diluted into national safety net programs, and we lose it. And we all lose — Alberta, Manitoba, and Saskatchewan. And certainly I don't know that I've made that point with Alberta, but certainly Manitoba is very concerned about that development.

Then the other issue is if you keep in western Canada, do you keep our share in Saskatchewan? And you know, when you have proposals that say, well we're going to take off 60 million to fix the pooling for Manitoba, and we're going to take off some for the hog farmers in Quebec, and we're going to give some to B.C. to satisfy their feed freight assistance problem, and meanwhile we're cutting 10 per cent from the top and another 10 per cent, there isn't a whole lot left coming.

And you're right, there's more to it than the method of payment. We disagree with changing the method of payment, but we disagree even more with losing this regional or provincial subsidy which is . . . or not to call it a subsidy, but what we believe was a trade-off that is our right and part of the ties that hold this country together.

One of the advantages that we got as a region was the Crow benefit. Eastern Canada certainly got other benefits. And now we are losing that benefit and that certainly is something that . . . we need to form alliances with other governments. But the success of doing that is that the bottom line is we need to maintain the \$400 million that's coming in . . . has been coming into Saskatchewan, and it looks like we're losing that fight at this point.

Mr. Martens: — That's absolutely correct. What disturbs me in this discussion is that it might be 60 million average. But if the amount of grain moving from Thunder Bay to Montreal — and it moves at roughly \$20 a tonne — if that moves up to . . . I think two years ago it was . . . three years ago I think it was 7 million tonne, which would take you to \$140 million, if you have 12 million tonnes of grain move through the ports to Montreal, you got \$240 million coming out of the pooling.

And that is a significant amount of money that is going to come out of Saskatchewan farmers' pockets in order to help the Manitoba farmers. And that's what my concern is in relation to this.

The other thing that the federal government may put on the hopper is that the involvement should be because some of the benefits of the payment to western Canada accrued to the Quebec farmers because of the grain transportation Act. I believe that they are already getting a fairly substantial amount of subsidy from the federal government in two ways, Mr. Minister, both Quebec and Ontario, in a direct subsidy in the milk that they pay from the federal government to the milk producers and also the consumer subsidy, because they raise the price to the consumer in a forced way. And that accounts to, in

Quebec, roughly \$500 million a year and in Ontario another \$500 million a year.

And those are offsets that I believe that you need to be aware of in order to say to those people over there, you are getting special benefits in other areas and the need for Saskatchewan to receive the \$420 million or \$400 million as a transportation subsidy needs to be kept in place to counteract some of those things.

Because if reality was put into place, the hog industry wouldn't be in Quebec and the dairy industry wouldn't be in Quebec; it would be in Manitoba, Saskatchewan, and Alberta. And that's reality, Mr. Minister. And I think we need to put that as an argument to the federal government so that they understand very clearly that even though you are discussing it on a transportation basis, and you have the Maritime subsidy and you have the Quebec involvement with western Canada, but you still haven't got a level playing-field because they take subsidies from other commodities and then they have argued that for years that that's different. But I say that you must be in a position to argue very strenuously on behalf of Saskatchewan's portion that it remain here because they should have their subsidies cut as well.

And on top of that, Mr. Minister — and this is the argument that I always got from the Quebec delegation — is that this was necessary because this was a supply-managed industry. And what happened in effect, Mr. Minister, is that they market internationally a hundred million dollars worth of product. And that causes the dairy producers in western Canada a whole lot of problems, because they marketed internationally with a subsidy both from the taxpayer and from the consumer.

And then on the other hand, in Saskatchewan we get criticized on a national GATT (General Agreement on Tariffs and Trade) agreement on the fact that we have a payment made to producers for transportation.

And those are the arguments that I think are very, very pertinent in relation to this discussion. And I believe, I believe very strongly, Mr. Minister, that if we continue to debate the issue on whether it is pay the producer or pay the railroads, we will lose. We will lose the argument in the long run. And that, that is the base line of where I think we ought to be arguing.

When we establish how much money we get in this transportation payment, when we establish what volume of dollars we get, then let's go talk about how we pay it, rather than paying . . . deciding now how we're going to pay it because then they're going to take it away on us.

Since 1989 I've argued with those people and I've discussed with those people, and I know what they're about. I know the players in the industry. And Ernie Isley will stand here and say, pay the producer. And Mr. Findlay will say, pay the producer but give me the pooling as well. And that raises a whole lot of concerns.

And what my concern is in addition to that, is that both of them may in fact do an end run on Saskatchewan in order to achieve what they want to achieve and then we get left. As the people of the province of Saskatchewan we will be continuing to argue about pay the producer or pay the railroads and we will lose the money. And that's what my concern is, Mr. Minister.

Hon. Mr. Cunningham: — Well, Mr. Chairman, that is a very legitimate concern. You make some of the exact same arguments that I made at ag ministers', national ag minister's conferences. The federal government is saying to us that, look we've got to change WGTA because it's distorting our production and it's not GATTable and all that.

And at the same time, you know, they're pumping money into Quebec hogs and they're pumping money into Quebec and Ontario dairy, and their P.E.I. (Prince Edward Island) potatoes, and GRIP (gross revenue insurance program) is not GATTable as it stands in Manitoba and Alberta as well. Why are we picking on this particular subsidy? And yes, Manitoba and Alberta are attempting to make an end run and the federal government is buying them off with this goody and that goody, all coming off the top of the pool.

They talk about Ontario seaway. Well don't worry, we can do something to fix that. We can do something to fix your hog problem in Quebec, and yes Manitoba, we can fix your \$60 million pooling problem. That's no problem. And B.C., yes we can fix that. Meanwhile they're saying there's no new money. Where's the money coming from? It's coming out of the pool of which we have half.

And so the member makes very good arguments, and I've made those arguments. I think what I would ask the member to do is to work like hell in the next election to defeat the federal Conservatives and Charlie Mayer and we'll make some headway with that argument.

Mr. Martens: — Well I'm just going to say, you can talk partisan politics all you want, but let's talk for the farmers in the province of Saskatchewan. And what you are saying is exactly what needs to be addressed in a hard, fast way. And what you're doing, Mr. Minister, is you're losing the argument. You're losing the argument because you are stuck on a track that says, pay the railways. And that track is going to lose all of Saskatchewan farmers the money that they have in the pot right now. And that's my concern.

You are saying, there is only one way to do this. Why don't you get the money and then decide how you're going to do it. And that's what I'm saying is far more strategic for the people of the province of Saskatchewan, because every day you dilute that volume of dollars coming in is one dollar less coming to Saskatchewan. And that's why I say to you that you need to dislocate yourself or move away from how it's paid, to the position of how do I get the money the quickest.

(1130)

That has to be the position you take, Mr. Minister, and I think that that will solve the problem. When you have the control of the money, and the people of the province of Saskatchewan have control of the money, then let's talk about how we spend it. And if we decide to spend it paying the railways because that's the way the people of the province of Saskatchewan want it, then that's the way it needs to be done. If it's decided that you pay the producer, then that needs to be the way that it's done.

But let's get a real value dollar on the transportation subsidy. That's what I think we need to have in a very clear way, and we need to have you argue on behalf of producers in the province of Saskatchewan that that's what we get.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I can only say that I have been arguing very hard on behalf of the producers of the province. I thought we were making some headway. I think if you see the announcements that came out recently which would say that the federal government, and partisan politics aside, they obviously have the jurisdiction and they have the political will to do away with this subsidy as a regional subsidy. And they are headed hell-bent to do it, and I think the only way to stop it is to change that government. And we need to voice that in the next federal election, which is coming up. And I think if we send not one Conservative MP (Member of Parliament) from Saskatchewan, they will get a message.

Mr. Martens: — Well, Mr. Minister, I think there's going to be every MP from Saskatchewan is going to be a Conservative. And that, Mr. Minister, is more really because of your policies in this province than anything else. And that is as obvious as I believe it's going to be.

Now putting that politics aside, let's talk about the real value as it relates to the Saskatchewan farmers. The Saskatchewan farmers need the money. They need the money for paying their transportation costs. That's what the farmers of Saskatchewan . . . that's the baseline that we should be arguing about, not whether one guy or another guy is running the show.

And as a matter of fact, if you put the Liberals in place in Ottawa, I don't care what Mr. Chretien has said. What Mr. Otto Lang has said has a significant amount of weight in this country. And he has said over and over again for 20 years that it's going to be pay the producer. So what the national Liberal Party has said is not significant in the debate because I don't think that what they said is relevant. And what I say to the people of the province of Saskatchewan, Audrey McLaughlin is not going to get elected.

And so let's talk about reality and let's move all of that aside and let's talk about how the people of the province of Saskatchewan are going to pay their grain costs in transportation. Let's talk about how much money they're going to get, rather than all of those

other details, and that's what we need to address.

My personal opinion of how Alberta and Manitoba are going to deal with this is that they're going to get the pay the producer. And that, Mr. Minister, is going to be at a cost to us in less dollars. And that's what really bothers me, has bothered me all the time that we've been talking about it since the middle of the '80s. And that's the discussion that we've had and the reality is that we need to have that payment come to Saskatchewan.

And then let's you and I sit down and talk about . . . and the Pool, Sask Wheat Pool, they will also want to talk about it. All the grain companies will want to talk about it. And when you get to that point, Mr. Minister, then we maybe have some innovative discussions to take place. And I think that that is something that we should set aside in this discussion and move directly to the volume of dollars. That's what we should be getting to.

Hon. Mr. Cunningham: — Well obviously the volume of dollars is a major concern. And if you look at what this federal government has done, they just reduced it by \$40 million, and another \$40 million in the next year or two. That to me does not speak of a government that's willing to leave the volume of dollars coming into this province. And I think if you send Conservative MPs from Saskatchewan and they are indeed the government — heaven forbid — they will move very quickly not only to change this program but to eliminate it.

And I think there's no doubt the intention is to have that regional subsidy eliminated. And if that is the philosophy of the federal government and if we send members from here to endorse that, I think that will be the result. And I don't think . . . I as a provincial minister will argue against that very strenuously and will point it out. But if the electorate does not respond to that, I think they will view it as a mandate to continue on the course they're on. And I think the member has eliminated two options for voting in Saskatchewan and I will leave it to the electorate to select the third alternative.

Mr. Martens: — I'm going to go to another issue that I think is of concern to many people. We have in the province of Saskatchewan a serious grass problem, Mr. Minister, and the stock growers told you that at the meeting in Moose Jaw recently. And they were concerned about the fact that they have more fees to pay with less grass.

And I'm just going to list some of the ways that you've addressed the livestock industry. You've increased the fees in the pastures; you've increased the amount of bulls the patrons have to buy; you've increased the various fees in relation to brand inspection; you've increased all of these areas. You've taken the SaskPower Corporation, you've increased the rates that farmers have to pay. You've increased SaskTel rates.

You've increased the costs of farmers in relation to

fuel costs. You've increased the costs on the licences that they have to buy, and some of these trucks the individuals have have surcharges on them. Some of them have a change in the amount of deductible that they have; some of these farm trucks are \$2,500 deductible. That, Mr. Minister, is an extreme cost to the farmers. You've increased the rates and reduced coverage on crop insurance; you've taken the offset off.

Mr. Minister, you've taken \$68 million — \$68 million — out of the farmers' pockets.

Now the federal government through StatsCanada said that the average farm was going to have a 5,000 net income. Saskatchewan farmers were going to have less than 5,000 net income.

Now you just took a thousand dollars-plus out of every farmer's pocket when you did all of your fee things this year. That's what you've taken out of their pocket right out of the Department of Agriculture. And you have increased their cost so that their net is less this year than probably it's going to be in the history of the province.

And that raises serious concerns in relation to what the member from Arm River was talking about. You have to have some money. And the member from Saskatoon Greystone talked about the stress. That, in rural Saskatchewan, is very real, Mr. Minister. On top of that, Mr. Minister, in the town of Vanguard there are 23 people who are going to lose their job in the hospital. They're going to lose their job. And every one of those people is supporting the farm.

In Ponteix, I had a fellow phone me from Ponteix. He lives in my constituency and his wife works in the Ponteix hospital. And he said, one year, and if I can't make it I'm leaving. Where is he going to go? He's going to go where his wife can find a job, and that's in the United States, Mr. Minister. He's going to move to the U.S. (United States) because his wife is a nurse. She can go get a job down there and he can farm anywhere he wants. It isn't exclusive to Saskatchewan.

So what have we got? We've lost one more farmer. And that is going to be a very, very serious problem. As a matter of fact he was going to go . . . he had already done this, Mr. Minister. He had gone to Gravelbourg, put a down payment on the supply for a brand-new house for his farm. And he had put the money down.

And the day that Ponteix hospitals were cut, he phoned me and said, I voted NDP last time, and he said, that is the last time I'm going to do that, sir. But he said, that was one mistake. But he said, if I stay here and go to Gravelbourg to the lumber yard to say that I'm not going to build my house, I'm not going to take that, I'm going to lose my down payment. I'm going to be losing the second time if I don't go do that.

So he went and he lost his down payment on his house. He said, I don't want next thing that comes along, Mr. Minister, is that the schools are going to

have to adjust to 23 jobs less. And how are they going to adjust to that? And that, Mr. Minister, is at least three teachers less in Vanguard and four in Cabri. That's what that says. Okay, you reduce the pay there. You have a ripple effect all the way through the system, Mr. Minister, that is going to cause very, very serious concerns.

So you add all of this up and what have you got? What have you got? You've got \$5,000 a year coming to those farms. And you take out of your department another \$68 million and say, I don't want to have to pay the producers in the province of Saskatchewan that extra 68 million; we've got to protect the debt. Well sure we have to protect the debt. We've got to pay down the debt.

The member from Moosomin just said earlier that your taxes went from 20,000 . . . the cost of taxation in the province of Saskatchewan went from 20,000 last year to 23,000 this year. That's your debt, Mr. Minister. That's your increase in the debt that has caused that. All things being equal, that's your price that you're paying, and that's the taxes that come out of the people of the province of Saskatchewan. And that's why we have a serious concern about what Agriculture is doing.

And in my part of the world on April Fool's Day when the MLAs in Alberta had this story in *The Calgary Sun* about annexing Saskatchewan, that wasn't an April Fool's joke on my part of the world. They seriously considered that as an option, Mr. Minister. And I think that you need to take it very serious what you're doing to address those concerns in the province of Saskatchewan, and I think you need to be involved.

There's an article in the paper today that says: "Anger subsiding over health cuts." And do you know what the reason is, Mr. Minister? "In the meantime, they'll bide their time — and let their anger smoulder." Mr. Minister, you can have conferences all over the place and deal with agriculture in a way, but there's a smouldering underneath there that is ready to blow up. And when farmers have to start to move off, as I've indicated here in the points that I made, you're going to have a very serious problem.

I know an individual who used to represent the constituency that I have today, went into his home town of Vanguard and said, just wait a while; when the hospital's gone and the teaching is gone — he said this to the Hutterite colony there — he said, you'll be able to buy land for next to nothing.

And then you have another ripple effect, Mr. Minister, and that ripple effect has to do with the credit unions and the ripple effect to ACS. It has serious implications every time you take a step like that, Mr. Minister.

And I want to say to you that is your responsibility, to see that that is the least . . . has the least amount of negative impact as possible. And I don't think you're doing that, Mr. Minister. I don't think you're standing up for the people of the province of Saskatchewan.

I led with the western Grain Transportation Agency or the Act and its payment to western grain transportation. And I don't think you're defending it in an adequate way and I don't think you're defending our prairie farm producers in an adequate way either. And I could go on and on, with a list in the hog industry and in the cattle industry. I could go on and on on that.

And I don't think you're doing it. I think you need to be far more pointed. You need to be far more aggressive.

And I want to say to you that you need to take your deputy and turn him loose on some of those people because he has the capacity to argue those points. He's got the understanding and the background to argue those points, because I know he has — because he's worked for me. And you need to turn him loose to argue the position of Saskatchewan because I think he can handle it a whole lot better than you can.

Hon. Mr. Cunningham: — Well luckily, I have a competent deputy to fill in for me.

Mr. Chairman, I think we have to the best of our ability been making the arguments as strongly as we can. It's interesting that the members opposite don't even want to discuss agriculture in here, have not stood up to the federal government.

I have not heard anything coming from the benches opposite in the offloading that's happening in agriculture, whether it be in WGTA or the Wheat Board or the cash advance or anything else. I certainly have not heard any strong arguments coming from that side except for in the House here today. And I think that's a fact. And we certainly will have a very able deputy making the arguments and I will make them to the best of my limited ability, as the member points out.

(1145)

I think if we look at the fees, I think to quote a rather prominent person from Saskatchewan, the member from Estevan, who said at one time that deficits are deferred taxes. That's the deficit. Now the deferred taxes are coming in. And that \$3,000, or whatever numbers that the member quotes opposite are going one place only. They're going to New York to pay the interest on the debt. We don't have it for the farmers for the drought situations and for other problems.

And I think with regards to being annexed to Alberta, I think the member opposite has done too much of his gloom and doom because although there's hard times in my area of the province and there's certainly no underestimating the difficult situation in agriculture, there's also a lot of optimism and a lot of desire to stay here and rebuild this province and rebuild the rural communities and agriculture. And I think we will adapt again and we will rebuild, and I think . . . with some leadership. And I think if the members opposite are preaching gloom and doom, it's no wonder that their constituencies are downtrodden and ready to join Alberta, but I think the rest of the province is not.

Mr. Toth: — Thank you, Mr. Chairman. Mr. Minister, just actually recently I've had a few requests come into my office from young couples who would like to get into agriculture but are having a very difficult time, even though interest rates are down, land prices are probably as realistic as they could be. But we all realize the difficulties that individuals face in first of all, trying to find the down payment and even coming up with the 20 or 30 or \$35,000 available for a quarter. And many couples are looking at alternative means of deriving some revenue.

And the request was just wondering what the department has in place today that would help young couples, say in establishing a small feedlot operation. If there's anything or any kind of assistance or operating money or low interest, long-term money. Is there anything available through the department to help young couples get established on the family farm?

Hon. Mr. Cunningham: — Mr. Chairman, I'm glad that the member from Morse hasn't turned his constituents off, I see. At least it's nice to hear that there are young people out there who want to start farming in his constituency.

There are some programs. ACS will lend money for livestock and irrigation projects and that sort of thing; they will in land in cases for home quarters. There's also a vendor financing guarantee that's available for young people to start farming.

Mr. Toth: — Well, Mr. Minister, in response, I might add that these young couples are having great difficulty trying to start farming. And that's the reason the question is coming forward. It seems there is very little that's available from the government of today or the department.

But I appreciate the fact you mentioned there are some possibilities out there, and I wonder if the minister will give his assurances that you will at least pass on some of this information to me so I can forward it to my constituents. I would appreciate that. Thank you.

Hon. Mr. Cunningham: — We'll certainly do that.

Mr. Martens: — Thank you, Mr. Chairman. I just want to make one point, Mr. Minister — and you can make a pretzel look like a straight line.

And I just want to say that what optimism is in the province of Saskatchewan in agriculture is driven by people who have a real desire to stay here. And I believe that that is evident in every one of the 60,000 that are left, because, Mr. Minister, they've been taking it out of their savings to farm, they've been taking it out of their parents' savings to farm, and they've been doing that on an ongoing basis.

Yesterday or the day before, Mr. Minister, the province issued a bond at 6 per cent. If it's any indication from last year what would happen this

year, we got \$560 million coming in. And I believe at no time in the history, in any of the time that I was in government, was there any opportunity to ever give 6 per cent money to the people of the province of Saskatchewan for agriculture — at no time, Mr. Minister.

And I believe that you are at a crossroads today with an opportunity that has not existed since the '70s, since the early '70s, when an opportunity to deliver low-cost money to the province of Saskatchewan would be available to them. You have that option now, Mr. Minister, and you have that option at almost no cost.

And I'll tell you where the benefit . . . the average cost of interest in the province of Saskatchewan is in the neighbourhood of 10 per cent; that's agriculture cost of interest, but there are many, Mr. Minister, who are over that. And therefore and because of that, because who those people are, those are the young people that the member from Moosomin was talking about, those are the young people that want to get established and are trying to establish themselves, they are stilling paying at 12 per cent, 13 per cent, and that, Mr. Minister, is a fact.

Today you have an opportunity — the door of opportunity — like no one has had since the early '70s to provide an opportunity for an agriculture investment in a way that would clearly establish a lowering of a debt that the farmers of the province of Saskatchewan have from an average of 10 to an average of 6. And the cost . . . The benefit to the people of the province of Saskatchewan would be in the neighbourhood of 5 billion times 4 per cent, which is \$200 million, \$200 million net benefit. The net in the province of Saskatchewan would go up considerable in light of that, from \$5,000 to roughly \$9,000 in the province of Saskatchewan.

That, Mr. Minister . . . you have today that opportunity to do that. And that is almost equivalent to what the payment is, or it's 50 per cent of the payment paid in western grain transportation. You have that opportunity today at no cost to the province. You have that. And I would say that if you neglect to take this opportunity, you are causing a serious hurt in the province of Saskatchewan. And I would say that that is an opportunity that comes only once in a lifetime, Mr. Minister.

Farm Credit now owns 1.1 million acres. They also have that opportunity to do that, Mr. Minister, and I'm not going to quit talking to them about it. But you and the federal government need to talk about what you can do for agriculture. There is what you can do. I believe there's \$20 billion worth of debt in Canada in agriculture. A 4 per cent saving on that is a fair chunk of change to benefit agriculture and help us be more competitive.

And that, Mr. Minister, is where you need to be leading. And when you come to your agriculture ministers' conference this summer, I believe that you need to have that on the table as a positive alternative

for the benefit . . . and show leadership in the province of Saskatchewan in giving direction to the federal government and to this province to help the farmers out.

I believe that's necessary and I believe you have a uniqueness, Mr. Minister, you can call it a door or a window, but you have a uniqueness today which is far different than anything that I ever had as a minister and we ever had in the late '70s and in all through the '80s, and that is to give a reasonable rate of interest. Because we have to find a new way to finance debt in the province of Saskatchewan. And in that process we could also lower ours very, very considerably.

And I want you to take that message forward to the ministers' conference that you're going to be probably having this summer.

Hon. Mr. Cunningham: — Well we certainly are concerned about farm debt and have been talking about it. We did come up with a six-year leaseback to address part of the problem. We are talking to the federal government and FCC (Farm Credit Corporation) about how we can coordinate, and it certainly will be a topic on the agenda at the ministers' meeting.

I think the member calls it a door or a window. It looks from where I sit a lot more like a brick wall. I'm sure the Finance minister . . . and I will speak to her and see if she can run down to New York and borrow \$5 billion to cover off the farm debt. I'm sure we can raise \$5 billion in Saskatchewan savings bonds quite easily. That I think is not quite the fact.

I think if you look back at the golden opportunities that the members opposite saw, where they let out \$1.1 billion at 6 per cent interest, hassle-free cash, it was a golden window to do that at that time too I suppose. And a few years later the interest rate is up to ten and three-quarters per cent. Last year we wrote off \$36 million of those loans at a cost to the taxpayer. And I don't think the farmers out there who are being foreclosed on and are . . . that the member talks about are under stress, are very appreciative of the fact that they got the hassle-free cash and was a big solution to their problem.

And I think you look at the farm purchase program that the members opposite did at 8 per cent interest rate, drove the price of land up at the time when grain prices would have dictated it was coming down — those are other farmers who are now facing a debt load that they cannot survive. That's always been the solution to the members opposite to a debt problem, is to lend more money.

Farmers are telling us you can't lend us . . . we can't borrow our way out of trouble. We tried that. We want some real solutions. So certainly . . . (inaudible interjection) . . . Okay, I certainly would not be accused of being long-winded. And I think that answers the question.

Mr. Martens: — I want to just make one observation

about the 6 per cent, Mr. Minister. That 6 per cent is not at a cost to the government. That is what the interest is on the bonds that you asked to have paid in for by the people of the province of Saskatchewan. So it's not a cost to the taxpayer, Mr. Minister. It's not a cost to the taxpayer. Allow that opportunity to be there. And what your leaseback is doing is of almost no effect in the province of Saskatchewan. It has no impact. That's a cost to the taxpayer. That is an excessive cost to the taxpayer. If you allow the people to invest in the province of Saskatchewan with an opportunity at 6 per cent, that's a real saving to the province of Saskatchewan.

Hon. Mr. Cunningham: — Well I think the \$36 million that we wrote off last year was a cost to the taxpayers. And I think lending money to people who do not have any potential of repaying it is not a productive loan.

Item 1 agreed to.

Items 2 to 5 inclusive agreed to.

Item 6

Mr. Martens: — I'd like to have you provide me a list of those research projects that are going on through ADF. Would you be able to do that for me? I don't think that we asked that in the list of questions but I know I've received it from you on other occasions and I'd be . . . I'd like to see that.

Hon. Mr. Cunningham: — Certainly. We can provide that.

Item 6 agreed to.

Items 7 to 10 inclusive agreed to.

Vote 1 agreed to.

Mr. Martens: — I just want to say to the minister that you need to become far more aggressive and far more stubborn around the cabinet table in order to maintain the volume of dollars coming to Agriculture.

Agriculture took the largest single hit, Mr. Minister, of any department in a percentage basis. And I believe that you have a responsibility to the people of the province of Saskatchewan and the farmers in Saskatchewan to make sure that they are well represented and what they see at the cabinet table is what they're expecting to see in the national debate.

(1200)

And what they see at the cabinet table is not very refreshing to them. And that is why I am saying to you, put a little sand in your back and don't turn yellow and run. And I want to do that, I want to do that for the people of the province of Saskatchewan.

And when you represent the people in the province of Saskatchewan, you have a large constituency to represent. They are the backbone of this province.

They have the greatest amount of impact on the economy in this province. And I don't want you to forget that we are as concerned as every other producer in the province of Saskatchewan that you haven't done the job adequately. And we want to remind you of that, sir.

Hon. Mr. Cunningham: — Mr. Chairman, I don't think the people of Saskatchewan sit around the cabinet table, and I think my colleagues will think that I'm miserable and stubborn enough as it is without being any worse.

But I think, you know, the members opposite, when we fight with the federal government, we're forceful in our arguments with the federal government as they offload on us, then they say, don't fight, cooperate. When you try to cooperate and work with the federal government who continues to bulldoze ahead in their own stubborn way as they did when you were in government.

I mean I think calling us yellow when you are the government that took the offload on crop insurance, on GRIP, on the drought assistance plan — they offloaded more in agriculture in the 10 years that you were in power than ever in the history of this province.

And one of the big problems we have in this province is that you, when you were in government, accepted responsibility for a whole lot of things that were federal. And with a very, very limited resources we are struggling to try to regain and put the responsibility back on the federal government where it belongs.

And even in this House you would not even debate issues, would not even debate the issues in this House. You voted against third line of defence in here. I want to remind you of that. And they're calling us gutless. We made the trek, we made the arguments, we fought hard with the federal government. And again we will fight one more fight with the federal government and that's going to be when this next election is up and we will see the results of how well we fight.

And I urge you to join against us to . . . Join with us would be more appropriate. I was suspecting that . . . Join against your cousins from Ottawa and fight this election and send some New Democrats down there and send a signal that Saskatchewan is going to stand up to the federal government next term.

Some Hon. Members: Hear, hear!

General Revenue Fund Loans, Advances and Investments Agriculture and Food Vote 146

Items 1 to 3 inclusive agreed to.

Vote 146 agreed to.

Supplementary Estimates 1992-93 Consolidated Fund Budgetary Expenditure

**Agriculture and Food
Vote 1**

Item 1 agreed to.

Vote 1 agreed to.

Hon. Mr. Cunningham: — Yes, Mr. Chairman, I would like to thank my officials for attending today and giving me the advantage of their wisdom and knowledge, and I'd also like to thank the members opposite for their questions.

Mr. Martens: — Thank you, Mr. Speaker. I want to just say to the staff at the Department of Agriculture that I told them one day after I was no longer the Minister of Agriculture that I would put pressure on them to do their best, and I hope that the context of what I've said here today has been in that flavour.

And I encourage you to stand up for the people of the province of Saskatchewan in agriculture like you used to do and like I know you are capable of doing. When you argue with the federal government, argue from that basis, that you do it on behalf of the province of Saskatchewan and good people from here. Thank you.

The committee reported progress.

SUSPENSION OF BILLS

Mr. Neudorf: — Thank you very much, Mr. Speaker. Before we get to adjourned debates I request, pursuant to rule 55(1), that Bills 38, 79, and 90 be hoisted.

The Speaker: — I would just ask the member from Rosthern, were there three Bills?

Mr. Neudorf: — Mr. Speaker, 38, 79, and 90.

The Speaker: — At the request of the official opposition, under rule 55(1), proceedings on Bill No. 38, Bill No. 79, and Bill No. 90 are hereby suspended for three sitting days.

COMMITTEE OF FINANCE

Hon. Mr. Shillington: — Thank you very much Mr. Chairman. It's a real pleasure to introduce . . .

The Chair: — Does the member have leave to introduce guests?

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Shillington: — I want to introduce to the Assembly 50 grade 5 students, some of whom are from my constituency in Regent Park School, some of whom are from Strasbourg School. This is an exchange program. They are accompanied by their teachers, Rick Beattie, Gary Krivoshein, and Maryann Genaille; and the bus driver, Darren Bender.

I'm going to meet with them when they leave in a few moments. And I trust we'll then probably work a bit on the pronunciation of one or so of those names. I don't think I may have done them justice.

I know members will want to join with me in welcoming these students to this Assembly today.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

**General Revenue Fund
Health
Vote 32**

Hon. Ms. Simard: — Thank you, Mr. Chair. I would like to introduce Mr. Duane Adams, the deputy minister of Health who is here to help us right now, and there will be other officials joining us in a few minutes.

Item 1

Mr. Neudorf: — Not quite, Mr. Chairman, not quite. Mr. Chairman, when I say not quite, it's almost a mind-boggling chore that we as an opposition and I as Health critic have to adequately hold this government accountable for what's been going on in the field of health. Tremendous sums of money, essentially a third of our budget goes to Health and yet as we see things developing, it is becoming apparent that it's becoming more and more difficult for the taxpayers of this province to know precisely where their dollars are going.

As the health district boards are being developed, there seems to be a vacuum developing and there seems to be a . . . whether it's cognizant or not; I will give the government the benefit of the doubt at this time. But certainly it's going to become more and more difficult for the taxpayers and for the opposition to find out precisely what these — and in fact the government and the Department of Health — precisely what these monies are being spent on.

And I know, Mr. Chairman, that over the last four months, or however long this House has been in session, there have been a constant barrage and stream of questions being asked by the opposition, trying to ferret out some of the information that we feel that the taxpayers of this province indeed want and are legitimately expecting to receive answers for.

And I know furthermore that we have spent considerable amount of time, Mr. Chairman, in this legislature dealing with various health issues and the various health Bills that have come forward. Sometimes members may even argue an inordinate amount of time on some of these Bills. But, Mr. Chairman, it is incumbent upon us as opposition members to try to hold the government accountable.

Now, Mr. Chairman, I know, for example, that in the newspaper — and I believe it was today's newspaper; I don't have the exact date on this particular copy of

the *Leader-Post* that I have before me — but anyway there is a suggestion in one of the columnists suggesting: “Anger subsiding over health cuts.” I repeat that, Mr. Chairman: “Anger subsiding over health cuts.” And I’m sure that Madam Minister is aware of this particular article. And I just want to bring it to everybody’s attention because on the surface of it, it may just be somewhat misleading, an article like this. And it’s brought out in the article as you go through it.

And the question is asked, Mr. Chairman, and perhaps legitimately so:

What happened to the anger that flashed across southern Saskatchewan like lightning after the cuts were announced?

And then he proposes, the columnist, that there are essentially two possibilities for that apparent development. And he answers: “The first one is simple. Spring seeding.”

Because most of the anger, and certainly, Mr. Chairman, we should hasten to add, certainly not all of the anger, but a lot of the anger was focused in rural Saskatchewan because that is where the ultimate impact is being felt. Although it is being recognized by more and more people now in the urban centres that this issue is also germane to them.

But so, spring seeding. We have to make a living, first of all. Secondly, Mr. Chairman, it is recognized that:

When rally organizers came back to Frontier after the rally they did have a few ideas for some further action against the cuts.

But they decided to put them on the back burner and let the local . . . board take over.

So they were putting some of their trust in the local board that those concerns that they had would be addressed through that fashion.

But I think a very telling remark — and I’m sure that the minister is also aware of — is this concluding statement where the columnist says they’ve been told that they’ll hear by the end of the month in terms of what is going to be happening to their hospital.

They’ve been told they’ll hear by the end of the month.

In the meantime, they’ll bide their time — and let their anger smoulder.

They’ll bide their time and let their anger smoulder. Mr. Chairman, I think we have to take and be cognizant of the meanings of those words, that although there does appear to be a somewhat waning public endorsement and/or frustration about the developments in the health care field, it does not mean . . . I guess that silence does not mean in this case that there is a simple acceptance of this fact.

It is not the . . . the anger is smouldering beneath the surface. And, Madam Minister, I’m just going to suggest to you that unless things develop to a degree where you can restore the confidence of the people of Saskatchewan, and perhaps particularly the rural people of Saskatchewan, that indeed that you know that what you are doing and that the results of what you are doing are not going to be catastrophic for them in the province, then I suggest to you that that smouldering could well flare up into flames once more. And so that’s a caution that I want to put forth to you.

Specifically, Madam Minister . . . Like I said there’s absolutely no possibility of me asking you all the questions that I would like to ask. Some of the questions that I’m going to be asking you today, this morning, are questions that are detailed questions that perhaps with your commitment to answering them in a reasonably short period of time I will accept, and that we can do that as we go along.

The first issue, Madam Minister, specifically that I would like you to answer is a concern that has been developing, because in a previous time when we were in the estimates for Health, a week or so ago — well it’s a little longer than that — in reviewing *Hansard* of May 20, I notice that on page 1893 that you are suggesting that the minister is not accountable for and should not be held accountable for the expenditure of public money that is being spent by the health boards. Madam Minister, that is worrisome. That concerns me. So before I start asking specific questions about that, perhaps it might save us some time if you could elucidate your intentions in terms of accountability process for money being spent by the health boards.

Now I don’t want you to get up and tell me that if I want information in this legislature about how money is being spent by the health boards that I have to go to each of the 29 health boards potentially that are going to be around this province. I want to have a focused clearing point where we can hold you responsible for. So I want a clarification of your stand on what the accountability process is going to be for monies allocated to and spent by the district health boards in this province. Could you please explain that, Madam Minister?

Hon. Ms. Simard: — Mr. Chair, there are a couple of things that I want to respond to that the member raised.

And I’m going to first of all refer to his comments on the article in the paper about anger subsiding over health cuts and simply say that the latter part of the article that talks in terms of the board member in this particular community saying that they have met with flexibility from the department and that the department had indicated that they were willing to support some kind of continued service at the hospital, whether it was a wellness centre or a clinic to a quasi-hospital with other possibilities.

Which is really the point I was attempting to make in the legislature yesterday during question period, that

there are a lot of discussions going on. There are some positive options being put forward. The department is working with these communities very closely to get alternate services in place.

And I feel very positive about the process that is going on out there and I believe that we will be able to deliver very high quality health care services to the people in our rural communities. And so we are working in that general direction and I want to assure the member opposite that that is what the department is working on and what we will achieve by October 1.

He also raised a question about accountability and I want to thank him for that question. I think it is a well-put question. However, I do want to say that we have never indicated we will not be accountable for the expenditure of public monies. We are obviously accountable and will continue to be accountable for the expenditure of public monies.

But I do want to point this out, that we will not know, for example — because I think the question was, was how many communications people are working for the Saskatoon Health Board — we will not have that sort of detailed information. We can get it, but we will not have it.

We do not manage the hospitals on an individual line-by-line basis through the Department of Health, nor did this occur prior to the health reform. Hospitals did their own management, hired and fired their own people, had contracts with unions — the Department of Health didn't do it. And that isn't going to change.

However, the Department of Health will be entering into service contracts with each district board that will outline what services that district board is going to deliver and what funding will be available for the delivery of those services. And the department will be monitoring the fulfilment of those contracts and the outcomes of those contracts, like whether or not the district board lived up to its responsibility and lived up to the contract and will have to answer to the department.

The district board will also have to go to the public in that district and lay out the budget and the contract with the department and determine in conjunction, with consultation . . . in consultation with the citizens in their district whether or not the objectives have been met by the district board; whether or not they followed through on their obligations to the community; what the health status is of the residents in that community.

And I want to point out that I feel that is very, very positive for Saskatchewan people because it will be the first time that they've had access to boards that deliver acute care and other health services to make them accountable publicly to the citizens within that district. These will be open, public meetings. They're required to have two a year, have to table budgets, and have to table health status at at least one of those meetings. I think that is very positive.

The fact that districts will have more community input, that there will be more involvement at the community level doesn't mean that the department doesn't have to answer questions from the opposition with respect to how public funding is being spent. Obviously we have to do that.

But what some members of the opposition felt we should be doing is know, on our feet, whether there were two communication officers here or somebody doing this there, in that particular hospital or in that particular area. And we can access that information by writing to the hospital or the board. What we can't do, what we don't do, is keep track of all of their management of their particular institution or service on a line-by-line basis. But that never occurred before either, so it isn't as though there's anything new in this regard. And I just want to clarify those duties and responsibilities for the member opposite.

(1230)

Mr. Neudorf: — Following up on the theme of accountability, Madam Minister, I'll be asking you a question on that shortly. I just want to stress on this article once more, Madam Minister, that although the board member does say there was some flexibility — and I'll give you credit that there's some flexibility — in listening, but no guarantee, no decisions reached. And they stress at the end of article simply is this: "In the meantime, they'll bide their time — and let their anger smoulder."

It's still there, Madam Minister. It's just below the surface waiting to erupt if — if — that flexibility that seems to exist right now does not prove in fact to be there when the decisions are coming down in the final analysis.

And at the same time, they say:

"We feel we're bare bones down here. We're operating as bare as we can and still survive."

That is the seriousness with which the local residents in rural Saskatchewan are viewing this, and that's the concern that they have. And I'm just drawing it to your attention once more, Madam Minister.

Now getting on to the accountability process. I'm not satisfied yet. What I want to know now is the board positions, the board positions that are in various stages right now. Give me an example of board positions being advertised, board positions being appointed, board positions being elected, and also follow up on the Premier's promise last session that a committee of the legislature would approve all appointments to these boards. What is happening there and is that promise going to be kept?

Hon. Ms. Simard: — What is taking place with respect to the appointments of health care boards across the province, is that the planning groups that are in existence in the province, which are people who

have primarily worked in municipal government or the health care sector who are grass roots people who have come together to facilitate the process of establishing a district, have advertised in the paper for nominations from any resident within the district to this board, because the legislation indicates that a person appointed to the board must be nominated to sit on that board. There will be a deadline for nominations to come in. Anyone in the district can be nominated to sit on that board but must be nominated from someone within the district.

Now when the nominations close, then the planning group will take a look at it and provide the Department of Health with some feedback on who the individuals are and who they feel would comprise a good solid health care board. The Minister of Health and cabinet then will appoint the members from the nominations that have been submitted, taking into consideration any recommendations or comments that are made by the planning group.

And that group of people that are then appointed as the health board will be an interim board that will deal with health reform in the next while to come. At some point in the future after the government has had an opportunity to establish wards and look at the electoral process and how that is going to proceed, and that will be done in consultation with districts. There will be elections of eight of the members to the board within a district.

Mr. Neudorf: — Let's pursue the issue of accountability a wee bit further, Madam Minister, a question, and then how accountability is going to follow that.

What do you anticipate the percentage . . . Let's say there's one and a half billion dollars spent in the Health budget per year. What proportion of that would you anticipate would be given as either conditional or unconditional grants or whatever your formula happens to indicate, that the health board will have direct spending authority over?

Hon. Ms. Simard: — First of all, it's not unconditional grants. It will be a service contract that will detail the programs and institutions that will be run by the board and the conditions surrounding the operation of those services and programs. So it isn't going to be an unconditional grant, it is going to be a contract, a service contract in effect.

We expect that there will be about two-thirds of the Health budget, when all the boards are in place, that will be administered through health boards. In other words that is approximately what is spent on institutional services, on home care and emergency services and some other services that boards will be administering.

Mr. Neudorf: — Thank you, Madam Minister. So although not unconditional, I guess it would be a conditional grant based on the service contract that's going to be entered into, an agreement entered into by your department and the individual health boards. And that's two-thirds. So that's a billion dollars in my calculations, roughly speaking. We're talking about a

billion dollars.

Now that billion dollars, I want you to explain to me precisely how that accountability trail, that audit trail, is going to be followed and the role that the Provincial Auditor plays in his audit of those individual boards.

I may as well tell you right now, Madam Minister, so that you can ingest this into your answer. The Provincial Auditor has a great deal of concern right now about the accountability that this government is apparently trying to evade. And I say that, Madam Minister, because Treasury Board, of which you are a member, and the member sitting back to your back there who's the Minister of Finance has directed the auditor that he may not charge for these additional . . . additional — and I say additional because that's what they are — additional responsibilities, that he may not charge. First of all, let me just step one back.

Right now the auditor has \$3.8 million to run his office. Now we have in this legislature what is called the auditor Act, The Provincial Auditor Act. And it stipulates that the auditor shall audit the expenditures, all of the expenditures of public money. But do you know what, Madam Minister? Because of your colleague, the Minister of Finance — upon direction from the Premier, no doubt — is saying to the Board of Internal Economy, and that message is being sent by the government members on that Board of Internal Economy, no, Mr. Provincial Auditor, you are not going to get enough money to do the audit on all of the public expenditures.

As a matter of fact, there's about 40 per cent of the money that you folks are spending as a government that's not accountable because the auditor has a budget of \$3.8 million. That's all that was allocated by the members on the government side in the Board of Internal Economy.

He said when he gave us his submission, his budget, I need \$4.8 million to do my job. Now subsequent to that, because of changes in the method in which he has to do his accounting because the accrual accounting method is not going to be followed, he says, well that saves me \$100,000. But he's still looking at now \$4.7 million to do his job. But he's being short-changed. And then he has to cherry pick, which ones will I not do? I'm required to do all of them, but which ones will I not do?

And there are such issues as the Crown corporations, the Crowns, the agencies, the Liquor Board. And you know what else, Madam Minister — and I've come full circle now back to the health boards — he's going to have to audit these health boards. But he hasn't got the money. So that is a major, major issue for him.

Now we have just determined that a billion dollars is going to be spent by these health boards. Number one, Madam Minister, is the auditor going to have full access to all expenditures by these health boards? And number two, will he have sufficient funding to carry out the mandate under The Provincial Auditor Act so that he can indeed hold your government

accountable?

Hon. Ms. Simard: — Now on this there's a number of points I wish to make for the edification of the member opposite. First of all, today, let's talk about what happens right now — today. The Provincial Auditor today does not audit hospital boards, does not audit home care boards, does not audit ambulance boards, does not audit special care home boards. So with the exception of Crown hospitals, it's my information that the Provincial Auditor does not audit the boards of these services that are being provided and will be under a district board.

Now that doesn't mean that the Provincial Auditor can't audit those boards, if those boards ask for the Provincial Auditor to audit them. Because it's my understanding the Provincial Auditor can do that, and can still do it under the district. If a district board, when the district boards are in place, want the Provincial Auditor to audit them, they will have to hire the Provincial Auditor to do that audit, and that's okay.

But the Provincial Auditor does not have responsibility for auditing the major portion of that billion dollars that we've referred to. However, the Provincial Auditor will have and does today have the responsibility of auditing the Department of Health, and will have the responsibility of auditing how the Department of Health passes out the money and how the services are delivered from the financial point of view.

The Provincial Auditor will have the responsibility to monitor the Department of Health and how the money goes out. And there are discussions ongoing about how we deal with how the contractual services are being delivered and what the outcomes are with respect to that.

So what happens today is the auditor doesn't have responsibility for auditing the boards of these institutions and programs. However, if a board wants to hire the auditor to do that, they can do it, and under the health reform, the auditor will be able to hire a district board . . . or a district board will be able to hire the auditor to do it if they choose to use the Provincial Auditor as their auditor.

The Provincial Auditor has a responsibility to audit the Department of Health and determine whether or not these contractual services are being properly monitored.

(1245)

Mr. Neudorf: — Wow, I can't believe what I just heard, Madam Minister. That is a really worrisome, scary answer. Both ways you lose. So I ask you to reconsider that answer. That's not what the auditor is telling us.

What is the difference between a board that is totally locally elected and a board that has government-appointed directors sitting on it as far as

the responsibility of the Provincial Auditor is concerned? Now please reconsider your answer.

Secondly, Madam Minister, while you're reconsidering, it's very, very scary when you get up and answer me in the legislature and say, yes, these local boards will spend a billion dollars a year of taxpayers' money and if they want to be audited, well then the Provincial Auditor will come in and audit them. That's accountability, Madam Minister? I want you to reconsider your answer.

Hon. Ms. Simard: — The member opposite knows these boards are audited. They're audited. They're audited. Municipal and city boards that spend millions of provincial dollars are not audited by the Provincial Auditor. And I'm checking out to see about education boards.

Now the fact is, the fact is they spend millions of provincial dollars and the Provincial Auditor knows that these boards will be audited. They'll be audited. It's not a question of them not being audited. The Provincial Auditor also knows that these boards are being audited today but not necessarily by the Provincial Auditor.

Mr. Neudorf: — No, Madam Minister, you are wrong. You are wrong. And that's what I want you to get up and tell me, that once those boards have elected officials on them and they're up and running, it becomes the responsibility of the Provincial Auditor, not agents, to do the auditing. Now check that out. Now if you're telling me that the Provincial Auditor is wrong, what he has told me, then I guess you will have to take issue with the Provincial Auditor. That's all I'm asking you to do.

Hon. Ms. Simard: — I am informed that the member opposite should know that there are discussions going on between the Department of Health and the auditor about how the issue is going to be handled. That is under discussion. And I think those discussions are on an ongoing basis. I have also been advised, the member opposite, that there is nothing with respect to the proposal that has been put forward; that it does not change the situation from where it is now because the Provincial Auditor does not audit all of these hospital boards and special care home boards. He doesn't.

We're not changing that. However, these boards are required to be audited, and he looks at the Department of Health and gets accountability from, and through, the Department of Health. And that's the process that's there now and it's the process that I have outlined for the future.

However, we want to make sure that the proper accountability is in place and there are ongoing discussions with the Provincial Auditor on this very issue.

Mr. Neudorf: — Madam Minister, the fundamental issue is the mandate that the Provincial Auditor has for accountability of public spending. Now I know all of these boards are going to be audited through private

auditors, and as long as the Provincial Auditor can rely — or in his opinion can rely — on this agency that is going out and doing the auditing, then he is prepared to accept those audits by private auditors.

But he still comes in, in spite of that, and makes at least a cursory determination that indeed and in fact there is accountability and that he can rely on that individual auditor, the private auditor, that he has done a good job, and then he will recommend acceptance of that particular audit.

Madam Minister, it's not only I that has a concern about this, but the Public Accounts Committee also has a concern about that, and they will be calling your officials into the Public Accounts for accountability and for determination. But this ongoing discussion that you're having about the auditor meeting with your Health officials, Madam Minister, the bottom line is that he is going to be auditing these health boards. I say that because he told me that. So we can argue here, Madam Minister, back and forth. But I submit to you a very scary thought, that you're going to be putting a billion dollars of taxpayers' money out there and yet you're not going to allow the watchdogs set up by this Legislative Assembly to have the wherewithal to hold that billion dollars accountable.

Madam Minister, to continue on, what is the status of each of the 52 facilities that lost acute care funding? Please detail what the plans are at the moment for each of these 52 facilities. You can give me the precise answer at a later date. I want your overall answer in terms of where they are standing right now.

Hon. Ms. Simard: — With respect to the auditor, it's my understanding that Public Accounts has had a very lengthy discussion on this issue and are going to be looking into the whole issue further to make sure that the proper mechanisms are in order. And if the auditor has specific concerns, I think he should express them to the Public Accounts Committee and it will be dealt with in that fashion.

I'm pleased that the officials from the Department of Health will be attending the Public Accounts Committee and discussing this in more detail to make sure that the proper mechanisms are in place.

The member opposite sneers and laughs in his seat. I must remind him that it's his government that maligned the former auditor at some length, and want to say that we here want the accountability throughout the system and we are prepared to do what we have to do to make it work.

And the member opposite says it's nonsense, but he's speaking about his government's behaviour when they were in power. And I simply want to say that we believe that this should be discussed in full detail. I've asked the department to make sure that proper discussions take place, and if there are further discussions at Public Accounts, well then I think that's quite good. And I have no . . . and we should sort through and set up a system that's most appropriate.

Now the legislation, I'm told, is very clear on the board. It will be . . . will have to appoint an auditor. That's what the district boards legislation says. And the period we're talking about right now is really the transition period and what obligation the auditor has during that transition period. So I think it's important that that is sorted out.

Now with respect to the 52 facilities and what is occurring with respect to those facilities, I want to just give this report which I have done in the past in the legislature.

The facilities will be putting forward their transition plans by the end of June that will set out how they are going to move through the transition with respect to employees and patients for example. The department is also having . . . working with them on what sort of alternate services will be provided in the facility, or in another facility if they choose to use another one, such as what sort of emergency services, what sort of alternate services beyond emergency services will be provided.

Also the boards of these facilities are working with planning groups and are putting together a whole, a more detailed, needs assessment for the entire district in conjunction with their community and the district. And so there's a substantial amount of work going on in that regard.

However the most, not recent, but the earliest thing that will be happening is the transition plan which is supposed to be submitted to the Department of Health by the end of June, which will . . . And it's my understanding officials from the Department of Health are also working with these boards through these transition plans.

Mr. Neudorf: — There's one fundamental flaw in all of your answer that in itself sounds plausible and perhaps even commendable. However the auditor ain't got the bucks, Madam Minister, to hold you accountable. He's being short-changed and he tells us he can't do his job.

That is not particularly the fault of the Department of Health or you as the Minister of Health. I will acknowledge that. But certainly you are a Treasury Board member, and as such you are part and parcel of that decision. And when I say Treasury Board member, cabinet is usually considered to be of that calibre. That's where these kinds of decisions are made. And surely, Madam Minister, your voice is heard around that cabinet table. That's the fundamental flaw that is pervasive throughout your government.

Specifically, Madam Minister, how much money has been spent on travel and expenses regarding the new districts? I'm talking about such things as travel for you, travel for your officials, travel for health board members and so on.

And how much money has been spent on your NDP health care advertising and communications? And I

say NDP advertising because I've got examples of ads being run by your various MLAs trying to promote your wellness program and the health board districts. Could you answer those questions, Madam Minister? Or if some of the details are too detailed for the moment, a commitment that I will get those answers in due time, in short time.

Hon. Ms. Simard: — We can get together information on travel and expenses with respect to health reform, and I don't imagine it'll be that difficult to do. I certainly have been all over the province a number of times at meetings and have done very substantial travelling because I've been out talking to people and consulting with communities. So we will get you that information.

And as to MLAs' advertising, I don't keep track of nor does the government keep track of what each individual MLA does. I understand that you've been doing some advertising with respect to health reform. Any MLA advertising would be in that category. So we don't keep track of what MLAs are doing nor do I think we have the obligation to do that.

But with respect to any government advertising, we will let you know what that is, send that information over to you, and with respect to any travel and expenses as well.

The committee reported progress.

The Assembly adjourned at 1:02 p.m.