

April 25, 1994

EVENING SITTING

COMMITTEE OF FINANCE

General Revenue Fund
Health
Vote 32

The Chair: — I will ask the Minister of Health to reintroduce her officials as we continue the review of the Health spending.

Hon. Ms. Simard: — Thank you very much. I'd like to introduce the deputy minister, Mr. Duane Adams, to my immediate left; and to his left, Kathy Langlois, the acting executive director, management support services. Immediately behind her, Mr. Rick Kilarski, acting executive director, finance and administration; and to his right, Dan Perrins, associate deputy minister; Glenda Yeates, immediately to Mr. Perrins' right; and Lorraine Hill on this side, the senior associate deputy minister.

Item 1

Mr. Boyd: — Thank you, Mr. Chairman. Madam Minister, welcome to your officials as well this evening. Madam Minister, we this evening would like to do a few things a little bit different. We have a number of questions that were of the "Mr. Premier I want to know . . ." nature that came in from people across Saskatchewan that we would want to bring to your attention.

The first question this evening comes from Len and Hilda Tieszen of Hepburn, and it is as following; why are you wasting money on opening women's reproductive health units in smaller communities to kill helpless little people? Why don't you rather promote the Teen-Aid program?

Hon. Ms. Simard: — The government established a Family Planning Advisory Committee, you will recall, about a year ago I understand. And there are representatives from or a representative from Teen-Aid on that committee. They have done a tremendous amount of work already in the province in trying to bring awareness to issues concerning reproduction and concerning family planning in the province. So I think the Family Planning Committee has done a very excellent job, and I should point out that the views of Teen-Aid are heard on that committee.

As to reproductive health centres in small communities, there is a reproductive health centre in Regina. I'm not aware of reproductive health centres of that nature being established in small communities; however I will check that out. And I do know, however, that the whole issue of family planning and many of the issues pertaining to fertility, infertility, and other reproductive issues are under discussion throughout the province, and that there's considerable amount of work being done in that area. So I will need further detail on the specific item you

were referring to.

Mr. Boyd: — Thank you, Madam Minister. The next question comes from Myron Wright, of Pennant: these health boards are costing the taxpayer an awful amount of money. They're holding meetings at high-class resort hotels east of the region and getting mileage and expenses plus per diem pay. Would you make public the cost of these boards?

Hon. Ms. Simard: — Thank you very much. We don't have the details of the total cost at this time. However these boards will have to have public meetings, and at those meetings they will have to make public their cost and what they are spending. Not just a plan for health care services for the next year and beyond, but also the cost of their own per diems and their own expenses will have to be made available to the public, and it's my understanding that that should take place in a couple months, within two months.

Mr. Boyd: — Thank you, Madam Minister. The next question comes from Shirley Philip of Waldeck: when and how are you going to stop closing beds for level 4 patients? These people cannot be cared for by home care. Nobody can give 24-hour service to another. I don't understand why a yearly hospital fee won't work. It did for years, and everyone could afford a couple of hundred dollars per year.

Hon. Ms. Simard: — The Health Services Utilization and Research Commission has done a fairly extensive review of long-term care needs within the province, and you may or may not be aware of that study. However, I should want to point out a few things from that study.

There is a recommendation that the district boards do an analysis on a district basis of what their long-term care needs are and that plans be put in place to address those needs. Now with respect to level 4 or heavy-care patients, I should point out that the plans to put more home care in, in the province, the plans to put in more home care will determine the rate at which people are admitted to institutions because the plan is, is to establish more home care so that some of the lighter-care beds are freed up for the heavier-care people, the level 4. So there is a plan in district by district to try and free up lighter beds so there's more beds for heavier-care people, so we make better use of the existing beds that are there.

Level 4 patients . . . they're not closing beds for level 4 patients. What is taking place is some level 4 patients have been transferred to other facilities; and as well, when we look at the regional centres, there's a scaling back in terms of the regional centres because of an analysis done province wide and bed targets set for certain areas. However, the level 4 people are being looked after. They're not being removed from the system.

The HSURC, the Health Services Utilization and Research Commission, points out that most level 2 clients can live independently with support from

home care and that the home care system appears to be working well in maintaining the independence of clients. And there's a number of recommendations in that regard.

The other important point that the Health Services Utilization and Research Commission makes in its findings is that in the past two years almost a third of admissions to institutional care — in one large home care district for example — were not from the priority waiting-list. The point being that before, we had priority waiting-lists that were institution-by-institution based.

And on the larger, overall district scale, it wasn't necessarily the heavy-care patients, the more difficult patients, who would be on the priority list who would receive admission. As a result of the study done by the Health Services Utilization and Research Commission, we have seen in this province district boards moving to have one, uniform priority list in the district so that heavier-care patients can get first access to beds because there would be one list rather than a list institution by institution. I think that's a very positive step in the long-term care sector.

The Health Services Utilization and Research Commission points out that we do need a better priority system in the province in the long-term care sector, not necessarily more beds. And they have set out a criteria to try and achieve that and the districts will move in that general direction.

Mr. Boyd: — Thank you. Madam Minister, I'd like to group together the next questions, I guess, since they are worded essentially the same. And they come from Mr. and Mrs. Schneider of Eston, Peter Peters from Dalmeny, Wayne Friesen from Swift Current, Ed and Marion Regier from Swift Current, Neil Hein from Regina. And all of these have essentially the same question: when will you abide by the results of the 1991 provincial plebiscite and end publicly funded abortions in Saskatchewan?

Hon. Ms. Simard: — I want to thank the member opposite for that question and just point out that, as we have said on numerous occasions, the Department of Justice has done a review of the law, which was done incidentally by the former government before we took office, and the results are the same before we took office and after we took office. The results are that it's unconstitutional and that we cannot proceed to remove funding for abortions.

I have tabled in this legislature lengthy legal opinions to that effect and also, I believe, an opinion that the former premier from Estevan had received when he was in government before he drew up the plebiscite. It's not simply a question of people saying we want to do this and the government being able to move to do it, because the law does not allow the de-insurance of funding for abortion. And that is the advice that we have received from the Department of Justice.

Mr. Boyd: — Thank you, Madam Minister. The next question comes from E.H. Laursen of Gull Lake,

Saskatchewan. Why is the government building a native hospital worth millions at Lac La Ronge and a health care hospital at Maple Creek worth millions and a new hospital at Gravelbourg worth millions, when the government just has closed over 50 perfectly good hospitals in rural Saskatchewan?

Also, what is the cost of this idea of wellness centres that your department has set up?

(1915)

Hon. Ms. Simard: — Thank you very much. First of all with respect to Maple Creek, the Maple Creek healing lodge — I imagine is what the writer is referring to — is a federal government project. It is not a provincial government project. It's also my understanding it's a correctional facility and a healing lodge.

With respect to Gravelbourg; we are not building a new hospital in Gravelbourg. What is happening in Gravelbourg is the construction of a long-term care facility, which of course is long overdue in that particular area. And as the members opposite are aware, there are some fire regulations that must be met with respect to the Foyer, the long-term care facility at Gravelbourg. And that is one of the reasons why we are proceeding quickly with the long-term care facility at Gravelbourg but it is not a hospital.

With respect to La Ronge; I would invite . . . or I should advise the writer to consider the fact that in the La Ronge area, first of all, La Ronge is the only hospital on the west side of the north half of the province. Which is quite a bit different than the situation in the south half of the province. There are and have been for many, many years, great inequities in the delivery of health care services in northern Saskatchewan as compared to southern Saskatchewan. And although we cannot address those inequities overnight it's time for Saskatchewan society to begin to address those inequities. One hospital on the east side of the province, in the north half of the province.

Also on the La Ronge hospital, the medical profession were reviewing that whole situation about a year or two ago and came forward with the finding that there was an urgent need for a new facility in that area because it needed substantial upgrading. We are acting to try and correct the inequities and the problem that was pointed out to us by the medical profession in the La Ronge area.

As to the cost of wellness: when the facilities were converted we moved to health centres to provide basic emergency services for the population in the area as well as X-ray and diagnostic. And other services that could be run out of the facility can also be provided from those health centres. For example: if the doctor wanted to locate his offices in the facilities; if the public health nurse wanted to set up an office in that area. We are looking at alternative uses for these facilities.

The cost of operating these facilities prior to the conversions was 23 million. The operating costs now

are approximately 6 million. That's the basic operating costs for the converted facilities. So the cost of wellness from that point of view is \$6 million. It's down from the 23 million in terms of operating costs.

However wellness is not simply converted hospitals. Wellness is also health promotion and disease prevention. It's taking a much broader look at health and health care, where we consider a much more intersectorial approach and we consider things that impact on our health that are outside the traditional health care system, such as the environment, and adequate sewer and water, and issues of that nature.

And what does it cost us to move in the direction of considering more disease prevention and health promotion? Well of course that is something that one cannot calculate at this point in time because it will be developed as time goes on and it will be watched very closely as time goes on. But if the writer is referring to the health centres that were converted from the facilities, I have given the answer then in my earlier remarks.

Mr. Boyd: — Thank you, Madam Minister. The next is again a number of questions, essentially the same question that come in from folks — Gerard Fornwald of Lampman, Connie Dyck of Herbert, and Charlotte Sharp of Dodsland — and their question is as follows:

How can you justify the cancellation of the drug plan, charging for insulin for diabetics, and increasing fees for eye exams when you continue to provide full public funding for abortions?

Hon. Ms. Simard: — First of all, the drug plan has not been cancelled, there's some — how many million in the drug plan — 51 million that taxpayers pay towards the drug plan, so the drug plan has not been cancelled. And diabetics still are entitled if they have high drug costs, or high drug costs and low income, depending on what the formula is, are entitled to receive coverage for their drugs under the drug plan.

With respect to funding for abortions, I have said it many times in this legislature, that we cannot stop funding abortions, the law simply doesn't allow it. And so the government continues to fund abortions although there was a considerable amount of research and review of the matter after the plebiscite. The conclusion we came to — which is the conclusion I believe that the former government came to because it had nine years to de-insure abortions and chose not to — that it was simply unconstitutional to do so.

Mr. Boyd: — Thank you, Madam Minister. The next question comes from Anne Marie Bayet of Landis: We would like to know what you are going to do about the lay-offs in lodges. There is much care to be given to the old-timers and not enough staff to keep up with the demand. They are needing more care than those in hospitals.

Hon. Ms. Simard: — When the writer refers to lodges, is the writer referring to personal care homes or level 2? Like we're not sure what they're referring to

because it makes a difference.

Mr. Boyd: — I presume level 2.

Hon. Ms. Simard: — With respect to level 2 then, the level 2 is being phased out over a period of time. However anyone who was classified as level 2 and is staying in a level 2 home will continue to be looked after. However most level 2 clients can live independently with support from home care. And in fact, the Health Services Utilization and Research Commission point that out in their report. So over a period of time, the level 2 funding is being phased out and will remain in the system and be used in home care to look after level 2 patients.

And if there's extra money, it will also be used with respect to higher level needs, such as level 3 and 4. So the money isn't being removed out of the system; it's staying there, and we're providing an alternate service for level 2 people.

However if through this transition period, in a level 2 home, if there is a problem with respect to staffing, that particular problem should be brought to our attention so that we can take a look at it and determine whether or not there is adequate care in the facility.

Mr. Boyd: — Thank you, Madam Minister. The next question comes from Harry Froyman of Vanguard, and he writes as follows: We had a hospital and a very fine doctor. They are both gone now, so here we are 75 kilometres from the nearest hospital and no ambulance at hand. What happens if we take sick during a winter storm? How are you going to give us better service than we had?

Hon. Ms. Simard: — With respect to Vanguard, first of all I want to point out to the person who wrote the letter that there is emergency services in Vanguard. There are ambulance services, the health centre will provide emergency services, and they do have a good ambulance service. In an emergency situation and in many situations where someone has a serious emergency, earlier, before conversions, they would go to the hospital and would be stabilized and sent on to a larger centre. That will still occur in Vanguard and other places where conversions have taken place.

I believe that what Vanguard should be doing, and I understand that they are, is working very closely with the district board to put in as much programing that is needed for their particular community. This programing could operate through the health centre and would operate in conjunction with the district. Vanguard should look at its needs and its programing in the context of the district that it is now a part of, and should work very closely with the district board in that regard.

It's my understanding that there is a lot of very good programing taking place in Vanguard — plans for good programing in any case — and I think that overall the community of Vanguard is moving forward in a very positive fashion. By that I mean they are working with the district board to look at future

services for the community and I think they are to be commended for that. And I just urge them to continue to work in that fashion.

Mr. Boyd: — Thank you, Madam Minister. The last one in this series of “Mr. Premier I want to know . . .” questions — and I remind the minister that we will be sending the verbatim transcripts of your answers to the folks that have asked these questions — the last one in this series comes from Tena Isaak of Rosthern, and her question is as follows: What I’d like to know is amongst all the cuts to health care and finance for hospitals, how can the government feel it is just and fair to give complete financial support and care for abortions. They should pay too. Another thing that I am saddened by, the installation of all those gaming gambling machines in different locations. To me this is a health problem because it spells less food for helpless children.

(1930)

Hon. Mr. Calvert: — Mr. Chair, in responding to the writer’s inquiry, the Minister of Health, earlier tonight and on many occasions in this legislature, has indicated the fact of the matter regarding the funding of abortions is, that it is by all due considered legal opinion illegal in this country for any provincial government to withdraw funding from the abortion procedure. Other provinces have tried and have failed. The legal opinions have been tabled in this legislature, legal opinions that were available to the former government before they put the question to a plebiscite.

On the second part of the writer’s question, it is recognized by this government that gambling in our society has the potential to create problems for those who may become addicted. This has been true for many years. We are the first government in Saskatchewan to put in place a program to treat and assist and prevent the gambling addiction. It is a substantial program involving not only health professionals but community organizations with a strong component on public education and prevention, and it is in comparison to other provinces in Canada a much more generous financially funded program than others across our nation. And so we are optimistic that the program we have in place and are now implementing, will serve to both treat and prevent the addictions and the problems that may arise from gambling.

Ms. Haverstock: — Thank you very much, Mr. Deputy Chair. Good evening, Madam Minister, and Associate Minister and officials. Just to bring us up to where we left off last time. If you recollect, I asked you questions about the department mandate. I then asked you about department objectives and goals. We then moved into department structures and processes, and I think I left off asking a question which was of interest to your officials, in particular, and that was regarding the changes that have been taking place in your department and what stresses that have caused tensions that were created by the kinds of changes that had occurred, and asked you to characterize the

morale of your department.

I have one final question in that area of department structures and processes that I would like to ask you now that I didn’t have an opportunity to last day, and then I’ll move into more general administrative questions for the remainder of the time.

I’m wishing you to describe the nature of the union-management relations in your department.

Hon. Mr. Calvert: — I wonder if the member from Greystone could clarify somewhat her question. Is she, in her question, referring to direct employees of the Department of Health or more broadly the relations between health care workers and the health care system generally?

Ms. Haverstock: — My question specifically is regarding people within the Department of Health, tonight.

Hon. Mr. Calvert: — Mr. Chair, these are not easy times for any employee of government, in any department of government, when government is faced with some financial restraint. These are not easy times.

In the Department of Health, we take some pride that of all the departments of government, we are the first to have, in place and functioning, a union-management advisory committee. That’s with our SGEU (Saskatchewan Government Employees’ Union) employees, and we’re proud of that. In all of the relationships between the department and the employees, we endeavour as best we can to make those relationships amicable and respectful of our workers.

One of the most significant issues facing workers within the Department of Health is the planning that’s now taking place and the soon-to-occur transfer of their employment to employment with the district boards. This has caused us to enter into discussions and negotiations with our workers on a very intensive basis, and I’m very pleased tonight to be able to announce that we have very recently signed a devolution agreement with SGEU, and we are in the process of active discussion with our CUPE (Canadian Union of Public Employees) members.

Ms. Haverstock: — Thank you very much, Mr. Associate Minister. I will be asking questions regarding union-management as far as outside of the Department of Health as well, but I won’t be asking that of you this evening.

I would like to move to more administrative questions. The total budget for the department is increasing by \$13.5 million which is an increase of 1 per cent. What benefit will the people of Saskatchewan receive as a result of that kind of increased spending?

Hon. Ms. Simard: — That amount is largely taken up by, first of all, capital construction, and secondly, by negotiated in-scope salaries that are in line with

government guidelines and that are throughout the entire department.

Ms. Haverstock: — Thank you, Madam Minister. Were there other areas that had to — for want of a better term, I can't think of another one at the moment but — be sacrificed for that increase? In other words, I'm wondering where the source was for that particular, additional funding — spending, pardon me.

Hon. Ms. Simard: — The budget is . . . First of all with respect to what has suffered as a result of that, well I don't believe there's anything that has suffered as a result.

You will recall that last year in the budget there was an announced 2.8 per cent decrease in acute care for this year. That was announced last year. That was implemented in this budget. However in addition to that, district boards received a slight increase over last year over the funding that they would have received based on the facilities and programs they were operating last year.

So there was an overall increase for district boards. There was a \$10 million rural initiatives fund established and increases for home-based services. So the government gave us a target. We continued through with the reductions in acute care that were announced last year — not in this budget, but the last budget. And there were slight increases in some areas. And that brought us out to approximately a \$13.8 million increase overall.

I'm just getting a few more details that I'll be able to give to you in a minute.

Just to give you a little bit of a highlight, the administration, in other words the Department of Health and its administration, had about a 2 per cent decrease. The accommodation, facilities to house the government administration, took a decrease of approximately 4.7 per cent. District health services overall got a slight increase of 1.1; provincial health services and support — a slight increase of 1.8; the Saskatchewan prescription drug plan — a slight increase of .2.

Special assistance programs — now this is one of the larger increases — that's 12.2 per cent. That consists of Saskatchewan's Aid to Independent Living, supplementary health programs, and multi-provincial HIV (human immunodeficiency virus) assistance. That's a 12.2 per cent increase. Health capital is the largest increase. It's 40.4 per cent in terms of Health capital.

So that gives you some sort of an idea of the general trend that was taking place in the Department of Health.

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

Mr. Trew: — To ask leave to introduce guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Trew: — I thank you, Mr. Chairman, and I thank all members of the Legislative Assembly for this interruption.

In your gallery, Mr. Chairman, you will find there are the Walsh Acres 80th Cub Pack B group. There are some 10 cubs, and the leaders are Ron Schmiedge, Glen Ferguson, and Orest Schiller. I look forward to meeting this group from Walsh Acres at 7:45 for pictures and a visit with them. I ask all of my colleagues to join me in welcoming this group to the Legislative Assembly.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

General Revenue Fund Health Vote 32

Item 1

Ms. Haverstock: — Thank you very much, Mr. Chair. On page 4 of the budget speech, it states and I quote:

Last year, almost \$18 million was saved by making common sense changes to the day to day operations of government . . . This year we will save an additional \$12 million.

Now I think you have made some reference to what your department was able to save last year, at least I think, made its share of some of those savings last year. If you could more clearly outline what some of those were but also where you intend to make the savings this year.

(1945)

Hon. Ms. Simard: — There was an overall \$2.3 million savings absorbed by the department, just right across the department in terms of administration in the Department of Health, just very generally.

In addition to that, the physicians will be required to put in automated billing which will result in some savings. The administration of public health, mental health, and addictions is being combined until those services are evolved and . . . devolved, pardon me, but we don't want to pre-empt any discussions with staff so I can't get into too much detail about that. But we are combining that administration at this point which is going to result in some savings.

The department also has been working on new computer programing that will result in a much more efficient system and will result in further savings for the department. So off the top there's a 2.3 million that was absorbed by the department, and in addition to that there are ongoing efficiencies being built into the Department of Health.

Ms. Haverstock: — Thank you. I assume then that you're saying that the projected savings this year of what you've been outlining then would be the \$12 million. Is that right? Do I have that correct from the budget speech saying that this year we will save an additional 12 million; that's the number that you'd be referring to?

Hon. Ms. Simard: — The 12 million in the budget speech isn't the Department of Health, it's the whole government.

Ms. Haverstock: — Thank you. I'm interested in the actual process that's used to identify savings. Are outside consultants ever used, or efficiency audits performed? Is there particular methods for identifying cost-cutting measures in your department?

Hon. Ms. Simard: — The process generally is as follows. First of all the Treasury Board gives the Department of Health certain options and says your budget must come in below two per cent less or zero or one per cent more, but we're given sort of a set of options to take a look at. As a result of this set of options that's provided to us, the deputy minister examines how we might achieve those options within the context of the programing that we provide. And we work through how we will achieve these targets in that fashion, and options are then presented to Treasury Board and Finance, and decisions are made as to the general direction that we will move.

If new technology emerges, the departmental staff will review it. If it makes sense we adopt it, which is some of what's taking place right now with respect to the systems in the department. We also keep in touch with Health administrations across Canada. We talk constantly to other departments of Health and other ministers of Health; and if there is anything that they're doing that we feel we can adopt and it makes sense, we'll put it into effect. They likewise keep in touch with us and adopt many of the things that we're doing, so there's a lot of sharing of information that takes place interprovincially.

The use of consultants — I am advised that occasionally we use consultants. But we find that for the most part the officials we have in the Department of Health are pretty well on top of what is possible, what's feasible, and how we should achieve many of these things. We find that in a number of areas Saskatchewan is out in front of the other provinces. So although we may use consultants occasionally, it's not that often that we use consultants for interdepartmental efficiencies. We primarily rely on our own people.

Ms. Haverstock: — Thank you. I'm very interested in some of the things that you are saying. I actually have been asking you about spending, about savings, and now I actually want to talk to you about revenues, although that may sound rather bizarre in the Department of Health.

Overall, in 1993 the Health department managed

\$1.548 billion, and in the same period the department only achieved \$31 million in revenue. Now for all the spending in the department, only two per cent of it is ever returned. Now I do realize that the first objective of the Health department is definitely not profit or even to break even. But in addition to talking about cost reductions, I'm really wondering if you can talk to me about greater cost recovery. And I'm interested in one of the things you stated because you said that you've actually looked across Canada and dealt with other people in other places and gotten ideas for how to deal with the savings side and perhaps even examined how some people are spending differently.

I'm wondering if you and your officials have considered alternatives for cost recovery in the Department of Health — I'm really quite interested in this — if you could outline what areas show potential, as well as anything that you're familiar with that is under way in other parts of Canada that would address cost recovery.

Hon. Ms. Simard: — Thank you very much. With respect to where revenues come from, the projected revenues for '94-95 will be approximately 36,819,000.

The revenues come from . . . the biggest item is really from receipts from other governments. For example, federal contribution towards services provided to social assistant recipients, rehabilitation services, young offenders, and air ambulance. That's where our biggest source of revenue is in the Department of Health. There also is of course some sales and service fees and privileges, licence and permits, things of that nature, public health inspection, and vital stat fees and so on. This year it'll come to a little over 36 million, actually closer to 37 million.

You said, are you examining other options. Well there aren't a lot of options in the health care area. There are always the options of course of moving to premiums or user fees. This government has made the decision not to move to user fees, and premiums we largely see as another form of taxation. And therefore we have chosen to pay for the health system through taxation as opposed to user fees or premiums, although some governments, such as Alberta next door has premiums of 6 or \$800 a year per family. And other jurisdictions have premiums of that nature which bring in a source of revenue.

The government had considered that in some detail in the past when it was controversial, and was raised as you remember, and came to the decision after we looked at it that it would be better to maintain the health care system through the taxation.

We do look at other possibilities with respect to using some of the data that we are compiling in the information systems that we're developing; we may be able to market some of that in the future as that becomes better developed. So we will be looking at that possibility as things move along.

So there isn't a lot of places that you can obtain

revenues in terms of the Department of Health. But the Department of Health is aware of it, does look for opportunities, and we are not moving to institute premiums or user fees for the reasons I gave.

(2000)

Ms. Haverstock: — Thank you. Madam Minister, the Saskatchewan Health annual statistical report in 1991-92 tells us that between the period of 1986 and 1992 that services per patient rose steadily, and that was year after year they rose steadily. This means each patient received more medical service of some nature than the year before, but over exactly the same period of time the number of persons receiving care stayed the same, and the cost is what sky-rocketed. And I'm really very interested in where these costs came from.

Hon. Ms. Simard: — I appreciate the member's question. It is a very complex issue as to what is generating the cost increase. One of the reasons is the ageing population. Another reason is the new technology and the high technology that we are bringing into the province and the fact that that in itself increases utilization.

However the utilization commission, and the Department of Health, have also discovered that there is a general increase in all age categories in the population. Not just with older people, although older people do require more services quite naturally, and we do have an ageing population. But there is an overall increase right across the entire province — and in urban Saskatchewan as well as rural Saskatchewan. So there isn't one population group that hasn't increased the services. No more people but a substantial increase in costs, as you pointed out.

So when people talk in terms of a lot of reductions in health care they must realize that there have been massive increases in the last few years and that people have been receiving more and more and more services and the health status has not necessarily changed. In other words, overall population health.

So the utilization however in the last year has decreased by 1 per cent across the board. And one of the reasons for that is that there has been substantial debate in the public about the need to be more careful in terms of utilization of services. As well we have worked very closely with physicians, talking to them about utilization. And the utilization commission has been doing studies and sending out guidelines to physicians. And I believe all of that discussion and review and debate has resulted in a slight decrease in utilization.

And we will continue to look for the most appropriate services because it is not to decrease services where they're needed, but it is to target funding and to target real population needs and the most appropriate services. That's what the global funding formula attempts to achieve. It attempts to fund the greatest need in the population.

So throughout Canada and in Saskatchewan we are

focusing on health outcomes vis-a-vis services and population needs, and trying to get health professionals and the population to think in terms of appropriate services and needs. Because you're quite right, there has been a substantial escalation in costs, in the amount of services being delivered, and there has not necessarily been an improvement in the overall population health as a result.

So we are trying to address that issue. And we have solicited the help of the utilization commission to do scientific studies of what appropriate services would be and whether we're spending our dollars effectively to result in better health. And also we are asking the Provincial Health Council to focus on other determinants of health that go outside the traditional health care system that may have more of an impact on overall population health than many more high-tech machines in our base hospitals for example.

My deputy points out, for example, that the thyroid study that was done by HSURC that was accompanied with guidelines to physicians has resulted in a \$1 million saving already in that particular area.

So your question was well put, and you're quite right. It is very strange as how that has happened. We are attempting to address the issue.

Hon. Mr. Shillington: — I move we report progress.

General Revenue Fund Agriculture and Food Vote 1

Item 1

Mr. Swenson: — Thank you, Mr. Chairman. Mr. Minister, when you were last here I asked you some questions pertaining to an employee at Crop Insurance that had been terminated that had not been settled with. Have you got any further information for me this evening?

Hon. Mr. Cunningham: — Mr. Chairman, we're not certain which case the member refers to, but we believe it's one that's before the courts and it probably is wise of us not to discuss it if that indeed is the case.

Mr. Swenson: — Thank you, Mr. Chairman. Well, Mr. Minister, I understand there is only one of these outstanding so I suspect that it's the same one that you referred to the last time we met. And my understanding is that one of the problems is they haven't been able to get to court yet because the lawyers for the Crop Insurance Corporation keep stalling the process on it.

There's been, twice, the motion for discovery so that they can get on with some kind of a court action and your legal firm of Olive Waller and Waller keeps putting this issue off. This individual has got to date — and I've checked the sequence of events through the entire case history — you said last time that he'd had an offer made, and I've checked with the individual, Mr. Minister; there never has been an offer made by

the Crop Insurance Corporation, and yet this individual is continually put off and dragged through the process. And I'm wondering why this issue has not been settled. And it was some weeks ago when I brought this to your attention in estimates last. I don't think that answer is satisfactory.

Hon. Mr. Cunningham: — Mr. Chairman, again, this is before the courts. But I can say that there was an offer made from Crop Insurance Corporation, that they were very far apart between the individual and the offers or demands that he was making and the offers that Crop Insurance made. And this will eventually be settled in court if a negotiated settlement isn't reached in the meantime.

Mr. Swenson: — You're saying, Mr. Minister, that this issue is now before a judge? That it is actually before the court? Because my information is that isn't the case, that the individual's lawyer has asked that the issue be taken before a judge so that they can get on with this.

I have copies of letters here to the president of the Crop Insurance Corporation, letters to the individual. This issue, Mr. Minister, is now approximately 2 years old. I believe the termination occurred on May 25, 1992. And I can't believe that some place over that corresponding 2 years that you could not arrive at some sort of a settlement with this individual.

We aren't even talking about anybody that was up at the top of the ladder here in the terminations that you did, and I think that it's a very poor way of handling people that were public servants.

(2015)

I asked you, Mr. Minister, what the legal costs the taxpayer had incurred in prosecuting this case to date, and I believe the lawyer is a Mr. Ellison for the Crop Insurance Corporation of the firm of Olive Waller and Waller. Can you tell me then how much money has been expended to date by your legal counsel in not settling this particular case?

Hon. Mr. Cunningham: — Well, Mr. Chairman, there was an examination for discovery in January of 1994. Subsequently the corporation has made four offers, each of them better than the preceding one, and it's just a simple matter of being some distance between the individual and the corporation and the guidelines that we settle these sorts of cases on, and therefore it has not yet been settled.

Mr. Swenson: — Well, Mr. Minister, there was an examination for discovery on September 9, '93 at which time the proceeding came to a halt because the lawyer for the Crop Insurance Corporation refused to state the reason for the dismissal of the employee.

And you're right that there was another continuation of that process on January 31 at 10 a.m. in Melville. And Melville was chosen, Mr. Minister, to help out the Crop Insurance Corporation, because the individual no longer lives there but complied with the wish of

your lawyer and your officials to be in Melville so that they would have easier access. And at that time the issue of the overtime that should have been due and payable was brought up and once again things came to a grinding halt at the behest of the lawyer for the Crop Insurance Corporation. And now we are going into the month of May, Mr. Minister, and we're nearly two years down the road.

It just boggles my mind. I mean if this guy had been the president, or the past president, or even someone with . . . an area manager, but we aren't dealing with that, we're dealing with an accountant who was down the ladder, and I can't believe for the life of me that the Saskatchewan Crop Insurance Corporation would be so mean-spirited with a former public employee that you would drag this out over two years time, run up all sorts of legal bills with the individual, spend all kinds of money to your own law firm to handle this case and not come to some kind of conclusion.

I mean, if we'd have settled this thing a year and a half ago the taxpayer probably would have been ahead by thousands of dollars, and that isn't the case. And I wonder what in particular about this individual your Crop Insurance Corporation feels so mean-spirited about it.

Hon. Mr. Cunningham: — Well, Mr. Chairman, it's certainly not mean-spiritedness on the part of Sask Crop Insurance. We have guidelines for settling these sorts of cases, and with some flexibility to bend them somewhat. But in this particular case, what we normally offer apparently hasn't been acceptable to this individual, and therefore the dispute goes on.

And certainly we would prefer to have it settled as quickly as possible, but we do have some responsibility to follow guidelines and treat all employees in a similar manner.

Mr. Swenson: — Mr. Minister, can I have your assurance here tonight then that you will instruct your officials at Saskatchewan Crop Insurance to get this issue to trial, if there's no way to amiably settle this particular dispute, before the taxpayer has to spend much more money on your legal help? Wouldn't it sound like a reasonable conclusion that we then get this thing in before a judge and then let the judge sort it out if your officials are incapable of doing that? Can you give me some assurance that you will move this process on?

Hon. Mr. Cunningham: — I will certainly give you the assurance that I will instruct officials to proceed with this in or out of court, to settle it as quickly as possible because certainly that's in everybody's best interest.

Mr. Swenson: — Thank you, Mr. Minister. I appreciate that. Perhaps by the time you come back in this Chamber for estimates again, we can hope that there is a reasonable conclusion to this matter.

I have another issue that I wish to deal with you on this evening. A number of months ago I brought an issue forward to your staff pertaining to community pastures and particularly the Grainland pasture north of

Central Butte where the one field, a particular field that had Charolais bulls in it, had the new trichomoniasis that affects cattle and had a very significant failure rate in there. There's a strong indication, Mr. Minister, that some of these bulls have been infected over the last two years. And I asked at that time on behalf of constituents both in my constituency and the member from Morse if the government was prepared to do anything in regard to the failure rate that occurred there which, in some cases, was over 50 per cent of the cows coming home open. And I'd like to know if there's any further response at this time from the government.

Hon. Mr. Cunningham: — Mr. Chairman, I'm told that there were seven bulls in that pasture, and they were tested, and I think three were confirmed positive. In all, seven will be slaughtered by the cooperative; so we are moving. We will attempt to test bulls. We will ask people — the patrons — to bring cows who have calves at foot so that we know that cows aren't carriers, and that we ask them not to breed at home before they come to these pastures so that we can control this disease.

We think with those measures that we will get it under control. It is a difficult disease to handle under these circumstances, but certainly we hope to, that measures we take will control it.

Mr. Swenson: — Mr. Minister, do you have the total number of cattle that were in that particular field, that were serviced by those bulls, and what the failure rate was in that field?

Hon. Mr. Cunningham: — I'm told there were about approximately 200 cows in this particular field and about 35 or 40 per cent were opened, although that certainly may not be all attributable to the disease but very likely, certainly, a significant portion of it would be.

Mr. Swenson: — If they're open they're all liable. Mr. Minister, would you agree that given the calf prices — and let's take a very conservative figure then — that the loss in that particular field incurred by producers was around \$50,000 plus? Would that seem like a reasonable figure?

Hon. Mr. Cunningham: — If indeed those were all caused by the disease, that would be approximately . . . the loss would be in that neighbourhood. If you have 50 or 60 calves, open cows, and you can use your estimate of calf price, but that's certainly in a ballpark.

Mr. Swenson: — Well thank you, Mr. Minister, because in fact I do have the list of all the producers, and the number of open cows that came back, and the economic loss suffered by these individuals is actually in excess of that figure. That's a lot of money these days, Mr. Minister, in rural Saskatchewan for someone to entertain losing.

Now I'm wondering if you could provide me with the ear-tag numbers of those bulls that were in that field and give me a two-year history prior to being in that

particular pasture; where those bulls were wintered; and the success rate, if you have it, of the pastures that they were in before. And I'm sure that the pasture managers will have a pretty good idea of what the success rate on those bulls was prior to them going to Grainland.

Hon. Mr. Cunningham: — We don't have the ear-tag numbers with us. We could get those, and we can certainly trace where they were. We know that they were bulls that were wintered at Val Jean pasture the winter before. We could get that information for you; exactly which pasture those bulls were in the year before.

Mr. Swenson: — Well I would appreciate that, Mr. Minister. The patrons of that particular pasture last year are very curious as to the case history of those bulls. And they have been told by people that should know that there was a significant failure rate attached to some of these animals a year previous to that, and nothing was done about it. And those bulls were turned around and wintered and put back into the system when they probably should have been culled the year previous.

And if that is the case, Mr. Minister, then I think there is some negligence on behalf of people in your department that are in charge of that type of thing. And I think the only way that you and I can reasonably understand is for you to provide me that information about those bulls and where they were and where they were wintered and the pastures that they were in previous, if it was previous, to entering the one at Grainland.

I'll have to wait, Mr. Minister, for you to provide that information to me but I would hope that that would come before this session winds up, because we may at some point be able to have a further conversation about this.

I believe in one pasture that has a \$50,000 loss — and I'm told that there are other circumstances around the province — that there should be some ability of government to accommodate people that have sustained that kind of a loss. This is way and above normal death rates, accident, anything else that occurs within the community pasture system. And I know that you've taken initiatives to make sure that it doesn't happen again, and I applaud you for that, sir.

But the simple fact is I believe that this was evident to some people prior to last year. And if that is the case, then I think you have a direct responsibility to think about compensation with these individuals. And I guess the only way we're going to know is to discuss that stuff in this Legislative Assembly, and we can see where those bulls went.

And I can satisfy my constituents that I've done everything I can on their behalf to press this issue with government, because they're very upset about the whole process. There's a couple of them that are going to have a darn tough time staying in the farming game without that 50 per cent of the calf crop that they were

expecting to happen. There isn't a lot of money out there that they're going to get from any other source, and it would be a real sad thing if we lose a couple of pretty good operators because they entrusted their cattle to the community pasture system and they weren't looked after properly.

So I'll allow you to send me that information, and we can discuss this again.

(2030)

Hon. Mr. Cunningham: — Yes, Mr. Chairman, we will get that information — in very specific detail. I believe it should be available.

I can assure the member opposite that there was no negligence on the part of the community pasture system. We often have conception rate problems for various reasons. And certainly when it shows up as serious as it has, we investigated and took action. But it was not negligence on the part of the community pasture system.

Ms. Haverstock: — Thank you very much, Mr. Chair. Mr. Minister, I welcome you this evening and welcome to all of your officials as well.

I'm very interested in the direction of your department. And I'm going to begin with broad, but what I consider very important, matters such as mandate, vision, and goals. I then want to have you talk more specifically about public policy objectives, how you are organized within your department to meet those objectives, how you measure your progress toward those objectives and toward your goals. And from this basis I'll be then asking further questions — and they will become more and more specific — about spending, program design and program results in each of the subvotes, and quite obviously we won't get that far this evening.

So let's begin. And I'd very much appreciate it if you would simply give your own point of view on this. I don't think you will need to consult your officials on what your vision is for your department, Mr. Minister.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I think our vision for the department is laid out quite clearly in the Ag 2000 strategy. I think obviously the member will have read our strategy paper. I think it lays out quite clearly what our vision for agriculture in rural Saskatchewan is and we certainly intend to carry forward with that strategy. I think it's one of the first in Saskatchewan where we've actually laid out a strategy that talks about more than the next year, and the year after, but a 10- to 15-year strategy for agriculture. We are assessing it as we go, and I think we're making some strides at carrying out that strategy, and we can demonstrate that we've moved along the road to accomplishing it.

Ms. Haverstock: — Thank you, Mr. Minister. What is your vision for the department? Not what has actually been put forward in the document that was brought forward by the Department of Agriculture, but what is

your vision for your department? You are halfway through your mandate probably — I would suggest maybe perhaps even more than that at this juncture — and you came into the department at a particular time and I know that as a minister you would have your own view as to not simply the mandate of the Department of Agriculture because much of that is already specified. But what is your vision for your department?

Hon. Mr. Cunningham: — Well, Mr. Chairman, very much of my vision is reflected in the Ag 2000 and it is after all a government strategy that carries forward and it's not the personal vision of the Minister of Agriculture that is crucial. We did talk with many producers, and many farm groups, and community leaders in developing our strategy. So it's very much a community strategy which is part of my vision, is having a community develop the strategy.

I think my personal vision is that we will help producers to survive in the competitive market-place. I can see a vibrant agriculture in rural Saskatchewan and a vibrant rural Saskatchewan. I think we have a lot of opportunities, and we have a lot of problems, and we're certainly dealing with those. But I think that agriculture has been the number one engine that has driven the Saskatchewan economy since this province was formed and I believe it will be for a long, long time into the future.

And I see all sorts of opportunities if we adapt and learn to control the forces that are outside Saskatchewan — the trade deals and so on that we have to live with. And I think if we do that and we get our producers motivated — we have the best producers in the world; we have the most innovative — and I think if we challenge them, we will have not only a vibrant industry but we'll have an industry that will employ people and it'll grow communities on the same basis that we've had in the past. It will keep our values that we've had and continue with those. We will have to change and change rapidly but I think we can hold our values and hold our way of life and I think there is a great future in agriculture.

Ms. Haverstock: — Thank you. Mr. Minister, what is the specific mandate then for the Department of Agriculture? In other words, why do you exist in the Government of Saskatchewan?

Hon. Mr. Cunningham: — Mr. Chairman, just in case that is a trick question I will read the mandate that we have: For the purpose of improving and promoting Saskatchewan agriculture and assisting persons engaged in the industry, the Minister shall encourage production and marketing of agriculture products, promote cooperation within the industry, collect statistics and issue reports; may enter into agreements to improve the industry, fund research, provide financial assistance to industry and individuals, finance international aid and make awards; may require industry organizations to submit information, authorize land to be entered onto, establish revolving funds to buy and sell agriculture supplies or conduct any appropriate program of conservation or

development and make regulations.

Ms. Haverstock: — Thank you very much. What are the specific public policy objectives that actually drive your department? And I'd like you to outline for me what the key policy objectives are that you wish to pursue.

Hon. Mr. Cunningham: — I think we have many objectives but I think the key ones would be to provide opportunity for farm families to manage their land, establish better control of their future and to be economically successful; to diversify agriculture in the food industry and add value to our agricultural products; and to promote production, marketing, research, education, and training institutions which contribute to the development of family farms and value added production.

Ms. Haverstock: — I'll actually ask three questions and I'd like you to try to address these. Who has established these objectives? How are they reviewed and revised? And what means do you use to communicate them to your employees as well as those you would consider your clients?

Hon. Mr. Cunningham: — I thank the member for those questions; they're very good questions. Our public policy objectives were as a result of public hearings that we had last year as a result of elected politicians on this side of the House determining what public policy should be.

And how we measure those — again we have the Ag 2000 strategy which fairly clearly lays out what we're trying to do. As a matter of fact, tomorrow we're having a meeting of farm leaders from around the province together with department officials, which I will attend. And we will try to attempt to measure how well we've done, assess what we've done to date on the ag strategy, whether we're successful in doing what we set out or not. So we'll be talking to some real farmers and to the department to determine how we're progressing.

As to how we communicate that to the department, we try very hard — from my office to senior management, from senior management to all the branches — we've worked very hard to try to communicate the Ag 2000 strategy and what our overall objectives are so that we get all of the department working towards the same goals. And I think we've been fairly successful at that.

Ms. Haverstock: — Thank you very much, Mr. Minister. I'm interested in this way that you've talked about some structures and I actually will get into department structures and processes a little bit later. I'd like you to just spend a moment talking about . . . I mean a lot has transpired over the last several years in agriculture and I'm sure that that has led to changes in public policy objectives that have been having to be adopted by the Department of Agriculture.

Could you discuss what has actually been happening over the last two and a half years that has resulted in

public policy objectives changing? There have been things that have transpired that I know that have happened throughout the world and elsewhere, but I'm wondering the kinds of things that you had to consider in coming up with your public policy objectives, the sorts of influences, things perhaps outside of your control and as well as things that are within the government's control.

Hon. Mr. Cunningham: — Yes, I would be glad to answer that question. There certainly are many things happening in agriculture which have forced change on Saskatchewan farmers. I don't think that's a new phenomena. And as I often say at public meetings, the first tractor I drove had steel wheels on it and you pulled the old rope to lift the one-way out of the ground and that's certainly changed in my farming lifetime and I'm not all that old. And I think the change is going to be even more rapid for those of us who are farming today. So I don't think that's totally new.

But we have been . . . as the member pointed out there have been many external forces pushing on us. We have a international price war going on. We've got a CUSTA (Canada-U.S. Trade Agreement) deal, a NAFTA (North American Free Trade Agreement) deal. We've just signed GATT (General Agreement on Tariffs and Trade) which is going to impact on our policies to a great extent. We've had shifting markets with the eastern European market disappearing on us, rapidly growing markets in Asia. All of those world things impact on Saskatchewan very greatly because we sell almost all of our commodities in world markets. So we certainly are impacted by those sorts of things.

We're impacted by actions of the federal government. Changes to federal programs certainly affect Saskatchewan. In fact, Saskatchewan agriculture is a joint federal-provincial responsibility and so those sorts of things affect us and we have to change to adapt to those things.

Certainly budgets have had some effect on agriculture. I think the province still spends a good deal of money on agriculture. We have I think, maintained that spending to a very high level, a higher level I think than any other province in Canada as a percentage of our overall spending. We have had to make cuts in agriculture and be sure that we spend our money as smart as we can because we also have constraints on our budget and that certainly is something that we can't ignore in adapting our policies.

Ms. Haverstock: — Thank you very much. I'm interested in, if you have an established planning structure in your department for goal setting. Who would be involved in goal setting? How does it work if there is a structure? Even how does one go about defining the goals? Like there are ways that people will define from being either bottom up, top down, there are various kinds of ways of doing that.

And when I spoke of your . . . asked questions regarding public policy objectives earlier, which

some people refer to of course as goals or objectives, I think they can be differentiated. But I am interested in, you outlined some objectives — whether we call them objectives or goals. Of the ones that you've enumerated, I want to know how they in fact are measured. Do you have a set of criteria against which you measure the goals that you have, the objectives that you're trying to reach? And is there even a program within the department to evaluate results?

That's a lot actually. If you need any of those repeated, I'd be more than willing to do so.

(2045)

Hon. Mr. Cunningham: — Yes, we do have a planning system in the department, very much so. We have again groups of planning . . . groups that involve federal government as well, because we work with them. We've done an awful lot of work in some areas with the neighbouring provinces, particularly with regards to new safety net programs and so on. We involve farm groups, and we involve individual producers to whatever extent we can.

And I think we have the Ag 2000 strategy, which is the overall plan, and that's the purpose of the meeting tomorrow, is to begin the assessment as to how well we are achieving those goals. We've attempted to break many things down into teams in the department so we work on particular areas. We have a hog strategy which we announced last week. We have the ag equity fund which is set up to deal with our goals of value added, and certainly we will continue to try to build in some monitoring process to see how well we are accomplishing these goals.

And we struggle within budgets. We have committed funding to programs that are there. We don't have huge amounts of money, but we are moving. I think you can see in our budget, if you go through it, that we are shifting and trying to spend our money in ways that will promote our strategy and achieve our goals and that we are not doing things in an ad hoc basis; that we have a plan, and we are attempting to follow it.

Ms. Haverstock: — Thank you very much. Would you describe the senior management structure in your department?

Hon. Mr. Cunningham: — Yes, I can attempt to describe it. I can maybe send you over the chart that would be of some help.

We have our department set up with the deputy minister and two assistant deputy ministers, and we have three main areas. One is financial support and program management. We have another division that's the policy and planning, and we have one which we call the marketing and development division. So we're basically into three major divisions.

That's a reduction from when I took over the department, from eight down to three. We're trying to, rather than split it up by livestock and grains and oilseeds and so on, we tried to split it up into

functions. And this is, I think, functioning fairly well right now.

Ms. Haverstock: — Thank you very much. I think perhaps one of the things I might do to make a little clearer where it is I'm going here is to reduce this, and then I'll ask a few more specific questions.

I'm most interested in people being able to define what objectives they're trying to reach, that they can indicate a specific time line in which they can attempt to achieve those specific objectives, that there's someone within a department who is identified in ensuring that those objectives can be met, that in fact at some point there is a clarification as to the measurability that those are being met, and that at some point there is a way of evaluating expected versus actual results.

And I think really that's how I try to conceptualize so that I have a better understanding of what is taking place. That's really where I'm moving through, and I'm trying to understand in a more specific way how your responses are fitting into my framework. It's very difficult for you to fit into my framework if I don't tell you what it is, so I decided to do that.

Now the reason that I asked about a description of your senior management structure in your department is the structures that are in your department, that take place in your department, are the things that are going to ensure that your objectives are being met. So I'm interested in knowing what structures are there to ensure that that happens. And where necessary, we know when adjustments can be made.

I'm also interested in knowing how objectives are specifically documented. What measurements you would use once those objectives have been documented, what types of measurements — if any — you've actually had developed or invented in your own department to deal with this. And I am interested in knowing whether or not the staff, in particular, have a specific role in helping to define the objectives that are laid out in the department.

And finally, the ultimate question: are staff regularly informed of objectives and particularly if any changes ever take place because you're much more privy in an ongoing basis to things to which you have to respond. And it's important, of course, if objectives have been laid out, that all the people who are involved in making sure that you reach those objectives are well informed and involved in the process.

Hon. Mr. Cunningham: — Well, Mr. Chairman, I think the member opposite makes excellent points. I think the overall objectives need to be set by the politicians. We are elected to set objectives, and we deal with the producers and come up with objectives. Certainly we get help from the department in doing that, but it is government's role to define the objectives to their department. And that's what we've done. We do it in the general sense, and I think ag strategy lays out our government policy and objectives.

What we've done in the department is we have what we call a management team, an executive management team. And when we did the budgets, they got together and listed out eight absolute priorities in looking at ag strategy and the overall objectives, and they've planned our priorities, given the budget constraints, in order to meet those objectives. And from there, those go on down to the various branches. And when we did budgets, we also told them why the decisions were made, which ones were . . . where we prioritized the money, and why we prioritized the money.

And certainly we attempt to not be changing our objectives on a daily basis. I think that's one of the things in the long-term plan. But when objectives do change, we certainly attempt to get that into the department so that they know what we want. I think that government's role is to set out the objectives of the department's role, and the civil servants' role is to devise plans that meet those objectives.

Measuring objectives in agriculture is a little difficult, particularly when our role . . . we see our role very much as a facilitator with the industry. That's one of the reasons why tomorrow, when we're having this meeting, we're having industry people in because I think they will have the feedback as to whether or not we're meeting our objectives as well as anybody. And we certainly will attempt to measure that.

I think that's going to be crucial, and I think we can see at least progress being made on the ag strategy, that some objectives are being met and probably will be some change in those objectives, as you mention, when world conditions change and other things change, and we may have to make some changes to our objectives. But I think we do have a pretty good system of defining objectives and attempting to measure achievement of them.

Mr. Neudorf: — Thank you very much, Mr. Chairman. And, Mr. Minister, welcome here again tonight. I was listening with some interest to the discussion you were having with the Leader of the Third Party as we delve into some philosophical searchings for what we stand for and what we hope to do in particular in the Department of Agriculture, and I think sometimes a little bit of soul-searching has some value when we take a little step back and re-evaluate perhaps where we are, where we have been, and sometime in the future where we hope to be.

But one thing I think that struck me about the questions is your repeated assurance to the member opposite: that's a good question; that's a good question. Well I've been in classrooms for many, many years, and when I think back, every time I said that to a student that asked me a question like that it was because of the premiss that I didn't know the answer, so it must have been a pretty good question, so I took some interest in the discussion as it was going along.

And you were talking about change. You were talking

about how today may not be the same as yesterday, which reminds me, and I know the member beside me here, as I believe, quoted Confucius who said at one time that no individual can ever step into the same river twice. It's impossible because if you step into that river and remove your foot, by the time you put it back in conditions have changed, the river has changed. And I think that's the natural process that is ongoing and we have to, Mr. Minister, be aware of that because we do live in a dynamic world. It's a world of constant change and woe be to any individual or woe be to any political philosophy that does not allow itself to adapt to that change.

As you know, your federal counterparts are undergoing a great degree of navel gazing right now, and admittedly I believe our party is doing the same thing at the federal level as we are at a provincial level. And so if you don't change, and if you're not willing to recognize change, then ultimately you're going to pay the price for that. I found it kind of intriguing to listen to your discussion that you were having because I think the answer to the status quo is no, we cannot maintain the status quo and be successful in our endeavours.

And so therefore this is, I believe, Mr. Minister, a sign of the times that we live in and the evidence of that is all around us. The evidence of that is around the implications to the world trade, for example. You were, in some of your discussions, indicating the changes that have gone on with NAFTA, with the GATT situations, and we have to recognize that and have to recognize that this change is going on around us and I would submit to you that in recognition of that we must be prepared to change. We must be prepared to change the philosophies and some of the ways in which we have done things before.

So one of the questions that I would have you respond to at this time, in recognition of the fact that this change is an ongoing phenomenon that is upon us in ever-increasing it seems proportion . . . correct me if I'm wrong, but it just seems to me that the person who gets caught up in this change aspect, almost exclusively since we're dealing with the Department of Agriculture, happens to be the farmer. There are changes that the federal government is bringing about. There are changes that you, as a provincial government, have been responsible for, and farmers are asking me, why is it always the farmer that winds up paying the shot? Now I know again that I'm talking about a broad approach to it as the discussion has been this evening, but I'd be interested in your response to that question.

(2100)

Hon. Mr. Cunningham: — Mr. Chairman, I think that's a good question too. I never taught school but I always thought that a good question was one I knew the answer to, so I don't think "good question" when I don't know the answer to.

I think the member is right, that change is occurring and that it will occur mostly on the farm. Certainly we

have to change in the department when farmers change. Right now we've got demands for manuals on how to grow raspberries and manuals on how to grow saskatoons, and people are wanting to know what you feed wild boars. And so our department has to change with that.

I think other farm institutions and businesses are changing. The Pool is undergoing change; UGG (United Grain Growers Limited) has undergone change; I think rural communities are undergoing massive change. So it's certainly not limited to farmers. And unfortunately — change does provide opportunities and I think many farmers will benefit from some of the opportunities that are provided by the change — unfortunately also many farmers have paid the price for the change and that . . . we done what we can to mitigate that, but unfortunately that has also occurred.

Mr. Neudorf: — Mr. Minister, what I want to do now is talk about your Ag 2000 in relation to what we've been discussing. You know by now what my opinion is of your program called Ag 2000, and it's not very positive I might say.

But how do you equate your objectives — you were talking about objectives before — your objectives as you indicate in your document of Ag 2000, how will those objectives be met in terms of the fact that farming is, I think you would recognize, is a very seasonal occupation. It's got its highs and it's got its lows, at least in the grain farming sector perhaps more than anything else. Of course when you come into the livestock industry it's a little bit more consistent on an ongoing basis.

But the question I want you to answer is this: as a cabinet minister sitting in the decision-making process of your Executive Council, and when you have come up with the plans as the Minister of Labour has for example with The Trade Union Act and The Labour Standards Act and the implications that has on the economy of the province in terms of business, in terms of employers being able to exist on a competitive basis in already a very tight economic structure that we face in this province, how do you foresee The Trade Union Act and The Labour Standards Act affecting the farming scene?

How is it going to affect the farmer and the farmer organizations that are out there, whether it be UGG, whether it be the Pool, whether it be whatever kind of an organization that we have — Intercon, for example. Intercon, as you know, it's a business that has tremendous potential and yet it struggles at times just because of some of the inherent problems. Have you given this any consideration at all, what effect The Trade Union Act and The Labour Standards Act, the changes — since we're talking about changes — the changes in those Acts and how they are going to affect what you're trying to accomplish with your Ag 2000?

Hon. Mr. Cunningham: — Well certainly, Mr. Chairman, I'd be glad to comment on that. Those Bills, The Labour Standards Act, the farmers themselves are

exempt from that . . . farm workers. Very few farms are unionized so The Trade Union Act has little impact on the farms themselves.

Certainly when we get into the area of value added, which the member rightly points out we are attempting to promote, I think that those Bills will not have any negative impact on those industries. Certainly there are . . . One of the impacts that they will have is improving life for a good number of farm families. In my riding there are a huge number of farmers and farm families where one spouse works off the farm and works at part-time jobs and sometimes are not treated the best, have no notice of when their shifts are going to be, have no prorated benefits that full-time employees get. And I think without harming those industries, we can have better conditions for many rural people in rural Saskatchewan.

And I think we've been at a great deal of pains. I think we've exempted small businesses from very many of the provisions, so that it will not impact on the very small businesses. And I think the overall impact on rural communities will be a better standard of living for farm families and for rural families in rural Saskatchewan. And that is the objective of it. I don't think we can help farm families or rural families by forcing them to work on conditions that are unfair to them.

Mr. Neudorf: — I believe we were doing pretty good until your last statement there. Could you expound upon that please? I heard you say that it would be unfair for you to have farm families working in unfair conditions. And so I'm assuming now, that by that statement, you are indicating that the new, revised Trade Union Act and Labour Standards Acts are going to help these farm families to work in better conditions. Would you explain that?

Hon. Mr. Cunningham: — Mr. Chairman, as I pointed out, many, many people in my riding work in the city of Yorkton — places like Zellers and others — where they get notice of whether or not they work on the weekend on Friday night. We again have no pensions or no sick leave. And I think those Labour Standards Act will improve working conditions for those people and I think make a better life for the farm and for the farm families.

Mr. Neudorf: — But, Mr. Minister, isn't the end result of what you're talking about right now is that while they may not have all of the benefits that they would like at this time, or that you would like them to have, it could well be that they won't have a job after this. That is the opposition that we are hearing more and more in rural Saskatchewan and in urban Saskatchewan: is it going to be the direct result of that labour legislation? So that will happen in a small town that you were just mentioning.

I don't think some of those folks are going to have a job at Zellers. Maybe right now they do have a part-time job. Maybe the fact that they're called in at the last moment is the only way that that operation can continue to be economically viable.

But I'm not only talking about those small ones — and we recognize that they are there and they are a significant proportion of the labour force in this province — but I'm also talking about the larger ones.

I'm talking about Intercon. I'm not quite sure what Intercon has right now, but I'm sure it's close to 1,000 labourers, somewhere in that neighbourhood. Flexi-Coil probably has more than that. And so we are talking about some fairly significant industries that are directly agriculturally related that are going to be impacted on this.

Now I know Flexi-Coil is doing well right now, but for how long. For how long is Intercon going to continue? I just had a talk with Fred Mitchell, and sure his company is not doing that badly right now, but it's a tough field to be in.

You take a look across the country of Canada over the last five years and see the kind of rationalization that has gone on in the meat packing industry. It's highly competitive. You've got to be innovative and you've got to be smart in order to stay alive. And that's the only reason we have Intercon in Saskatoon right now.

But can you imagine the devastation to an industry like the pork industry, for example, that is second only to wheat in all of Canada as far as export is concerned in this province — that's the magnitude of what we're talking about. And for Saskatchewan, for your model of doubling or tripling the hog production in Saskatchewan as being something that we have to look forward to, I would agree with.

But why put an impediment in the way of doing that by perhaps causing packers like Intercontinental Packers an increased period of grief where they will have to compete against this kind of increase in their labour force and increase in their labour bills that they have to pay at the end of the month?

This is what we're talking about, and I want you to tell me, and reassure the producers of this province that this Bill and these Bills are not going to have that impact.

And so I ask you now, what does your study show you in terms of jobs lost, as an impact? I'm sure you've done a study on this. How many jobs will be impacted — negatively or positively, I'll give you that — as a result of the implementation of these two labour Bills that are before the House now?

Hon. Mr. Cunningham: — Well, Mr. Chairman, the member opposite is absolutely correct in saying that it is a competitive world out there and people have to be innovative and competitive if they're going to survive in any of these businesses. I think that part of being innovative and competitive is having top-quality, highly motivated workforces. And I think many of the companies that he refers to are already well in excess of some of the standards that we are setting and that will have no impact on some of those companies.

I think that Zellers and Wal-Mart may tell you that paying part-time employees fair benefits and giving them fair notice will ruin their business and they will have to leave. I disbelieve that, but I think the impact on businesses certainly will be a small added cost for some businesses, but I think the overall effect will be happier and better labour force, and I think more productivity in the province.

Mr. Neudorf: — Just one more question. Mr. Minister, let's go on record now. The Minister of Agriculture and Food of the province of Saskatchewan has tonight gone on record saying that he fully supports the implementation of The 1994 Trade Union Act and The Labour Standards Act. And that in his opinion it will have no negative effect on any of the agriculturally associated businesses that exist. Is this correct, Mr. Minister?

Hon. Mr. Cunningham: — Well certainly that is true. There may be some small effect on some businesses and that's . . . Obviously some may be positive, some may be slightly negative in cases. But I think overall it will not harm our goal of increasing manufacturing and value added in this province. In fact I think it may well be beneficial overall.

Mr. Koenker: — Thank you, Mr. Deputy Speaker. I'd like to ask the minister a question about the Saskatchewan Council for International Co-operation and whether you see the government getting back to the matching grants program that has been part of the program?

Hon. Mr. Cunningham: — Yes, I would like to thank the member for that question. Our funding for SCIC (Saskatchewan Council for International Co-operation) this year is \$250,000. That's up somewhat from what it was last year. We've this year made some changes that will give them a little flexibility in administration, and certainly it's a very deserving program and does very good work worldwide. And as finances permit, we certainly would like to support that program as much as possible in the future.

Mr. Neudorf: — The government assistant House Leader is very anxious over there, but this prompted me to ask the supplementary question that the member from Sutherland just raised about the SCIC.

I recall very distinctly when we were in government at one point . . . you just said now, Mr. Minister, if I'm correct, that government is now supplying \$200,000 for this current year. Is that correct, \$250,000? Thank you — \$250,000. And in some of the years, during the time that we were in government, it was over a million dollars, I believe, if I'm not mistaken. How much more than a million I'm not quite sure. And then when we, through necessity, found ourselves reducing it — and admittedly, we were reducing it — I remember members on this side howling and screaming in indignation saying you can't do that.

Now we recognize the value of those dollars and the multiplier effect that any monies that the

Saskatchewan government gives, but I just find it somewhat ironical, I guess, when members get up and kind of pat themselves on the back and say, yes we're going to maintain it at \$250,000, when they soundly chastised and castigated us for the movement that we had done.

And I guess all I have to say to you is that maybe we were not all that good, but I would suggest to you that you're no better.

Hon. Mr. Cunningham: — Well those are cruel words, but we have increased it by 25 per cent I guess in the time we've been in office, and certainly hope to increase it further in the future.

The committee reported progress.

The Assembly adjourned at 9:16 p.m.