

EVENING SITTING

ADJOURNED DEBATES

SECOND READINGS

Bill No. 82

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Cline that **Bill No. 82 — An Act respecting Health Facilities** be now read a second time.

**Ms. Julé:** — Thank you, Mr. Speaker. Mr. Speaker, in the Central Plains Health District, which is part of my constituency, administration and government bureaucrats speak of the underlying strategy of health reform. They are not concerned about the words spoken by the hon. minister, and they are not concerned about the assurances and the promises of the minister. They are not concerned either about the reams of propaganda put forth by the minister's department, propaganda assuring the people of Saskatchewan and their local community leaders that the new health system will involve them and serve them. What concerns them is the underlying strategy, and it is this underlying strategy, this unspoken directive, this hidden agenda, that concerns me.

Mr. Speaker, the question to be asked is: what is really going on here? As I review these health Bills in front of us and I reflect on the words put on these papers soon to become law, to be inflicted on the people of Saskatchewan, I find myself asking the simple question: why? What has gone wrong with the original hidden agenda of this government? What does the Hon. Minister of Health have to fix?

Mr. Speaker, upon further reflection on this question, this government and its ministers, I recall the Minister of Health's disrespectful remark in this legislature to me. I recall his statement that I should have my head examined, and I recall this glimpse of the minister's true nature that he shared with the people of Saskatchewan through his statement in this House. I recall this unparliamentary and personal attack, the arrogance contained in the minister's words, the thoughtlessness and disrespect contained in their meaning.

And this is important, Mr. Speaker, because it gives us a brief picture of the true nature of the minister and this government. It gives the people of Saskatchewan a vision of the philosophy and the leadership contained in these pieces of legislation. It also shows what to expect as this legislation is enforced.

This is important to the matter at hand, as it shows how much respect or lack of it this government holds for the people of Saskatchewan. At this point in the debate, it is time to put everything into perspective so that we can get to the essence of the legislation. We must get to the true nature of the hon. minister and his government, and we must get to the underlying strategy, the unspoken directive and the hidden agenda, of this government.

Mr. Speaker, today I refer my comments to the Hon. Minister of

Health, but I also want to frame my comments in the context of other health-related happenings of the day. Closures of hospitals and nursing homes throughout Saskatchewan are the direct result of intentional funding reductions by the minister. The minister's reactions to these situations, when questioned in this House, is to deny any responsibility.

The minister says the district health boards are responsible, that he is not responsible. Mr. Speaker, please do not misunderstand me. I am not saying that the Minister of Health is irresponsible but I certainly agree that he is not a responsible minister. I do not rise to offend the minister but merely to agree with him on this statement.

Whenever the Minister of Health stands up in this House and he states that he and his government are not responsible for hospital or long-term care facility closures, I am reminded of the personal attack that he made upon me previously in this House. I do not believe that remarks made by the minister in either situation are those of a responsible minister. I am sure that in this matter we are in agreement.

The nature of my comments, Mr. Speaker, must be framed in the reality that the people of Saskatchewan now find themselves and in the new reality that these Bills will form.

In order to properly and fully frame my comments, Mr. Speaker, I must first identify the reality of Saskatchewan's health care system today. I must also refer back to the non-responsibility of the Minister of Health with respect to hospitals and nursing home closures. The reality is that the Department of Health officials attend district health board meetings and guide them behind closed doors in an underlying strategy of health reform. The unspoken directive, the hidden agenda.

To help the minister not to be responsible, these district boards are given their funding in restrictive pools that ensure that they cannot choose to keep hospital beds open. Then, just to ensure that they cannot make an uncontrolled decision for which the minister is not responsible, they must formulate a health plan that must be approved by the minister.

Mr. Speaker, not only is the minister responsible but he is also in complete control of these health districts through influence and approval control. Therefore, Mr. Speaker, in my reflection, I have come to the conclusion that the minister is in fact, through legislation and action, responsible for the decisions of the district health boards. I am strongly in agreement with the minister that he is not a responsible minister.

Mr. Speaker, let's take a moment to see what the minister has been responsible for. Let's step back and take a look at the big picture. We have to be able to look at what has happened thus far in health reform, where we are today, and where this government is taking us.

What do we see in our publicly funded health services? We see a teen sex line that takes families out of the picture. We see government enforce sex education for our youth. We see

government-controlled district health boards. What do we see elsewhere? We see education reform and we see municipal reform.

But what do we really see? We see complete social restructuring. We see the tentacles of this government reaching into every community, every home, and every family. We see an attempt at comprehensive social restructuring. We see restructuring to a such extent that the average person in Saskatchewan cannot begin to imagine. What is really happening here?

I would like to return to my original question. What does the Hon. Minister of Health have to fix? Let's consider The Health Districts Amendment Act. What is the substantive changes that this legislation contains? This government had a slight oversight in its original legislation in that it forgot about the 70 health agencies in Saskatchewan which are not district owned and operated. These agencies are referred to as affiliates. Now how do you suppose that happened, Mr. Speaker?

In the information of our health services system, a number of health agencies were given the choice to be taken over by the government-controlled district health boards. More than 70 of them chose not to be taken over, yet this government forgot about them. How can this be? It appears to me that they weren't forgotten at all. It appears to me that this government expected to take them all over, but this did not happen.

So what does the government do when unsuccessful at orchestrating a voluntary hostile take-over? It's very simple. Change the legislation. I respectfully suggest that the underlying strategy of this government was the complete and total control of all health service providers through the formation of district health boards. It is also readily apparent to me, on review and reflection, that the hon. minister and his government failed at round one.

As a result, round two calls for the Draconian measures contained in The Health Districts Amendment Act that will affect affiliated health agencies. And just who are these affiliated agencies? Well, Mr. Speaker, I'd like to read them to you.

The Bethany Pioneer Village at Middle Lake; Borderline Housing Co. at Carnduff; Buena Vista Lodge at Kerrobert; Central Haven Special Care Home in Saskatoon; Circle Drive Special Care Home in Saskatoon; Cupar & District Nursing Home, Cupar; Del Haven Lodge in Saskatoon; Duck Lake & District Nursing Home (Goodwill Manor) in Duck Lake; Elmwood Residences Inc. in Saskatoon; Extendicare (Canada) Inc. in Moose Jaw; Extendicare Elmview in Regina; Extendicare Parkside in Regina; Extendicare Sunset in Regina; Extendicare Preston in Saskatoon; Fort Qu'Appelle Indian Hospital at Fort Qu'Appelle; Foyer d'Youville Home in Gravelbourg; Foyer St. Joseph Nursing Home in Ponteix; Golden Twilight Lodge in Macklin; Gull Lake & District Special Care Home in Gull Lake; Herbert Nursing Home in Herbert; Herbert Senior Citizen's Home in Herbert; Heritage Manor in Kindersley; Holy Family Hospital in Prince Albert; Humboldt & District Housing Corp. (St. Mary's Villa) in

Humboldt; Ina Grafton Gage Home in Moose Jaw; Jubilee Lodge in Eston; Jubilee Residences, Porteous Lodge, Saskatoon; Jubilee Residences, Stensrud Lodge in Saskatoon; Lakeview Pioneer Lodge Inc. in Wakaw; Langham Senior Citizen's Home in Langham; La Ronge Hospital in La Ronge; Lumsden & District Heritage Home in Lumsden; Lutheran Sunset Home of Saskatoon; Martin Luther Nursing Home in Regina; Menno Homes of Saskatchewan, Waldheim; Mennonite Nursing Home Inc. in Rosthern; Mont St. Joseph Home in Prince Albert; New Hope Pioneer Lodge in Stoughton; Oliver Lodge in Saskatoon; Pioneers Haven in Kerrobert; Ponteix Housing Co. Ltd. in Ponteix; Providence Place, Moose Jaw; Qu'Appelle House, Regina; Radville Marian Health Centre in Radville; Regina Lutheran Home in Regina; Regina Pioneer Village in Regina; Salvation Army Eventide Home in Saskatoon; Salvation Army William Booth Special Care Home in Regina; Santa Maria Senior Citizens Home in Regina; and Saskatoon Convalescent Home in Saskatoon; Sherbrooke Community Centre in Saskatoon; Spruce Manor Special Care Home in Dalmeny; St. Ann's Senior Citizens Village Corp. in Saskatoon; St. Anthony's Hospital in Esterhazy; St. Elizabeth's Hospital in Humboldt; St. Joseph's Health Centre, Macklin; St. Joseph's Home in Saskatoon; St. Joseph's Hospital in Ile-a-la-Crosse; St. Joseph's Hospital of Estevan; St. Joseph's Hospital, Gravelbourg; St. Martin's Hospital, La Loche; St. Michael's Hospital, Cudworth; St. Paul's Hospital, Saskatoon; St. Paul's Lutheran Home, Melville; St. Peter's Hospital in Melville; Sunnyside Nursing Home in Saskatoon; Swift Current Care Centre in Swift Current; Uranium City Municipal Hospital in Uranium City; Valley View Centre in Moose Jaw; Villa Pascal, North Battleford; Warman Mennonite Special Care Home in Warman; and Western Senior Citizens' Home in Leader.

Now if I've missed any, I apologize.

Mr. Speaker, why is the total control of these affiliates so important to this government? Could it be that they are a threat to the minister? These are responsible organizations, Mr. Speaker, operated by responsible people throughout Saskatchewan. In fact these are responsible people who the minister and this government are here to serve.

What about The Health Districts Amendment Act? Was it not designed to strip away the rights of these people? What about the rights of religious denominations in communities to participate in this province? What about the Charter of Rights and Freedoms?

The Health Districts Amendment Act sends many messages. The first is the ultimate power of the minister. Not the responsibility of the minister to serve the people of Saskatchewan, but his power to command and control them.

The second is the power and authority that the minister exercises through the district health boards. It is very clear to me, and increasingly so to the people of Saskatchewan, that the minister completely controls these district health boards. The minister controls these boards through legislation and policy. He dictates to them how much they get. He restricts how they can use that money, and he approves or rejects their health

plans. The minister has complete and absolute control over these boards. And now the minister is extending that absolute power and control over the affiliates through this Draconian legislation called The Health Districts Amendment Act.

(1915)

And what can be said of The Health Facility Licensing Act? It is very clearly another piece of the puzzle required to determine the underlying strategy of health reform. New legislation, never before required in this province of Saskatchewan, is now deemed essential. Why? Clearly this is a piece of legislation designed to save the people of Saskatchewan from themselves. Why shouldn't an 80-year-old widow in rural Saskatchewan be able to get her cataracts removed? Perhaps it will improve her quality of life. Perhaps it will allow her to enjoy her grandchildren, her house, her friends. What is it that this government is really building? How does this government get away with this?

Well this is how. Step no. 1: negotiate the legislation in advance, behind closed doors. Step no. 2: don't let the people of Saskatchewan know what you are doing until the last moment. Step no. 3: introduce companion legislation changes to give the Saskatchewan Medical Association automatic dues check-off. And step no. 4: ram it through the House.

Mr. Speaker, take a step back and have a good look at where we've come from, where we're at, and where this legislation is taking us. The Minister of Health and his government are building a completely centrally controlled, single public health system — a system that does not serve everyone and does not allow the people of Saskatchewan any alternatives; a system that would allow people to suffer rather than to be served.

What can we expect to see from this wonderful new health system? Well one thing I expect to see is the poor and the lower middle class people of Saskatchewan suffer while the upper middle class, the rich, and the members of this government, go to the United States for their unmet health care needs.

What is the next step from the Minister of Health? What is the next step from the Minister of Health? What is he going to do when he has absolute control and things continue to get worse rather than better? What is he going to do when tier one of our health care system is the public system and tier two is when the minister goes to the United States for service?

Perhaps the next legislation the Minister of Health will be working on will be to control the decisions of individuals. The people of Saskatchewan have been told by this government that they can see services where they want. The next logical step will be an announcement by this government that in the best interests of the people of Saskatchewan, government will make their decisions for them. Another logical step is for this government, through the district health boards, to dictate where physicians will reside and practise.

When this government realizes that it cannot control the thoughts of the people of Saskatchewan, what is the next legislation it will draft? Will it be to restrict the movement of

individuals? Perhaps it will be travel restrictions and visas will be the order of the day. When we reach this point, the social restructuring of this government will be complete. Then we will know the underlying strategy, the unspoken directive, the hidden agenda.

Today I have made reference to the three health Acts before us. Mr. Speaker, these are not instruments of creativity but instruments of destruction. They are designed with one motivation in mind — centralized command and control, the exercise of absolute power by the minister and this government. They will only drive the people of Saskatchewan to the lowest common denominator regarding service, motivation, and creativity.

The people of Saskatchewan do not need intense social restructuring. Residents of this province need and deserve their freedom. The people of Saskatchewan do not need the centralized command and control. They need and deserve to participate. The people of Saskatchewan do not need government ownership. They need the Charter of Rights and Freedoms.

Mr. Speaker, most of all the people of Saskatchewan need a responsible Minister of Health and a responsible government. Thank you.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — Mr. Speaker, I think the member is a visionary. Many times I heard the member say, we'll see this, we'll see that, we'll see many different things — things that are in her imagination, her worst fears. I want to assure the member and I want to assure the House, Mr. Speaker, that we will only see one thing in Saskatchewan and that is a government that is resolutely committed to a public administration of health care and will lead us forward into the 21st century with that commitment.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — One thing we will not see is a return to the horse and buggy days that the member would want, Mr. Speaker. Mr. Speaker, just to make it clear what it is, what Bill we are talking about, in case there's any doubt — and I tell you that's not a hard thing to do, to have some doubts as to what it is we're talking about — we've dealt now with three other health care Bills; we're on our fourth. And we've listened to the members kind of seamlessly move from one to the other. It all seems to be the same speech that they had for the same Bills, and they move from one to the other. The Bill that we're dealing with is Bill No. 82, The Health Facilities Licensing Act.

Now I just want to refer to the initial news release because it states succinctly and briefly what this Bill is about. The Premier said "the purpose of The Health Facilities Licensing Act is to prevent the development of a two-tier health system in

Saskatchewan.” And I just might say parenthetically, given some concerns that have been voiced lately about the NAFTA (North American Free Trade Agreement) and how it might impact health care in Saskatchewan and the other Canadian provinces, we are wise to prevent the development of a two-tier health system in Saskatchewan.

The news release goes on to say:

This government rejects the two-tier approach to health service delivery that we see in the United States and that is beginning to appear in other parts of Canada . . . Across Saskatchewan there is a deeply held belief that access to health services must be based on need, not the ability to pay. This legislation ensures this principle (this principle) will be upheld.

Mr. Speaker, from time to time in our history — from time to time in our history — there are defining moments: moments that define the parties, moments that define the institutions, moments that we can look back at and say there, that moment defined that party; that characterized their approach.

Now sometimes you can see very dramatic actions — very dramatic actions — that leave no doubt for the public and all concerned to look at that action and say, see that action, that characterizes them; that’s them; that truly represents what they say. That’s what they say, that’s what they do, in a very dramatic way. Other times you see a beginning step that’s followed by other steps, and the first step, you can look back and say, see, that defined them. That was the beginning step. And all the other steps have been logical extensions of the first step. And that was the defining moment. Now I, you know, I think other members who have been here longer than I can think of some of those defining moments. I wasn’t here but maybe there were members that were here in the ‘60s when Ross Thatcher kicked in the door of the legislature building. Does anyone remember that?

Now that was a dramatic, dramatic defining moment. There was no doubt in anyone’s mind that Ross Thatcher opposed medicare.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — In a very dramatic way he made that clear, that he opposed medicare. With every ounce of fibre in his body, all his emotion, he said, I oppose medicare. That’s why he kicked in the door of the legislature. He made it clear to the Saskatchewan people where he and his party, the Liberal Party, stood.

Now sometimes moments are less dramatic. And I think back — I think back and I wasn’t a member in this House — but I think back to the first budget of Bob Andrew. Remember Bob Andrew, the first Finance minister of the Grant Devine administration? And his first budget — the first budget after about, I don’t know, how many years of balanced budgets by both CCF-NDP (Co-operative Commonwealth Federation-New Democratic Party) and Liberal governments — the first budget by the Devine PC (Progressive Conservative) administration

was what? It was a deficit budget.

Bob Andrew had read some books about stimulant deficits, and being kind of a whiz-kid that he was, thought that it would be a good idea to have a deficit budget because he’d read about it in books.

Now looking back at that, every budget after that was also a deficit budget. So we can say that first budget defined the Devine administration. It characterized the Devine administration as spendthrifts. It defined them. So that was a defining moment in Saskatchewan history, Mr. Speaker.

Mr. Speaker, this Bill before us is likely to become . . . also is likely to become a defining moment in Saskatchewan history. Now this Bill will not be a defining moment for the NDP, okay. This Bill is entirely consistent with what we believe. It’s entirely logical in terms of the things that we’ve done in the past. It’s based on our beliefs. It’s congruent with our beliefs. This Bill by itself does not define the NDP because it’s entirely consistent with what the NDP does. It’s not a turn in the road for the NDP. It’s not a change in philosophy for the NDP. No, it’s entirely consistent with what we’ve done.

Also it’s not very likely to be a defining moment for the Progressive Conservatives, okay. This Bill and the vote on this Bill is not likely to be a defining moment for the PCs. The PCs . . . and I have yet to hear them comment yet on this Bill. I haven’t heard the PCs comment on this Bill, but it is my guess and I guess that the PCs are likely to oppose the Bill that’s before us.

The Bill basically represents the opposite of all that they believe in. They believe the opposite of what the Bill purports to do. It is the opposite of what all they have said. And if for chance the PCs were to vote in favour of this, they’re not fooling anybody, folks. They’re not fooling anybody. If they vote for it, it’ll be because they’ve made a mistake — and that won’t be the first time they’ve made a mistake — or because they hope to fool Saskatchewan people, saying, see, we voted for it. We may always speak against it, but we voted for it. Well you won’t fool people. But I don’t think this Bill will be a defining moment for the PCs.

Now it’s ironic that I read an article not too long ago by Dale Eisler, and I do read Eisler’s column from time to time. And I also read other political commentators who say that the world has changed immensely since the mid-‘80s when the Berlin Wall came down and that ideologies merged, and that the ideology represented by the Soviet Union was lost and that the other opposing ideology in the States, of the cold war ideology, was lost and that you see parties merge.

And Eisler goes on in this vein once in awhile, almost in a wistful way of, how come the NDP is so much like the Conservatives; how come the Liberals are so much like the NDP; how come they’re so much similar; why are there all these similarities?

Now I might add that the media — the media — likes black and white because it’s easier for them to report on things that are

black and white. When it gets greyish, well then you have to think about what they do and you have to think about what it is the parties are saying and you have to analyse and interpret what's being said.

But when things are black and white, well it's easy for you, which is one of the reasons that they like to talk about values. Because values are a matter of black and white and therefore they like to talk about it. You see political commentators oftentimes sort of take issues that had values associated with them, not to analyse issues but to deal with values themselves.

But I think in this matter, Mr. Speaker, it will be clear — clear for Saskatchewan people and even clear for the media, clear for the media — that there is a distinct difference between us and the right wing in this province in terms of the public administration of health care in Saskatchewan, Mr. Speaker.

People will be able to see a distinct difference. They will be able to see that there are differing visions of health care and how we administer health care in Saskatchewan, Mr. Speaker. They will see that there are different philosophies in this case — very clear, different philosophies in this case. No matter how much nattering they do from their seats, that's what they will see.

Mr. Speaker, this Bill, this Bill, this Bill is at the heart of what we believe, of what we believe government to be about. This Bill is at the heart of how we see government operate. This Bill is at the heart of how we see pulling people together to provide services that can't be provided by one, but should be provided by the community as a whole. We believe in public administration, and this is an excellent example of good public administration, Mr. Speaker. Mr. Speaker, we believe in a publicly administered, single-payer funded, health care system — always have, always will.

**Some Hon. Members:** Hear, hear!

(1930)

**Mr. Van Mulligen:** — Nothing defining for the NDP in this particular Bill. And again, there won't be anything defining about the PCs in this particular Bill. Nothing for them. They have always distrusted government; they are anti-government. They dislike public administration, which I might add parenthetically is probably one of the reasons why they do such a horrible job when they are in charge of public administration. It's hard to do something correctly and efficiently and effectively if you don't believe in what you're doing, Mr. Speaker.

They in all fairness . . . they favour private solutions to public concerns. That is their philosophy. They've stated it many times. That is what they believe, and I respect them for their beliefs. That's what they believe. I believe what I believe. They state their beliefs so there's nothing that's going to define the PCs as being anything different in terms of this Bill.

They hate the notion of taxpayer-supported public administration. They would rather see individuals making their

own choices about what they want or need, and paying for it. They believe this in all things, whether it comes to buying a car or whether you need health care. That's what they believe, Mr. Speaker, and I respect them that they have beliefs and that they would state that, Mr. Speaker. But this Bill, and I might say it's in their nature to believe these things, this Bill will not define the PCs.

The question here tonight is, what of the Liberals. What will they do, Mr. Speaker? Do they favour public administration of our health care system or do they support actions that would impair public administration of our health care system? That is the question that Saskatchewan people will want to see an answer to, Mr. Speaker. They will look with great interest as to what it is that the Liberal Party will do.

Now we know their history. We know their history, starting with Thatcher, who kicked in the door of the Legislative Building to draw attention to his opposition to medicare — his opposition to a publicly funded, publicly administered system of medicare. Thatcher wanted to draw attention to his opposition to that system and he did that very clearly. That is their history.

Now this is a brand-new Liberal Party, so they say. They were out of the legislature for some years. That was then. Thatcher was then. This is now. Is this the same party?

**An Hon. Member:** — Yes.

**Mr. Van Mulligen:** — The members say yes, it's the same party, Mr. Speaker. But I'm prepared to be . . . or at least I'm prepared to look at the current situation and to make my analysis on the basis of what they say, but more importantly, on the basis of what they do today.

I'm prepared to give them the benefit of the doubt and to say that they aren't necessarily the same party of Thatcher, that they can prove here tonight, and they can prove by what they say, and by what they do, that they are not the party of Thatcher. I'm prepared to give them that benefit, Mr. Speaker.

Now it's hard for them. So far we see their federal Liberal friends in Ottawa who say that we are firmly committed to the public administration of health care in Canada but we don't seem to have any money for it. Well it seems to me if you have public administration, you've got to have money for that system. But you know, that's an inconsistency that the federal Liberals have. So one has to wonder about their commitment to a public administration of health care if they can't find the money to fund that system. That seems to be the problem with the federal Liberals, Mr. Speaker.

We also have, we also have in the federal Liberals, and I concede this, there are two wings to that party. We had the Warren Allmand wing — a wing which goes back to the old days of social activism in the Liberals, those who firmly believe that we're committed to a just society. Those are the people that believe in a public administration of health care in Canada.

On the other hand, there are many other Liberals who seem to

say something else again. Both of them seem to find a home in the Liberal Party. So that's why it is sometimes difficult for us and that's why it's sometimes difficult for Canadians and sometimes difficult for people in Saskatchewan to get a firm fix as it were, as to what it is that the Liberals stand for.

We have on the one hand, we have on the one hand federal Liberals saying, we are firmly committed to the notion of public administration of health care. On the other hand we had the member for Arm River saying, well it wouldn't be such a bad idea if people had to pay for their own health care if they didn't, you know, want to line up for too long or something in terms of the public health system. A little private health care would be okay.

So there is a bit of confusion here on our part and I think on the part of the public as to where it is that the Liberals stand. But I'm prepared to give you the benefit of the doubt. I'm prepared to give you the opportunity to state clearly what it is that you stand for in terms of public administration of health care. I'm prepared to give you that opportunity to stand up and vote and say that you support this.

But I think you have to also do more than simply vote for it. You also have to start talking the talk. You have to speak the language. You have to show that you're committed. You have to show that you're more than simply going through the motions on this, Mr. Speaker.

Mr. Speaker, we really don't know where it is that the Liberals stand. Are they with the PCs in opposition to the public administration of health care or are they with the government in support of the public administration of health care?

That is the question that is posed by this Bill, Mr. Speaker. We look forward to the answer to the question.

Now when you listen, when you listen to their speeches in this regard, as we just heard the member from Humboldt, or if you listen to the previous speakers — or if you read their speeches, as I have done; listened and read their speeches, Mr. Speaker — it is not entirely clear. In fact it is very unclear as to where it is that the Liberals stand.

They criticize the government generally on health care, as they've done on a raft of Bills today — every conceivable form of criticism that you could have about health care. But do they say they oppose the Bill? They nit-pick about some provisions of the Bill but do they say they oppose the Bill? No, Mr. Speaker.

Artfully, as the member for Thunder Creek did in his intervention — and I think he was the first of their side to get up on this Bill — the member for Thunder Creek, he artfully started to voice concerns that he had heard from the public. He says, the public are raising questions. They're saying, why can't we have private clinics and private facilities, and why can't people just pay for those things outside of the system we have? That's what people are saying, you know. But he's not saying that that's what they're saying, Mr. Speaker, you know.

Do they say that, these are our beliefs? No. No, Mr. Speaker. Did he say, did the member for Thunder Creek say, that he opposed the Bill? No, Mr. Speaker. They raise fears — unjustified, I might say — about how this Bill targets, I think, Catholic hospitals one mentioned, and other facilities in Saskatchewan. But are they moved on the account of these great fears that they have for these institutions in Saskatchewan, are they moved by these fears to say that we are opposed to the Bill? No, Mr. Speaker, they do not.

They talk about how the Bill in their opinion holds back . . . And this is the comment that just leapt out at me from the page, Mr. Speaker. This was something . . . in their opinion . . . Now this is voiced by the Leader of the Opposition, the member from Melville; this is voiced by him. He says this Bill holds back what I would call the holiest of all their grails. He said it would hold back "capitalism and competition."

Now that is the firm foundation of the Liberal Party — capitalism and competition. That is what the Liberal Party was founded on in the 19th century, Mr. Speaker. That's what the Liberal Party was founded on — to have more effective capitalism, to have more effective competition. That is the nature of the Liberal Party.

But was he . . . (inaudible) . . . to these great fears about how the Bill will hold back capitalism and competition? Was he moved to say, I oppose this Bill? No, Mr. Speaker, he was not.

Mr. Speaker, I think it is an entirely legitimate question for the people of Saskatchewan to ask: where is it that the Liberal Party stands on this Bill? Are they in favour of the Bill? Do they favour the public administration of health care in Saskatchewan or are they opposed to it, Mr. Speaker? That is a very legitimate question.

Now I have to give the members credit, Mr. Speaker. I think that they have done a very excellent job, a very excellent job, of talking to this Bill but never once stating their position or making it clear where it is that they stand on this question. But this is an important question for Saskatchewan people, Mr. Speaker. We're still not clear where it is that the Liberals stand.

Mr. Speaker, someone just gave me of a copy of a press release that came out, I guess just yesterday, from one Dr. J.W. Melenchuk, the vice-president of finance for the Saskatchewan Liberal Party. Now Dr. Melenchuk, he says, I have become politically active because I believe in free enterprise, open market systems, an independent medical profession, and, he says, the public administration of health care insurance but not state controlled. That's a typical Liberal way to sort of fudge in what it is that you believe in, Mr. Speaker.

Now, Mr. Speaker, I think the people of Saskatchewan want to know where it is that the Liberal Party stands. They want to know, are they in favour of a publicly administered, publicly funded system or would they risk it? Would they risk it? And I tell you, given sort of what has been said about NAFTA Agreement, there is a chance that we could risk it unless we act now in the way that we are doing, Mr. Speaker.

Now they may talk about it, but at some point they're going to have to come clean on this one, Mr. Speaker. And I think again they're going to have to do more than vote; they're going to have to speak consistently, Mr. Speaker. They can't speak against it and then vote for it. They can't continue to be the model of inconsistency that the member of Thunder Creek was when he was speaking to the House today and he bemoaned the fact that we have health district boards. He talked wistfully about union hospital boards and any one of the 400-plus boards that we've had in Saskatchewan and the models of efficiency they were and how well they worked and how this was the best way to administer health care and that he opposed and was opposed to these district health care boards. Of course he didn't mention that in the election campaign they campaigned on a platform to have even fewer boards than we have now.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — No one ever said they had to be consistent every day in and out, Mr. Speaker. That's the nature of opposition sometimes. You can just say whatever kind of comes to mind, I guess.

Mr. Speaker, to the public this is a very important issue, a very important issue. I was very interested to see in the May 21 edition of the Regina *Leader-Post* the results of a phone-in survey. Now the *Leader-Post* in days previous to this published a little question at the bottom of the front page. And it said, "should there be private health care facilities here for those who can afford them?"

Should there be private health care facilities here for those who can afford them? Now that sounds like a very reasonable question doesn't it? A very reasonable question. I said to myself, boy, the way that question is worded, people will phone and, oh yes, well that's okay. But did they do that?

**Mr. Van Mulligen:** — No, Mr. Speaker, no. The public wasn't fooled for a minute, Mr. Speaker. They phoned in . . . you had one number that you phoned in if you said yes to the question and you had another number that you phoned in, I think, that if you were opposed to the question or your answer was no to the question. And then the *Leader-Post* tabulates the results and they published the results on May 21.

Now what do you suppose the public said? And I have to just parenthetically state here that this, Mr. Speaker, was not a scientific poll and the *Leader-Post* did not purport to call it a scientific poll. They said this is a survey, not a scientific poll. Although 1,276 people called in, they would not call this a scientific poll, which raises a question, I suppose that, I mean, sort of first-class newspapers in other parts of the country might have said this is an important enough issue to in fact commission a scientific poll so we have a very clear idea of where it is that the public stands on this.

(1945)

But then this is the *Leader-Post* and this being Hollinger, you know, and cut-backs at the paper and not enough money and so on, I guess here you've got to do things second class and third

class.

But nevertheless they did do this; they did commission the survey. And the question was, "should there be private health care facilities here for those who can afford them?" And I feared the worst.

But sometimes, I guess I just don't have enough confidence in the people of Saskatchewan, because the people of Saskatchewan called back and they said yes, we agree there should be private health care facilities — 36 per cent said yes; 64 per cent said no, Mr. Speaker. They said no, no way.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — The public will not be fooled on this issue. The public wants publicly administered, publicly funded health care systems. They do not want to see private health care facilities, Mr. Speaker.

Mr. Speaker, Canada's health care system is among the best, if not the best, in the world. Let me just say that again, okay? Let me just say that again. Let's see if you can agree with this statement: Canada's health care system is among the best, if not the best, in the world.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — Canada's health care system is far superior to the American health care system. Let me repeat that. Maybe you can say it as well. Canada's health care system is far superior to the American health care system. Who disagrees with that? Who disagrees with that with the exception of the PCs of course.

Our health care system now helps define us as a country. Our health care system, Mr. Speaker, is a source of pride to Canadians. Our esteem as Canadians is in part because we have an excellent health care system, and we do it better than the rest of the world, Mr. Speaker. That is one of the reasons why other countries in the world and organizations say Canada is the best country in the world, Mr. Speaker. It's in part because we have the best . . . among the best, if not the best health care systems in the world, Mr. Speaker.

Canadians, Canadians will not and Saskatchewan people will not look kindly upon those that would sell them out. They will not look kindly upon those who would sell them out. They will not look kindly upon those who say Canada's health care is not superior to the American health care system, and therefore our health care system should approximate the American health care system, Mr. Speaker.

Now I really don't understand why it is that the PCs — and I have to believe that their vote on this Bill will be consistent with the things that they've said in the past — why the PCs would want to sell us out. I don't understand that, Mr. Speaker. Now I'm not quite clear where the Liberals stand on this, and I would not say that the Liberals are prepared to sell us out when it comes to medicare because we have yet to hear from them as to where they stand on this.

But the PCs, I don't understand why they would sell out. Why would they give up the best and opt for an inferior system? What is the point, Mr. Speaker? Where is it that the Liberals stand on this, Mr. Speaker? South of the border they have a two-tiered health care system that costs more and delivers less. So you pay more, and you get less. Now, Mr. Speaker, that's not my idea . . .

**The Speaker:** — Order. Why is the member on his feet?

**Mr. Belanger:** — Yes, Mr. Speaker, with leave, to introduce guests.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. Belanger:** — Thank you, Mr. Speaker. This evening we have four special visitors from the city of Regina, and I'd like to ask them as I call them up to stand up for a few minutes.

I'd like to introduce to you, Mr. Speaker, and through you to the rest of the members of the Assembly, Jim Chapman. And he's got his three sons: Joey, 7; Scott is 6; and Daniel is 2. And I guess Jim's also known as a hot rod, and he's inviting every member of the Assembly here to come over to Fenders Diner for a quick visit. But anyhow, I'd like to ask my colleagues in the Assembly to welcome these four special visitors.

**Hon. Members:** Hear, hear!

### ADJOURNED DEBATES

#### SECOND READINGS

##### Bill No. 82 (continued)

**Mr. Van Mulligen:** — Well, Mr. Speaker, south of the border in the United States they have a two-tiered health care system, two-tiered. Now the members would never say, they would never say and it'll never cross their lips, that they would aspire to the American system. They would never say it in those terms. They would never be that blunt. They would never be that unpolitical or that honest, I suppose, to say it in that way.

They would talk vaguely, vaguely, about the present system not perhaps going as well as it should be, which is, I guess, a consequence when you don't put money into the system. They'll talk vaguely about improving it, improving our system by allowing private clinics and a two-tiered system. They will talk glowingly, glowingly, about the choices that this gives Saskatchewan and Canadian people; that's what they will talk about.

Now they'll never say, we want to go the American way. They'll talk about our vision, our way of improving the Canadian system, and they'll talk about choice for Saskatchewan and Canadian people. That's how they'll phrase it, Mr. Speaker. Any resemblance between their vision of health care and what we see south of the border, they'll say that's just

a coincidence, Mr. Speaker. They're not in favour of the American system. They just want to improve our system. Well if it ends up looking like the American system, well that's just a coincidence, Mr. Speaker. I don't think it's coincidence that they find so much to admire south of the border and so much to criticize about in Canada, Mr. Speaker. I think they're closet Yankees, some of them, Mr. Speaker.

Mr. Speaker, I am reminded of a phrase by Tommy Douglas, former premier of this province, when he was a Member of Parliament at the height of the cold war. And I don't remember the specific issue, but Tommy Douglas had this to say about Americans and Canadians. He said, in Washington, in the United States, they have hawks and they have doves. But here in Ottawa and in Canada, we have parrots.

Mr. Speaker, I am reminded, I am reminded when I hear that, Mr. Speaker, of the position of the Conservatives, and less clearly so of the Liberals, on this important matter of public administration — our health care system.

I don't understand those that would change the Canadian health care system to make it more like the American system, Mr. Speaker. Now the U.S. (United States) model is a great model for the rich. In America you can have whatever you can afford. Whatever, you know, money you have, you can have what that money buys you. That's the American way. Whether it's cars or health care, if you've got the money, you can have it. There's no disputing that.

Mr. Speaker, when it comes to speciality care, it's great to be rich in America, Mr. Speaker. There's no doubting that. If you're rich in America, then you could have the very best care that you can buy. I won't dispute that, that there are parts of the American system, in terms of technology and systems that have been built to cater to the needs of the rich, that are far superior than anything that we see in Canada. Maybe not in all ways, but in some ways far superior to what we see in Canada, Mr. Speaker. I don't dispute that.

The U.S. model is not a bad system for those with health care insurance who are middle class. It's not a bad system. If you're middle class and you can afford the insurance, you can have reasonable health care, Mr. Speaker — although it is very expensive, very expensive. I think the Minister of Health mentioned it in his opening remarks that something like 15 per cent of the gross domestic product in the United States goes for the administration of health care as opposed to 9 per cent of the gross domestic product in Canada that goes for the administration of health care.

And you have to remember that when medicare was first formulated — and the American and Canadian systems were very similar — we both spent approximately the same amount of money or the same percentage of our gross domestic product on health care.

But there's been a vast change, Mr. Speaker. Americans have had to spend more. Canadians have been able to curtail their costs. They have been able to keep health care, publicly administered health care, reasonable and affordable for



Canadians, Mr. Speaker. I might say that for the middle class in the United States, the health care system is also the leading cause of personal bankruptcy. This happens when you can't afford what it is that you need from the system and you're without the coverage, then many people go into bankruptcy.

For the poor, for the poor, and the estimates are, I think, about 35 million Americans without health care insurance, it is a very bad system. There is no denying that, no denying that at all. By any measures, it is tin cup medicare. That's what it is. It is nothing less than tin cup medicare. That's what medicare is for the poor in America — some 35 million without insurance, Mr. Speaker.

Now I have to ask, what is the point? Why substitute a bad system for a good system, Mr. Speaker? I mean that's what the struggle was about in the '40s, the '50s, and the '60s — the struggle that culminated in hospitalization, the struggle that culminated in medicare. That's what it was about. We had a bad system, the system that the Americans have now. We wanted a better system. We led the charge for a better system in Saskatchewan and in Canada. We wanted a better system, and we moved to the publicly administered and publicly funded system we have now.

**Some Hon. Members:** Hear, hear!

**Mr. Van Mulligen:** — Mr. Speaker, we believed fervently then that we had to have a better system of health care. We believed that health care had to be a right for people, not something that you could afford. That's why we fought so hard. That's why we changed the system, Mr. Speaker. And we were right then as we are right now, Mr. Speaker, in terms of our support for public administration of health care. We are right to oppose private medicine, Mr. Speaker. We are right to oppose profit over human need, Mr. Speaker. We are right to oppose those things.

Now, Mr. Speaker, I know where I stand on this issue, and I don't think there's any doubt in this House and for the people of Saskatchewan as to where I stand when it comes to the public administration of health care. Now the people of Saskatchewan want to know where is it that the opposition stand. Will they stand up and speak for a publicly administered system of health care? What definition will they give to this moment in our history, Mr. Speaker? Thank you very much.

**Some Hon. Members:** Hear, hear!

**The Speaker:** — Why is the member on his feet?

**Mr. Osika:** — To speak to the Bill.

**The Speaker:** — The hon. member is not eligible to speak to the Bill. He has already spoken previously this week.

**Mr. Belanger:** — Thank you, Mr. Speaker. On Monday my colleague discussed some of our major concerns with The Health Facilities Licensing Act, and I strongly agree with what has already been said. Today I'd like to add a few more comments about this Bill and what it could mean for the people of this province. I won't go into great detail about particular

sections or subsections because that is something we can do in Committee of the Whole. Instead I'd like to talk about the overall implications this Bill could have on our society.

Mr. Speaker, as you know, this Bill deals with the licensing of health facilities. More specifically, this Bill expands the minister's power to decide which clinics gets approvals and which ones don't. In other words, we realize that the minister can pick and choose which communities will have access to certain services and which don't. He can, at his own whim, decide where facilities can be set up.

Mr. Speaker, I don't mean to be cynical and suggest political patronage, but I can see that there may be a lot more . . . a lot of clinics set up in NDP ridings or a lot of traditional NDP supporters getting a monopoly on a certain area.

From what I read in this Bill, although a licence application is sent to a district health board and accreditation program operator for their review, the final decision lies entirely with the minister. Now the members opposite may wonder why I'm so suspicious. All they have to do is look back at the 1996 and 1997 budgets for the health districts — 6 of 11 boards receiving a bigger share of the health budget pie are 6 of the 7 biggest boards in the province.

(2000)

And it's just not the bigger that influences government decision. Of the 19 health districts receiving cuts, 18 are rural health districts. So, Mr. Speaker, we do have a two-tiered health care system in place now. And this government expects people in rural Saskatchewan to believe that they are not being punished for where they live. Eighteen out of 19 districts receiving cuts are rural Mr. Speaker. This shows exactly what kind of commitment that the NDP government has to rural residents — absolutely none.

But rural people are not only being penalized for living outside of major centres. It can also be said that unless they live in an NDP riding, their chances for continued funding are poor.

If we look at what is happening in the 15 Liberal or Tory constituencies, we see that only 3 may actually receive a funding increase. And I emphasize may, Mr. Speaker. The fact is this government is either playing favourites with the NDP ridings or with urban residents. It's hard to tell which, especially because 28 out of the 29 urban ridings voted NDP in the last election.

Now I'm not saying that the NDP is not playing smart politics. I guess it makes sense to know where your bread is buttered and to keep these people happy. But health care shouldn't be about smart politics, Mr. Speaker. Health care should be about taking care of people throughout the entire province and making sure that people have a sense of security and well-being. Sadly this is something that the NDP government doesn't believe.

As we all know, the NDP governments of the past were very different. These were the governments that put health care above financial gain. Now I'm not saying that the left-wing

policies of the NDP past are the answer. I think we all recognize a need for fiscal responsibility, particularly after the Tories went on a health care spending spree in the 1980s. What I am saying is this government's health care policies are bordering on hypocritical.

They continue to hold Tommy Douglas up as an example and talk about health care as being at the grass roots level of their party. Well these grass roots are obviously not that deep, given the destruction they have caused in our entire health care infrastructure and particularly the rural and northern areas.

Mr. Speaker, look what they have done across the province. The Swift Current Care Centre is losing 70 beds. This means seniors are being kicked out of their homes and believe me, Mr. Speaker, they are scared. They are losing security, security that they should have been able to expect from the NDP. The members opposite have, or I should say had, a lot of support from old-time NDP supporters who are now in the latter part of their life.

They were looking forward to having a solid health care system to see them through the rest of their lives. Instead this government gives them no assurances and no compassion. Health care is on shaky ground and the government is making no apologies. And the members opposite want people to believe that health care is in their very roots. I don't think so, Mr. Speaker.

Mr. Speaker, looking at the East Central Health District, the government has forced them to consider closing 30 beds and cutting 29 full-time positions at the Yorkton regional health centre. Isn't this a responsible government? Not only does health care suffer; the number of jobs are also being cut. It's hard to believe the Minister of Economic Development sits back and watches as jobs are being wiped off the Saskatchewan map. Of course, maybe he can be completely dispassionate about it as well. After all, for him the jobs are only numbers.

Does he even think about the individuals who are losing their jobs? These are people with families to feed and mortgages to pay. It's a sad moment when the government loses touch with the people and unfortunately that's exactly what has happened with the government in this province.

Mr. Speaker, the Souris Valley Regional Care Centre has seen the closure of 20 long-term care beds. The mental health centre will be cutting another two beds and 15 full-time positions will disappear. In Rose Valley, 10 long-term beds, 2 respite beds, and 9 acute care beds have fallen victim to the government axe.

Gabriel Springs may lose 18 acute care beds and the North Central Health Board will not only see 30 long-term beds shut, they will also have to cope with the loss of 27 jobs. Mr. Speaker, these examples are everywhere and it is scary, particularly to seniors who have the most need for this type of care.

In an article published in the *Leader-Post* in January of this year, SAHO (Saskatchewan Association of Health Organizations) was already predicting that long-term care will

be the next hot spot in health reform.

At that time the SAHO chairman said:

Most health districts are pretty strung out right now in maintaining the services they've got. They haven't had the money they needed to break in some new ideas.

He further went on to say:

The initial wave of health reform concentrated on small rural hospitals, with a total of 53 being converted to community health centres, but the same hasn't occurred with respect to long-term care. The infrastructure we've got has too many small, high-cost facilities. This can't continue, but simply closing the facilities without putting alternatives in place isn't an option either.

Mr. Speaker, do the members opposite realize how confusing their destructive health care reform is to the people in this province? People can understand that money is tight, but what they can't understand is how this government can put money ahead of their well-being.

A SAHO chairman admitted in the same article:

As nursing homes take on heavier care patients, their costs will go up. And as funding tightens, beds will have to close. As health districts make decisions to do that, it's going to create a lot of fuss.

Is this what the government wants? Is this what the government envisions as health care, to watch health boards flounder under unmanageable cuts to funding? Does the government truly believe that if it pushes all the responsibilities and decision making on to health boards that they can continue to pretend that health care is still a staple of the NDP goals?

The nurses' union seem to think so. In an article published last month, the president of SUN (Saskatchewan Union of Nurses), Judy Junor, said:

Most health districts are poised to cut and slash services to cope with reduced budgets. Even those districts which received an increase are going to close beds, and in some cases, entire agencies. We think that another 30 hospitals will close and we know that some long-term care facilities will be closed.

Safe care is being jeopardized every day by too few nurses, no nurses on call to cover emergencies, and nurses not being replaced if they are ill. Combine that with more cuts and we have got a health system in crisis.

We, Mr. Speaker, have got a health care system in crisis. The members opposite can accuse us of spreading doom and gloom, but the fact is we're just spreading the truth, a truth created by the NDP.

And as this article shows, it is not just the opposition parties who see the devastation that this government is causing when it

comes to health care. In fact I think the members opposite may be the only ones who can't see what is happening to health care. They are so blinded by political rhetoric and the feel-good, imagined philosophies of their party that they cannot see clearly. If they would just open their eyes, if they would look around at the devastation in their communities, and our communities, then maybe they would start to understand exactly why people are scared and exactly why people are feeling isolated and alienated.

Mr. Speaker, the members opposite can pretend that they're doing the right thing. They can pretend that the cuts are worth it because they are saving so much money.

Well I invite them to listen to the words of someone who works on the front line. Judy Junor says again, and I quote:

The stress of working in an unhealthy and unsafe work environment has taken its toll on nursing staff. The costs of health reform on the workforce is ultimately costing the health districts money through sick leave. The front-line workers are the most vulnerable.

Mr. Speaker, if the members opposite won't listen to us for political reasons, will they please listen to the health care professionals for the right reasons? Will they at least listen to what these people are trying to tell them? Instead of going ahead with their slash-and-burn method of cutting, will they at least consider a gentler, more effective, more compassionate way to improve our health care system?

Mr. Speaker, before we let The Health Care Facilities Licensing Act go through, we have to try and make the members opposite look at their record over the past five years, because this Bill will give them even freer rein in deciding who will be forced to suffer under the budget knife.

Mr. Speaker, back in February when this government read the throne speech, we were warned that this Bill would be on the government agenda. The Premier admitted that this Act would permit our promise to better manage the development of private sector health facilities to prevent the development of a two-tier health system.

Well, Mr. Speaker, as we continue to point out throughout the session, it's too late to look at a two-tiered health system. Because of the funding cuts and the unfair treatment, we do have it between rural and urban and northern. With a clear preference over urban as opposed to rural, they have already created the two-level system of health care in the province.

Mr. Speaker, a few weeks ago my colleague from Arm River criticized the Health department's new needs-based funding. He said that the government is using the formula as an excuse for savage cuts to rural health care.

The new needs-formula base is supposed to allow health care funding to move with the person to where they receive care. Well if this is true, and more people are coming to Regina for care, why has the Regina Health District also received a \$4.5 million funding cut? Why then have 96 full-time positions been

cut? Why have we seen 64 acute care and 22 long-term care beds cut?

Mr. Speaker, I'm quite convinced that this government is a master of doublespeak. The members opposite are so busy justifying their vicious cuts to health care that they have long since lost sight of the truth. The truth is, is that they're not committed to quality health care and they are not committed to answering the needs of the Saskatchewan people. They are a fiscally driven political machine that tries to hide behind a compassionate façade.

But the façade won't fool people for long. They will see that this government's health care promises completely lack substance and completely lack compassion. They will see that this government is bound and determined to rip apart health care. What people want, Mr. Speaker, and what people need, is irrelevant to the members opposite.

Well, Mr. Speaker, not to this party. We all know the government can pass whatever legislation they want. Sheer numbers make their decision easy. Well that's too bad. I would think that the implications on Saskatchewan people should be the only valid reason for legislation to pass.

If the government pushes The Health Facilities Licensing Act through, and I'm sure they will, health care in Saskatchewan is moving to a different level. Whether that level is positive for a health care system will remain to be seen.

My deepest worry though is that this government is taking even greater control of health care. If you want the responsibility of delivering health care, then fund it accordingly and back up your words. If past experience show that this is what is yet to come, the people in Saskatchewan are in trouble.

At this time, Mr. Speaker, I move adjournment of debate on Bill No. 82. Thank you.

**Some Hon. Members:** Hear, hear!

Debate adjourned.

### Bill No. 97

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Shillington that **Bill No. 97 — An Act to amend The Department of Agriculture Act** be now read a second time.

**Mr. McLane:** — Thank you, Mr. Speaker. Just a few words on this Bill and some general comments. Since I've become an elected representative of the people of Arm River and an MLA (Member of the Legislative Assembly) in this Assembly, I've become very sceptical of this government and when they're trying to do something, in particular when they're trying to pass some legislation. In particular the 100-some-odd Bills that we've seen go before us in this session.

This piece of legislation, Mr. Speaker, is no different. In this legislation the government once again is trying to govern by

regulation, Mr. Speaker, basically hiding behind the regulations and trying to convince people that the legislation isn't all that bad, but trust us, just trust us, Mr. Speaker, as we bring forth the regulations at some later time.

I think having said that, Mr. Speaker, that about sums up what this government, what this session, is all about, hiding behind regulations, trying to sneak things past people for their own end. And this particular piece of legislation, as I said before, Mr. Speaker, is no different.

We talk about giving more powers to the minister, to the Executive Council, which is basically the cabinet, and that's not acceptable to the people of the province, Mr. Speaker. And hopefully that when we move into the Committee of the Whole that we certainly will be pointing out the errors in their ways in this particular Bill.

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

(2015)

## COMMITTEE OF FINANCE

### General Revenue Fund Agriculture and Food Vote 1

**The Chair:** — I would ask the minister to introduce his officials, please.

**Hon. Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Chairman, to my left is Terry Scott, the assistant deputy minister; to his left, Doug Matthies, general manager of Crop Insurance. And behind is Jack Zepp, the assistant administrative services branch director. Beside Jack is Ross Johnson, the budget officer, administrative services branch. And to my right, Norm Ballagh, general manager of ACS (Agricultural Credit Corporation of Saskatchewan).

#### Item 1

**Mr. McLane:** — Thank you, Mr. Deputy Chair. Welcome to the minister and his officials tonight.

Mr. Chair, before we get into some dialogue, I just have a few quotes I'd like to read in light of some of the comments made by the member opposite in a recent health debate in this House:

Clean air, a big prairie sky, a leisurely pace of life, an unspoiled northern wilderness, a spirit of cooperation and small town friendliness, being close to nature. A farmer's life is a good life even when prices aren't the best. Life in a smaller community is a good life even if it lacks some of the distractions of the big city.

There is value in the pride and vigour and self-sufficiency that I have seen again and again in the people of our towns and small communities. We don't talk about it enough in Saskatchewan and we don't value it enough. We should, because our way of life is the envy of many people.

But make no mistake, there are people who would limit this option; who would encourage the growth of a few large cities at the expense of our smaller communities; who would, on a wholesale basis, close grain elevators and abandon branch lines; who would sap the economic strength of rural Saskatchewan in the name of slide-rule efficiency.

In my opinion this is a short-sighted view. I think the people who have this short-sighted vision of the future in Saskatchewan may be sincere but they simply don't grasp the value of life in a province like ours.

Mr. Chair, that was a quote from a former premier of this province and leader of an NDP Party not unlike the one we have across the floor — Premier Allan Blakeney.

I say to the farming community, have faith, because you are going to elect a premier that will stand up for Saskatchewan and a political party that puts the interests of Saskatchewan first. We are fed up with a premier who sings the alleluia chorus to Mr. Mulroney.

Our farmers, our communities, our towns and villages are here to stay. (I'll repeat that, Mr. Chairman. Our farmers, our communities, our towns and villages are here to stay.) We are committed to establishing a set of policies on income, debt, and land transfer which will make sure that the family farm and the rural way of life are not only maintained but prosper and grow in the 21st century.

Mr. Chairman, that's a quote from the present Premier of this province, back in 1990, before coming into power.

The social well-being of rural areas is being ignored. We must stop this, Mr. Deputy Speaker, that the stress on the farm family is at an all time high. And it is especially hard, I say, on the women.

This was a quote from the former . . . or from the present Minister of Agriculture, in December.

With that, Mr. Chairman, I'd like to ask the Minister of Agriculture a couple of questions. And I think tonight we will start off in a debate that's had a fair bit of reaction in this province and during this session, and that is the GRIP (gross revenue insurance program) debate. And having heard all these comments from former premiers of the NDP Party, a commitment from the present Minister of Agriculture on his views of rural Saskatchewan and agriculture, something seems to have gotten lost in the translation from 1975 until this government took power in 1995.

My first question to the minister, Mr. Chairman, is relating back to the GRIP decision in 1992 to introduce retroactive legislation to cancel the contracts with the Saskatchewan farmers who have signed them in good faith. And I'm wondering, Mr. Minister, if you'd like to tell us tonight, what input you had into that discussion and what was said around the cabinet table as you and your Premier tried to stick up for rural Saskatchewan and the farmers in it.

**Hon. Mr. Upshall:** — Mr. Chairman, I think the member knows that I wasn't at the cabinet table in 1992. And even if I was, wouldn't have the liberty of repeating discussions of the cabinet table because discussions or decisions are made in a democratic way in this province by this government.

But I can tell him the input that I had. This is like any other member of the legislature. At that time I chaired the agricultural caucus committee, and we worked with the minister as a sounding board to see what could be done to improve a program. And let me tell you, that was the problem — trying to improve a program that couldn't be improved although we did improve it in many ways. The new program took out the moral hazards that the old program had seen.

And I know the member has to just kick one more time at GRIP, and I'm willing to play this game with you. But I think I have a question for you. Do you not agree that the decision to get out of the GRIP program when we did was the right decision, because Alberta and Manitoba followed suit shortly thereafter. Many of their farmers did anyway. I think maybe the member should answer that question before he asks another.

**Mr. McLane:** — I don't think the farmers of this province view this as a game, Mr. Minister, and I'm sorry that you think it is a game, because as late as this morning, I'm still receiving GRIP statements from concerned farmers throughout the province. So these people don't think it's a game.

Also you talk about what has happened in Alberta and Manitoba. I continually hear your leader, your Premier, talking about the Saskatchewan way, and we'll do it our way in Saskatchewan. Do you have a conflict with your Premier in that regard, if you think we just follow Manitoba or Alberta. I realize you weren't at the cabinet table at that point in time, for whatever the reasons were; however I would like to ask you if you were in agreement with the decision to introduce retroactive legislation.

**Hon. Mr. Upshall:** — Yes.

**Mr. McLane:** — Then moving on into 1996 when the decision was made to send out the GRIP statements . . . and I'm glad to see that the minister and the members of the third party find this an amusing discussion because I can assure you that the farmers of the province do not find it amusing.

Were you in agreement with the decisions made to send out the GRIP statements?

**Hon. Mr. Upshall:** — Do you mean the GRIP wind-up statements?

**Mr. McLane:** — That's correct.

**Hon. Mr. Upshall:** — Yes.

**Mr. McLane:** — Were you in agreement with the former minister of Agriculture then that they should break his promise, a commitment to the farmers in this House, that you should go ahead and break that commitment that the former minister of

Agriculture, your predecessor, made?

**Hon. Mr. Upshall:** — Mr. Chair, I can tell the hon. member that his perception of what the former minister said was wrong, and there was no commitment. And if he'd read the whole paragraph and everything that was said, he would understand. I hope he might be able to understand that.

**Mr. McLane:** — I think it's you, Mr. Minister, who chose not to understand what the minister said at that time in order that you might fulfil your commitments to the budget process.

Can you tell me then, Mr. Minister, what the legal fees have been to date in order to fight the group that is taking legal action, or has taken legal action against you on the decision your government made in 1992?

**Hon. Mr. Upshall:** — There's two cases. One's a pre-trial conference, the other's examination for discovery. We won't know what the costs of the legal fees are because we have to go to the legal process.

And normal procedure is that the percentage of costs that are incurred up to this stage are a small percentage of what the cost . . . or a lesser percentage of what the total cost of the case might be. So I'm sorry, we won't be able to supply you with those numbers until the cases are complete.

(2030)

**Mr. McLane:** — The question was simply, Mr. Minister: what was the cost to date of the legal fees?

**Hon. Mr. Upshall:** — We don't have the cost to date of the legal fees.

**Mr. McLane:** — I guess I would wonder why you wouldn't have those costs, Mr. Minister. They would have to be documented somewhere, at some point in time. And since that saga is ongoing, I would think you would be keeping an up-to-date log on the cost of that and weighing that against what's happened with the program.

**Hon. Mr. Upshall:** — What I can tell the member, Mr. Chairman, is that in the fiscal year '95-96 the GRIP challenge expense was \$3,626. If you wish, we can get you an up-to-date figure. We won't be able to get it tonight, but we can get you that in a few days so you'd know the number if you wish.

**Mr. McLane:** — Yes, if we could have that tabled, I'd appreciate that.

Can you tell me how much money is left owing in arrears from the GRIP wind-up?

**Hon. Mr. Upshall:** — Total number of customers who still have outstanding accounts, 3,345. And total outstanding amount of dollars is 5,756,400.

**Mr. McLane:** — What percentage of that total money that was owing is left? What percentage is left owing?

**Hon. Mr. Upshall:** — Very near 50 per cent.

**Mr. McLane:** — Would the minister agree that there appears to be a fairly serious problem here then, if at this point in time there's still 50 per cent of the money outstanding?

**Hon. Mr. Upshall:** — Well you can speculate if you like. I think the money came in fairly good until seeding began. And you're a farmer. I'm a farmer. You know what it's like at seeding time. You have your priorities. And I think once the input costs . . . we believe once the input costs are paid off, then the money will start to come back in again. It may not come in, as you know, on the farm. If you don't have it, you'll wait till the crop comes off. So we're not going to be in a panic situation. We're not going to bug the farmers. All I say is that we all know that except for you trying to tell someone that they may not have to pay this off, we all know that it has to be paid off, and we just ask them to make arrangements. And I think many of them are doing that.

**Mr. McLane:** — Now there was a fair bit of money left in the GRIP program. Would you like to tell the House and the people of the province what happened to that money.

**Hon. Mr. Upshall:** — Just while we're getting that, I also will let the member know that 70 per cent of the people who had bills have paid, so that's a fairly substantial number.

Of the total \$782 million, 33 per cent or 261 was the producers' share . . . 261 million, rather. The federal government, forty-one and two-thirds per cent or 326 million. The provincial government, 25 per cent or 195 million. And what I'm doing is reading from the GRIP final settlement brochure that all farmers got; I'm sure you received this.

Then if you go over to the third panel, the Government of Saskatchewan's share, we targeted 67 per cent to agricultural programs; 72 million for the new safety net programs over 3 years; 18 million for the development and diversification initiatives through agri-food innovation; and 40 million start-up funding for the crop sector program.

**Mr. McLane:** — Could you tell us about the other 33 per cent? What did the government do with that?

**Hon. Mr. Upshall:** — There was 65 million that went into general revenue.

**Mr. McLane:** — Well of that 65 million, some of that money quite likely went to fund the CCTA (Crown Construction Tendering Agreement) project then, would that be correct?

**Hon. Mr. Upshall:** — No. As far as it directly is concerned, no, I believe that wouldn't go directly. It is used in general revenue, as the member knows, for many other programs.

And I just want to remind the member that . . . remind the member, and maybe ask him . . . he was quite concerned about where this provincial government put its money. I would remind him that the federal government only put 46 per cent of their money — the federal Liberal government — only put 46

per cent of their money back into ag programs and the rest went into general revenue.

And I'd like the member to table the correspondence with the federal minister complaining about that, if he wouldn't mind, please.

**Mr. McLane:** — If the other 33 per cent of the money went back into general revenues, then it could be quite likely that some of that money did go to fund the CCTA. Would you agree?

Secondly then, what discussions took place with your department, with you or with your predecessor — who I guess is in the House today — in the wind-down of that program with the federal government? Was there discussions along the lines that — if you leave your money in, we'll leave our money in — those kind of discussions. Did that take place?

**Hon. Mr. Upshall:** — Well yes, the discussions are wide and varied when you're winding down a program and talking about where the surplus might go. And we were encouraging the federal government to put as much as possible back into the program.

Now they looked at their budgets, we looked at our budgets, and we tried to focus our dollars — the few dollars that were there — onto value added production in Saskatchewan and crop sector programs, because we think those are very important areas.

We also believe that if . . . that the money that went back into the treasury was money that, as every department of government — as opposed to previous administrations; as opposed to the federal Liberal government of . . . with an unbalanced budget — every department had to bear their share of reduction in order that we might maintain a balanced budget and keep our promise to the people of the province.

Now if you're saying that money should have all gone into agriculture somewhere else, that's a great argument to make. But the question I ask you is, had we taken that 65 million and put it into . . . directly back into ag programs as we did the first 67 per cent, where would you suggest that we take the money from? Health? Education? I'd like your opinion on where that 65 should have come. Out of other places in the Department of Agriculture? Could you answer that for me, please?

**Mr. McLane:** — So, Mr. Minister, did discussion take place with the federal government either through you or through your officials, that it would be awful hard for the federal government to make a commitment to Saskatchewan when our own provincial government wouldn't. If you would have left your money in there, would the provincial government not done . . . or the federal government not done the same?

**Hon. Mr. Upshall:** — Well the reality is, Mr. Member, that we put a much larger proportion in than the federal government. Now maybe I could ask you to table your party's correspondence to the federal party, to your federal Liberal friends, asking that they leave a larger portion in. You know I

think what's good for the goose is good for the gander. I mean you're criticizing us even when we put more percentage in than they did. So could you table your party's correspondence to them asking if they could leave more in?

**Mr. McLane:** — Could you answer the question? If the province would have left their money in, most likely the federal government would have as well. Awful hard for a federal government not to leave their money in if the province wouldn't leave their money in.

**Hon. Mr. Upshall:** — Well I'm really pleased and flattered that you think that — although, you know, we're getting closer all the time — I am pleased that you think that our government has that much control over the federal government. Now we've taken a different approach . . . not different approach, but enhanced our approach lately, where we believe that we are trying to cooperate with the federal government in many, many areas. And I think you're drawing a little bit of a long bow when you try to put the blame on the provincial government for the federal government putting in a much lesser share than we did.

Now the question that I would ask you is, if your theory is true, then why didn't they put in the same proportion as we did?

**Mr. McLane:** — Yes I could, Mr. Minister, go through the list of the amount of monies in the areas that the federal government puts in. I've done that several times in the House. Maybe sometime you should follow that through and have a look at it. Could you tell us how many farmers have signed up for crop insurance to date?

**Hon. Mr. Upshall:** — Yes, the number of sign-ups this year, for 1996, is 38,853.

**Mr. McLane:** — What percentage of the farmers? How many farmers are there in the province and what percentage of that is the total farmers?

(2045)

**Hon. Mr. Upshall:** — That's about 65 per cent of the farmers.

**Mr. McLane:** — In regards to ACS and the phasing-out, as I understand it, over the next four years, can you relate to us, Mr. Minister, what your plan is in that regard as to what's going to happen with the customers of ACS; how they're going to be looked after, how they're going to be phased out?

**Hon. Mr. Upshall:** — Yes, the corporation is doing a number of things that's not much different than what we've done before. You know we're continuing to try to be fiscally responsible and tie up or wind up or wind down delinquent accounts. We're handling on a case-by-case basis, based on the equity that the . . . for the most part the equity that the producer has. And if a producer's equity is very, very low, then if he wants to settle his case, if he will come to ACS and try to make arrangements.

There are situations where some lending institutions will

probably be approaching farmers with ACS loans and making them an offer to buy out those loans. But at this point in time, and until we see the first couple of years or so go by to see how the wind-down is taking place, we won't be making a final decision as to what exactly happens to the rest of those loans at the end of four years.

**Mr. McLane:** — Just for clarification, Mr. Minister, in four years time ACS will be totally phased out, will not be in operation any more. Is that correct?

**Hon. Mr. Upshall:** — Well yes, we've targeted four years, and as I said, the final decision . . . because we don't know how the wind-down is going to play out. It could be . . . if all the farmers decided, well this is a short-term program now and we want to go to the bank, they may approach the banks and say hey, why don't you come with me and make ACS an offer to buy out my portfolio. The banks will be doing the same things, like I said, to farmers.

So it could be under four years or it could be greater than four years, depending on how the thing plays out. But we're winding it down. And I don't have a crystal ball and if you have any concrete suggestions as to how it should be wound down, we'd certainly be willing to listen to them.

**Mr. McLane:** — Well by the sound of it, Mr. Minister, somebody better have some concrete suggestions because you're talking about phasing out this corporation. You're talking about the livelihood of a great number of farmers and yet now you're saying it could be less, it could be more.

Are you going to have some incentives for these farmers to get out of ACS? Are you going to be forgiving their loans? What happens at the end of four years if there's still every farmer is in the program? Then what are you going to do?

**Hon. Mr. Upshall:** — Well the fact of the matter is, after four years if there are still loans that are outstanding, ACS will continue to administer those loans and/or explore other options, as I've been talking about. Now that's why you can't say, okay here's exactly what we're going to do at the end of the day. You don't know how many loans are coming in. By that time maybe we'll have all our delinquent loans cleaned up. And the loan payback will then be no cost to the taxpayer because we'll be getting the money back in.

I mean if you want to do if's and and's and pots and pans, we can do it all night. But the fact of the matter is we've chosen a four-year target and the lenders has some options. The producers have some options. And when we come closer to that target . . . and it won't make any difference to the producers who have the loans.

They have a loan with ACS like they have a loan with any other institution. And if one of the banks that you had a loan with in your operation phased themselves out for whatever reason, then they would have to explore some options with what to do with the portfolios that they have. This is no different than that. So we are in a wind-down period and the decisions . . . the options are being explored. When we know how many producers are

staying in, getting out, or changing institutions . . . so it's not anything concrete.

At the same time, there's nothing that's going to hurt the farmers because if they have a loan, they have a loan. They got to pay it back whether they chose to flip it to another institution, pay it to them or they pay it to us. I don't see how it's going to affect them.

**Mr. McLane:** — Yes, that's the exact question that I ask. What are the options? What are the options that farmers have that have loans with ACS? Tell us what the options are. What can a farmer do to discontinue his loan, get it transferred, whatever. Are you going to step in and ask the lending institution to subsidize these farmers? Many of them are high risk, as you would agree. Tell us what the options are; that's what we need to know.

**Hon. Mr. Upshall:** — Well I think I'll try to explain it a little better. Sometimes I don't explain things real well, but the farmer has a number of options. He can go to . . . he can leave it in ACS right the way it is; that's an option, okay. And our job in ACS, the corporation's job, rather, is to collect the loan on behalf of the taxpayers, that was put out to help the farmer when he took it. So he can leave it in.

Or he can go to a financial institution and say look, this thing's winding down. You know I have maybe some other loans with you, maybe I can consolidate, or else you can buy this one out. Can you give me a better interest rate or whatever, I mean. Or the institutions, I think, will be approaching some farmers and saying, you have other loans with us. We're willing to buy out your ACS loan. Now if our loans are current, then they will be . . . the value will be the current balance outstanding.

If the loans are delinquent, the farmer might want to go to . . . might go to an institution and say, I have a delinquent loan with ACS. You know, will you work with me to make them an offer on that loan because my equity is only so much on my loan and I can't pay it back.

If the institution and the farmer comes and makes an offer on that loan, we'll be willing to look at it. So those are just some of the options, and there may be more. But just off the top here, those are three or four, I think, fairly solid options.

**Mr. McLane:** — As you wind down and get closer to that four-year target, are you going to be going to some of the farmers and as one of the options saying, 10 cents on the dollar, or 50 cents on the dollar, 90 cents on the dollar, in order to give them an incentive to get out of ACS?

**Hon. Mr. Upshall:** — There are no plans to alter the way that the ACS currently administers the loans. We expect people to pay the loans when they're due. If they can't for some reason, and go into arrears, then we expect them to come in to ACS and make arrangements to clean up those arrears over a period of time. Every case right now is handled on a case-by-case basis. If somebody has got themselves in where they are insolvent or debt/equity ratio is way out of line with what they owe, we are very flexible and try to negotiate any settlements on that loan.

But it's business as usual and there's no anticipation now of having any incentive programs.

**Mr. McLane:** — Are you planning, as you move through this wind-down leading up to the next . . . or to the four years from now, of keeping your interest rate competitive with the private lending institutions or will that be a way of deterring the farmers from keeping their loans with ACS?

**Hon. Mr. Upshall:** — For the most part, the loans are . . . the interest rate on a loan is set for the course of the loan. And if we refinanced one of our own loans, then it would be at current interest rates. And right now, for the most part, the interest rate is the cost of funds plus 1 per cent.

**Mr. McLane:** — So ACS is still letting loans?

**Hon. Mr. Upshall:** — No, there's no new lending — only refinancing. Like I say, if somebody comes in and they're in a position where we both know that they can't pay the debt that's there, we can work out a deal with them for refinancing. That's the only time. It would be same money, only refinanced — but no new lending.

**Mr. McLane:** — At what date did ACS discontinue lending money on new loans?

**Hon. Mr. Upshall:** — Budget day, except for any loans that were already in the system and not finalized.

**Mr. McLane:** — And a short scenario, Mr. Minister. In four years time, still 10 people left and owing money to ACS. What would the plan be at that point?

**Hon. Mr. Upshall:** — As I said previously, they would be administered out one way or another. And I mean we can do a lot of what if's, but the fact of the matter is, unless you have a crystal ball — I don't . . . and what we're doing is we're monitoring situations, exploring options with farmers, and so far there has been no problems with anything. But it's too soon to know. I mean at the end of the day what if everybody was in? You said that sooner What if nobody was in? I mean we're going to be monitoring it and working with the farmers to explore their options.

**Mr. McLane:** — Wouldn't you have thought, Mr. Minister, that when you came with the plan to close out this lending institution, that you'd have looked at all the scenarios and decided what would happen in four years time? You're saying in four years time you want to be out of this. Now you're saying, well it could be three, it could be two, it could be five. Maybe it's going to be 25.

To me that would be pretty uneconomical to hang around after four years time administering a few loans and having a corporation in place. I would have thought that you'd have had a plan in place regardless of whatever the scenarios were.

**Hon. Mr. Upshall:** — Well I don't think that's quite accurate. Maybe you can tell me, Mr. Member, how many loans there will be after four years. Can you tell me that? And if you could



tell me that, then we might be able to say, okay, if there's that many loans then here's what we're going to do.

We've got a number of options. If there were 10 loans it would take maybe a quarter of a person-year to administer those 10 over a period of a year. That's not uneconomical. It's no different than it is now, and the percentages of administration would vary with the number of loans that are there. So we've got the whole Department of Agriculture. We've got . . . there's a number of options. Now maybe if you can tell me exactly how many loans there are going to be at the end of four years, I'll work with you, and we can make a plan to decide what to do with them.

(2100)

**Mr. McLane:** — It seems to me, Mr. Minister, that's just another example of this government and lack of commitment to rural Saskatchewan and to agriculture, a grab to balance the books irregardless of who it hurts, in particular the farmers and in particular rural Saskatchewan. It happened in health. It happened in agriculture. You're trying to do it in education. We're seeing it all over the province, in particular rural Saskatchewan.

And you make a move such as this to close down the major lending institution for the rural people, the farmers of this province, without a substantial plan in order to ensure that all the needs are looked after. It's just another example of a lack of commitment, Mr. Minister.

**Hon. Mr. Upshall:** — Is the member saying that we should have . . . that he disagrees with closing down ACS? Maybe the member could answer that question for me. I wasn't quite clear on your position — not surprisingly so. But could you just tell me, are you in favour of us winding down ACS, or are you opposed to it?

**Mr. McLane:** — Mr. Minister, it seems like you and your government are unclear in a lot of positions, and maybe you should listen to the people in the province, in particular rural Saskatchewan and the farmers to hear what they're saying to you. And you would be clear on the position and understand what you should be doing in this province.

We listened to a member opposite early ramble on about health care in this province and what a great thing it is. Take a trip out in rural Saskatchewan. You're a member of rural Saskatchewan. You're an MLA from a rural constituency. I probably get as many calls in my office from constituents in your constituency complaining about what your government is doing to rural Saskatchewan . . . Why don't you and your cabinet get out and listen to what's going on in this province, and then you'd have a better understanding of what rural people are asking for and what they want for their survival.

**Hon. Mr. Upshall:** — Well all I can say to the hon. member is, let's assume that I don't know what's going on and that you do know what's going on. Do you think ACS should be wound down, or do you think ACS should continue lending? If you . . . in close touch with the people, you should have that answer.

**Mr. Goohsen:** — Thank you, Mr. Chairman. I'd like to give the minister a direct answer. From this side of the House, Mr. Minister, if you can provide the service some place else, shut her down. But that does present some pretty serious problems for some people that we'd like to talk to you just a little bit about.

We understand, Minister, after visiting with some of the folks down at the stock growers meeting the other day — as you recall we were there . . . (inaudible interjection) . . . And we'll allow your colleagues to get into this debate after they find out what we were doing when we were over there.

But as you will recall, there was discussions about several things about the livestock industry, and we were visiting about some of the problems that this change-over may present. One of them being of course that some of the ranchers understand now that when ACS is being wound down the livestock feeder industry will basically then be turned over to the Farm Credit Corporation to handle the loan portion, but the paperwork then will go to Heartland Livestock. Now is that the way this process is going to work, or have they got a misunderstanding of how this process might work? We're not sure just exactly how you're planning to do this.

**Hon. Mr. Upshall:** — I'm not exactly sure what you're referring to because ACS doesn't finance feeders for the cattle. ACS has some financing involved in the capital structures of some feedlots. Now in all honesty, I'm not exactly sure. Maybe you just want to run it by us again and perhaps we missed what you were getting at.

**Mr. Goohsen:** — Well you may not get what I'm getting at because I may not know exactly what I'm trying to get at because there seems to be confusion in the whole industry as to how this process is going to work. Because seriously, we do want to get some straight answers for the cattlemen so they'll know how this change is going to affect them.

Their understanding is that those people that are presently borrowing money from ACS for livestock-related operations . . . and I was under the understanding that they also meant breeding cattle as well as feeder cattle, but maybe not, maybe it's just livestock and equipment. But that whole part of the ACS loan program — not being related to the land but separate to livestock — was going to be turned over to the Farm Credit Corporation.

The land portion would also be turned over . . . the loan part would be turned over to the Farm Credit Corporation too. But the livestock end of it then would be administered by Heartland, which is a company in Saskatchewan that already handles a lot of feeder loans and that sort of thing and has some experience with that.

Now that's what the people think is going to happen; what we'd really like to know is what is for sure going to happen, if you could explain that to us. When you make this transition of taking the ACS loans away from this entity, you're going to dissolve it and it won't be there, so then the people that have got loans will have to deal with somebody else. Or are you

going to just forgive all the loans? Obviously not. I don't think so.

So on people that owe for land, Farm Credit Corporation will handle the land, and at the same time they would handle the livestock portions of loans or equipment, but then they would turn that part of it over to this Heartland company to handle because they supposedly have some experience in that area.

So have I sort of explained what they think is going on?

**Hon. Mr. Upshall:** — Yes, we understand what you're saying now, Mr. Member. But there are no plans to turn any of that over to FCC (Farm Credit Corporation) right at this moment. And there's no plans to turn the administration over to the corporation that you talked about.

Now what I will volunteer here is that if you have a group of producers or cattlemen's or cattle feeders' association that want to come in and meet with us to clear this up, I'm very willing to have my officials and myself, if possible, to meet with them. But as of now there's no plans to do any of what you say.

**Mr. Goohsen:** — Certainly, Minister, we're going to offer to take you up on that offer for the people that are interested. Obviously there are some people that will want to do exactly that, and I think they'd appreciate the chance to talk to you.

But just to take this a step further, you are then talking about dissolving the ACS — agriculture credit service. How do you envision that you're going to do that then, I guess is my question? Are you going to phase it out then over 30 years until everybody's paid off all their loans? Or are you going to turn the accounts over to other institutions and draw a line in the sand and say, some date like August 1, it's over and from now on somebody else will be handling your account and finished? Is that the way it is or not?

**Hon. Mr. Upshall:** — Well as I explained earlier, that we don't know exactly how many loans are going to be left. If, and this is why . . . I mean we could make a decision now saying, okay, at the end of four years we're going to do it method X. But I don't think that would be a wise thing to do right now. Because first of all, if the situation arose where that method X didn't work in four years time, guess who would be criticizing us as the government — because I know we'll still be here in four years — so guess who will be still criticizing the government — because you'll probably have your seat as well over there — about not keeping their promise.

So common sense just says we have a number of options. There will be institutions going to farmers and saying okay, you've got the rest of your loans with us; why don't we take over your ACS loan as well? Farmers will be going to institutions and saying the same thing probably. But at the end of the day, we don't know the number, we don't know the loans that'll be viable. I mean the status of loan, we won't know.

So as I said to the member from Thunder Creek, you can make a decision now, but I don't have a crystal ball. And I think sometimes it's better to watch a thing play out and not make

any snap decisions rather than saying yes, we're going to do this now, and then it doesn't work out.

**Mr. Goohsen:** — Thank you, Minister. Well you may not have done much for a lot of other folks, but you've managed to clear the air for me a bit, and I appreciate that.

And having gathered that understanding now, most farmers of course then are probably going to be visited by some institution, because if you'd really want to get this wound down, you will encourage those institutions to go out and see them.

So is there any breach of confidentiality by turning over this information to institutions and sending it to the farmer or sending the institutions to the farmer? Or do you go to the farmer and say, is it okay with you if we suggest certain people? Or are you going to start by saying to the farmers, first you go and try to make another deal because we'd rather not have the account any more?

And quite honestly, a lot of the farmers I've talked to would rather not deal with ACS any more anyway. So I don't think you're going to hurt many of their feeling by getting out of the business. But they just want to, I guess, have a comfort level to know that they have some security in life to understand how the process is going to work.

**Hon. Mr. Upshall:** — Well first of all, I hope you're not criticizing the administration at ACS. Because I think you're right; many farmers don't want to deal with ACS any more. But if I were to throw a stone, I think there was a couple of programs that came out in the mid-'80s that got farmers into substantial debt that they wished they wouldn't have taken. And I'll leave it there because I think the administration of ACS is doing a very good job.

Now as far as confidentiality is concerned, no, we can't go to an institution and say, okay you've got a loan for so much money. It's up to the institution to approach the farmer. You see institutions know when you . . . If you've ever had a loan . . . maybe you haven't. I know your pockets are pretty full of money. But if you ever had a loan, you would know the institution makes you write down what other loans you have. So all the lenders that deal with farmers know if they have an ACS loan. And they can simply go there and say, okay you have this ACS loan; we want to take it over for you. Or the farmer can approach the institution. But we won't be in the business of giving out information, private information.

**Mr. Goohsen:** — Thank you, Minister. No, I don't want to get political on this thing. And you're probably right about things that happened in the '80s; some of them weren't all that great. And some people are . . .

But my point was that for the most part I think most people who have loans with ACS, FCC, and two or three banks, probably are better off realistically if they can consolidate their loans with one institution or two rather than to have a whole string of them. And for the most part, the ACS loans I think are the smaller ones for most farmers now, as they themselves are

trying to get out from under the load of debt. And then realistically it's probably better for their advantage to consolidate. And obviously then if you have no more work left for your people in ACS, there's not much you can do about justifying keeping the process there. So obviously I think it's a program that is self-destructing because it's no longer really necessary in society under today's conditions.

So having given you that . . . and I'll go even a step further and say as far as I know your officials do a fine enough job. I have had complaints, and I'm sure you have had. And what person who is involved with the agricultural industry hasn't heard complaints just about any financial institution that deals with agriculture over the last 15 years? I mean it just goes with the territory. We've been through some really tough times. And so we won't gain anything though by bashing the financial institutions or the systems.

But what we can do is to gain some advantage here, I think, by having those people that are still connected with the process understand that they are not going to be violated or pressured or put in a position of perhaps having their loans called in any quicker or those kind of things. So there's a little bit of a sense of fear out there because I think of the same misunderstandings that I've had, and those are the things I want to dwell on just for a minute to try to get straightened out.

The question was asked though, will you be profiting by winding down ACS, in that would you be offering the portfolio for sale? And perhaps the highest bidder of the financial institutions would then be allowed to take over all of the accounts?

**Hon. Mr. Upshall:** — As far as profiting on the scenario that you put forward, we have no plans right now to do that, but it is an option. But as far as profiting is concerned, I'm not sure if we were to sell the entire portfolio of ACS to an institution that they would want to pay us more than it's worth; therefore we'd profit on the wind-down. I think what we would get paid for is what they would consider the value of the portfolios in ACS, so I can't see the taxpayers profiting, but I don't think we're going to lose.

I mean I think we'll get the value out of ACS. The value we'll get is what the value it is.

(2115)

**Mr. Goohsen:** — Thank you, Minister. The mention that we made about feeder associations and feeder financing and things like that, I think I need to get a little clarification on as well. There are a lot of feeder associations in the province that work mostly as cooperatives. I guess they had options to go other ways. But basically that has become, I think, a big part of the funding vehicle to keep a feeding industry in our province.

Now are those accounts handled through the Department of Agriculture in a general fund way, or does ACS handle that account, or who handles that within your departments?

**Hon. Mr. Upshall:** — Those are guarantees administered by

the Department of Agriculture.

**Mr. Goohsen:** — So the loan guarantee is supported by the Department of Agriculture in general; it's not one specific branch of the department or another? So in other words, it's not ACS so this won't affect them?

Okay. That's good. Because that was one of the other questions a fellow asked me and I really didn't know the answer, and so I'll pass that on to that individual and those that want to know.

We had, I guess, in the past some programs involving livestock cash advances. ACS was involved in that, were they not? And if so, have they been all cleared up or are they part of this winding-down process?

**Hon. Mr. Upshall:** — We administer the . . . ACS administers livestock cash advance program. It's a five-year program and the last one comes due December of 1999.

**Mr. Goohsen:** — So will you be winding them down or passing them on in the same way that you're doing all of the others that you alluded to just a few minutes ago?

**Hon. Mr. Upshall:** — It would be the very same manner. If they want to transfer them to another institution or leave them in, it's the same as any other ACS loan.

**Mr. Goohsen:** — Thank you, Minister. Back to the feeder associations just for a minute. Do you anticipate or have you made any changes to the way the feeder association programs have worked or are going to work in the near future?

**Hon. Mr. Upshall:** — Yes, we just made a recent change that . . . or will be making a recent change, I guess, that the actual guarantee will be made as a percentage of the amount of the loan and not a set guarantee figure. That takes the pressure off the \$50 million cap that we have in that program.

**Mr. Goohsen:** — Maybe just you could explain a little bit more what you mean by the percentage of the loans. Does that mean now that as a member of the Lone Creek Feeder Association I have no individual cap of 50,000 and that I could go out and borrow a million dollars worth to fund cattle? And then if so, using a million dollar figure, what percentage would I qualify for?

**Hon. Mr. Upshall:** — Yes, I just want to give you an example of how this works. The cattle association — the feeder association — let's say there's a million dollars. The feeder association is responsible for the first 5 per cent of that, or what, \$50,000. The government then guarantees the next 25 per cent, okay. So then beyond the 25 per cent, of course, it's between the bank and the people who own the cattle.

The change that was made, the old method was that the 25 per cent guarantee was on the total outstanding . . . or it was the total amount of the loan, the whole million dollars, 25 per cent of a million dollars. This way, as that loan comes down — let's say it's paid down to half a million dollars — the old method we'd still be guaranteeing 25 per cent of a million.

But to ease the pressure on the total amount of money that we have, we're saying now that 25 per cent guarantee will be on the outstanding balance of the loan. So that's the difference. It used to be the full . . . and that way we can spread the money around a little bit more. The old way, that gave a little bit more security to those people who were in, as opposed to those people who had . . . or had a high outstanding balance as opposed to those people who had a low outstanding balance.

**Mr. Goohsen:** — I see no problem with that, Minister; in fact I see the advantage to your department not having so many dollars committed. The only question then that arises from that, do the banking institutions accept this as enough security so as to not increase their percentage of interest rate?

Most banks are lending with the strength of the government guarantee — even though it's not 100 per cent guaranteed — with the strength of that they're lending for, I think it is a quarter to a half over prime. Now have the banks continued to go along with that as being secure enough to maintain those kind of loans and those percentages?

**Hon. Mr. Upshall:** — As you will know, some of the financial institutions have voiced some criticism of the change but the reality is that we've seen up to date, I don't think any changes, and we would hope that there would be no changes. Because if you remember, the first 30 per cent is guaranteed, you know, 5 by the producers and 25 by the government. That's not a bad percentage guarantee on a loan.

So I think that I would expect and I would hope — and the banking institutions in Saskatchewan these days are doing quite well in ag loans — and I would hope that they would continue the current method. Because what we're trying to promote in this province is partnerships between the producers, the governments, and the banks, in this case. Well we say, you know, let us stretch our dollar as far as we can, because if we were to reduce the guarantee from the full amount of a loan to the outstanding amount of a loan, that would free up more money for maybe another guarantee, where the bank could make another loan.

So I mean this is a kind of partnership. I hope it's not something that's going to make a difference with institutions.

**Mr. Goohsen:** — Thank you, Minister. I don't think that there's any reason why it should, and I'm agreeing with you. Probably when you really look at it, that's enough security for the banks to be able to maintain the present loan rates. They of course are going to argue otherwise because obviously they're going to take all they can get. I mean that's just good business.

I guess the other side of good business is that, as the Minister of Agriculture, you would negotiate on behalf of all producers with the banking institutions as a general group, and explain to them that the risk really isn't all that high, and that they ought to be good corporate citizens and continue to carry on.

I guess the key that would make your argument then would be a consideration of . . . And I wonder if you could tell us what the kind of losses are that people have suffered.

Now in terms of losses, have the banks lost any money on these feeder associations? And if so, how much has it been and how serious is it? Has the government had to make a lot of payments? And if so, what were they and how significant are they in terms of percentage of the total loans that have been out and that sort of thing? And I'm hoping that you can develop an argument to take to the banks from developing your answer to these questions.

And of course feeder associations themselves are the first ones on the hook, even though it's for that 5 per cent, but they do put up guarantees for one another, for their neighbours, by putting in some money at the front. And so how much have they lost and how does that figure into the equation of percentages of amounts of money compared to the total that has been lent out and that sort of thing?

**Hon. Mr. Upshall:** — As far as claims that have been made — payments that have been made, rather, under the guarantee — there's been one payment of \$45,000. So in terms of payment, our total portfolio is about \$42 million and so the percentage in that case would be minuscule. It would be 1 per cent . . . No. My math isn't right on top of the game right now but a very small, small percentage.

But there also have been two more claims submitted from two different institutions, one for 712,000 and one for 200,000. So that's another 912,000. From 42 million out, that would be two and a half per cent, something . . . two and a half, two and three-quarters per cent.

**Mr. Goohsen:** — I guess the obvious question is, do you consider this to be a reasonable investment for the return that you've gotten in terms of supporting the feeder industry in the province of Saskatchewan?

**Hon. Mr. Upshall:** — Sorry. I was trying to figure out what our loan loss provision was, but because it's a guarantee there is no loan loss provision. But those percentages are very low.

And as far as a direct answer, I think the answer is yes, it's very worthwhile. You will from time to time have to pay out some guarantees, but the important thing to remember is that this year we had 145 associations, with 5,000 to 5,700 members in those associations, and as I said, \$42 million out.

I think, I believe, the program is working very well. I believe it's a good investment in our livestock industry. And I think you probably agree, because I've talked to a number of producers who are in the associations and they really appreciate this guarantee because otherwise many may not be in the business. And we're trying to get the cattle numbers always higher in this province, and I think this program has been one that's benefited producers in order to keep the numbers where they are.

(2130)

**Mr. Goohsen:** — Well thank you, Minister. I want to say that I most certainly do agree that it is a worthwhile project and I think every cent you spend is more than worthwhile.

But it's important that we get you on the record saying those things because you're the one, of course, who's the Minister of Agriculture and people do want this program very desperately to remain. Because you're right — the industry would have failed without it. I expect, most probably, 90 per cent of the feeder cattle in Saskatchewan would not be any longer here because those feeders would have went broke in the last few years.

So I guess the thing is though, that we're going to have to be prepared to argue the point of why it is good to have and why it's worthwhile. So the question then becomes, what do you project your exposure to losses to be in the near future? And maybe you want to go into an extended period. That's up to you. And what would the banks consider to be a reasonable loss to the exposure that they have before they would get nervous about this program.

**Hon. Mr. Upshall:** — We won't know. All I can do is hope that there are few to no claims in the future. And like I say, you can't predict what's happening, even though in the downturn in the cattle industry we haven't seen any increase in claims. As far as the banks, what they would like to see as a return guarantee or provision, I don't know. I can't speak for them. I don't know what they would want.

But as far as this program's concerned it's quite a hypothetical question and I answer this question knowing that it's a hypothetical question and giving what will be . . . (inaudible) . . . answer. But if you took 10 per cent for a loss provision on a \$42 million portfolio, you're looking at about \$4 million. And I don't think that's uncommon as a loan loss provision in some other portfolios.

So I mean it's hypothetical and we believe that even though there's a downturn in the cattle industry, that as we start to climb out of this we will have a very vibrant, strong industry and this . . . the loan loss provisions and the guarantees hopefully won't have to kick in.

**Mr. Goohsen:** — Thank you, Minister. I certainly hope not, too. But of course, like you say, we are in a downturn and of course this fall could be about the timing when some of this could be hitting rather significantly home.

But in terms of the fact that you say it's hypothetical from the banks' point of view . . . and my experience with banks is somewhat limited but I think that they do deal with hypothetical things the same as insurance companies do.

They do projections on what they can afford to invest, at what kind of risk. And I think if you go to the banks and ask them, they'll have a number for you. And they'll tell you how much they're prepared to risk for this kind of a loan, and how much they can afford to risk at a quarter per cent over prime as the interest rate; or a half per cent over prime as an interest rate. They'll know that based on the volume which you now have of course, which is \$42 million.

So my suggestion to you — and I'm not trying to tell you how to run your business — but I would suggest you, go and ask

them because that will give you the tool to work with to argue your point that they should stick with the low interest rates. Because I really believe you're going to find out that the banks can make a better profit, even with this kind of risk, than what their loans rates are already projecting.

In other words, I'm suggesting that they could probably even cut that a little and still be turning over a reasonable enough profit for their risk. And obviously that's what banks are doing; they're selling you risk. They're putting up the capital and risking it, and you're paying them for that. And it's just like buying insurance, and it works that way, and I know you understand that.

So I'm hoping that we can help you to make a good enough argument to keep this program going this fall when the crunch really starts to come in. Because feeder prices now have been dropping but the grain price has been rising; and of course a lot of the feeders that are still trailing into the market were bought last fall at significantly higher prices maybe than what should have been, in comparison with the profit potential, in relationship to the grain costs that are going into those livestock right now.

So we're probably going to see in the fall, some significant pressure on the industry. And with Alberta — and of course you know about the subsidies that are going on there — and with Alberta doing those, the subsidy program, in an attempt for the government there to win the next election. And I'll throw that in so you don't have to. And it's obvious, I think, from across the border that that's what's going on.

Unfortunately, you know, whether we like that or not it's going to affect our industry here, and the repercussions land square on us. Whether it's for their good or not, we suffer.

And so I know the livestock people at the stock growers say they don't want to get into this, and I know you agree with that, and I do too. But there will come a limit to how much they can sustain and tolerate in terms of losses as compared to the Alberta producers, at which time then we have to make a decision, I guess, in this province. Do we subsidize our industry if Alberta doesn't back off or do we lose our industry? And we're talking about the feeder industry, of course. And the cow-calf operations depend on the feeder industry, so everybody's affected.

And I don't want to suggest that grain prices should go down because certainly grain producers have suffered long enough too, and they deserve to make some money for a change. It's unfortunate that we happen to live in a world where cycles seem to come against one another — grain up, cattle down; grain down, cattle up. Why does it have to be that way? I don't know. Maybe the consumer has to be taught they should pay for a fair market price for what they eat.

I know the members opposite will have some different opinions on what makes this happen, but the reality is it does happen. Sometimes it's not fair. We have to learn how to live with it. I guess that's the point we have to make.

So at what point are you prepared to do something to save the industry, or are you prepared to allow the feeder industry to go out on its own and go broke? Or are you prepared perhaps, to pick up with a few of the people from stock growers, maybe the cattlemen's association, SARM (Saskatchewan Association of Rural Municipalities), maybe Wheat Pool, a few of those folks that are involved, pick a few of those up and take a drive over to Alberta, meet with the Minister of Agriculture over there, maybe even the Premier and have a chat with him and tell him we understand politics and we understand your need to win the election. But do you understand what you're doing to our province and to our industry?

You know sometimes it is as basic and fundamental as going over to your neighbour and talking to him when you're having a problem. I found that out just the other day myself with a neighbour, and I'm so happy that I walked across the field, over across the line, over to his tractor and had a chat with him, because we were of some misunderstandings that were cleared up within five minutes, and we were sort of eyeballing one another across the line there for a few days. And we found out that we both agreed with one another, and both went away quite happy.

Maybe if you talk to those folks over in Alberta, you might be able to convince them that as soon as this election is over it might be time to get the heck out of this program and get back on this level playing-field that we all talk about and know we have to have. And maybe we can talk them into making some kind of commitment to downsize that program. And I wonder if you've got any plans to do that, or if you are planning on a subsidy program, or if you're just planning on forgetting it and letting those folks go broke.

**Hon. Mr. Upshall:** — Well it's funny. Some things work out quite funny because we've maybe got ourselves in a jackpot. But we just finished talking about the feeder loan guarantee program which assisted 57,000 producers to be in the business. We did that with a outstanding balance — 57,000 members and 145 associations — we did that with an outstanding balance of \$42 million of guarantee, which is fairly high risk for the taxpayers. Well I shouldn't say fairly high, which is a risk for taxpayers.

We did that because we thought the industry was fairly stable in this province. But at the same time now when the bottom drops out, we are not only at risk for \$42 million, but then we have to decide, as you say, whether we shore up the industry in another way. And that is a very, very tough and important question. I think that . . . I believe that we're through . . . cattle producers tell me we're through most of the high buys. The grain price is still up here, but when we get through the high buys, you know, they say they can . . . won't be much profit but they'll make ends meet for the most part.

I agree with you 100 per cent on the Alberta problem. In fact I've been led to believe that the Alberta livestock producers didn't want this program. They didn't want the FISP (farm income support program) program but the minister decided to go ahead with it anyway.

Now as to what we've done — I agree with you 100 per cent — I met with the representatives from the cattle feeders association about three, four weeks ago. I talked to the stock growers the other night in Swift Current at the banquet that we were both at, and said this: if we want us to do an ad hoc program right now to compete with Alberta, I don't think we're going to do that. For one thing I believe that even though the pressure is on, I believe once we go through this cycle — and you and I both know and all cattle producers know that there's cycles in the industry — once we get through this cycle our industry will be stronger if we don't subsidize them.

But then the question becomes, well how far do you let it go? That's your point, how far do you let it go before you do something?

Well I don't know how far to let it go. But ad hoc programing for assistance doesn't work because all that would happen is that, if we matched Alberta then B.C. (British Columbia) would maybe ante up it, and then Alberta would ante a little higher, then Ontario would ante and Quebec. I mean we'd be back into the same predicament that we were — draining our subsidies and really not helping the industry that much — a few years ago.

So what I've done is talk to the producers in this province and a few other folks that are involved in the cattle industry one way or another. And I said, if you want to do something, let's all get together and lobby the federal Minister of Agriculture and say, look this program that Alberta is doing is wrong. It goes against all the understandings that we've had, the direction that this country's been going as far as winding down subsidies and trying to build a stronger industry.

So I'm encouraging the cattle feeders association to get a hold of their counterparts in other provinces, lobby the federal minister and the Alberta government and say, this is wrong. I like to call the Alberta government the Europeans of Canada because, you know, while they talk dropping subsidies, they continue to increase them on an ad hoc basis.

So I think the lobby has to be . . . and that's what I'm doing. I've made representation to the federal minister. We're going to be in a federal Ag ministers' meeting in July in Victoria and I'm going to again bring the issue up.

It was raised in the last Ag ministers' meeting in February, and Alberta is basically the only province who thinks this is okay. We are concerned because we think it's not GATT (General Agreement on Tariffs and Trade) green. We think there's going to be some problems with the Americans in this thing. But unfortunately, for whatever reason . . . and I think probably you hit the nail on the head; it was political reasons, because it doesn't seem to make sense to me, if the majority of beef producers in Alberta don't want the program and yet they get a program, there might be a little bit of politics running through the veins there.

So I think a unified lobby effort, not only from provincial government to federal government but from producer to producer groups to federal government, is one way that we can

attack this problem. Because I'll tell you, if we don't, another . . . like B.C. is really upset because they're really afraid it's going to drain their cattle industry. If they all of a sudden say, well we're going to ante up something, guess what Ontario's going to do, you know. And the problem that we have in Saskatchewan is we don't have near as much money as B.C. and Alberta and Ontario. We don't have as much money.

And so in the old ante . . . (inaudible interjection) . . . I seem to be getting some assistance from my friends. So what we have to try to do is get the lobby working, get the lobby working to get rid of that program. Because in an ante-up game, we in Saskatchewan lose every time because we don't have the industrial base or the broader economic base that the other provinces do. Even though our population is growing every year, we still don't have enough there to support that.

(2145)

**Mr. Goohsen:** — Well thank you, Mr. Minister. There's enough in what you said that I agree with that I think I'll leave the political retorts for another day because this is something that's more important than partisan politics. And I'm glad to hear you say that you are starting a lobbying process.

The only thing that I didn't hear that I would encourage you to reconsider, I didn't hear you say anything about going directly to Alberta and to the Minister of Agriculture there and saying to him on his turf: sir, this is what's happening to our industry; this is what you're doing to it. Have you considered your neighbours and do you agree with the free trade concept between provinces?

And I want to just remind you that, a couple of years ago, Ken Crandall, the man who runs the livestock operation, the sales yards, over in Maple Creek, he approached me and he said, we've got a problem. Interprovincial trade is supposed to be opening up and we've got this problem with brand inspection. When we send cattle to Alberta, we check them once here and Alberta accepts it. When we bring them back, they inspect them and then we have to re-inspect them. We unload the cattle, we load them back up, we wrestle them around, we charge twice.

He said Alberta producers obviously won't bring their cattle to Maple Creek to sell them because they get into this hassle. It costs more money; the cattle are basically run around more, and lose more weight and that sort of thing. So he said, what can we do about it?

I wrote to the Minister of Agriculture, and he said, I'm totally in favour of interprovincial barriers being brought down. And I'm totally in favour of making the industry, the livestock industry, work better, and I'm totally in favour of everything, you know, that makes interprovincial trade work better. It sounded to me from that letter that he's got an open mind on these issues. So I suggest to you that there's nothing wrong with you going to him and taking a shot at it and try it.

And also in that context, so that we can cover another subject a little bit before we get done here, at that point we were talking about this brand inspection. And it is my understanding now

that for the past six months or so there has been an experimental program going on which, incidentally, you might want to take some credit for. And I understand . . . If my understanding is right, you can take credit.

I do understand though that we do now accept the one-brand concept, one brand inspection concept, and that cattle can come into Saskatchewan now with one brand inspector checking them between Alberta and Saskatchewan and that that supposedly is good enough. It's a trial basis, I understand. And I'd like you to tell me if my understanding in these areas is correct, and if that trial program is on. If so, is it working well enough that you think you can continue with it, or are there any glitches that you see in the future with that program?

**Hon. Mr. Upshall:** — Just to start with your last question first. Yes, it is a trial program that's been going about a year. I could take credit for it, but I think the credit has to go to the department working with the industry to make sure that the . . . And that's one of the things that we're trying to do and one of the commitments we've made. We're going to try to reduce the regulatory aspects of some of these things to get rid of the complications and the irritants, we call them, the irritants in the regulations.

So I really am pleased that the department does work with industry. And if we have not . . . I'm not sure if we've already renewed it to the end of 1996. But if we haven't, it's in the process. So it seems to be working very well.

With regards to your first question about going over to visit Mr. Paszkowski, I could do that. And the only reason I didn't say I could do it is because, depending on when you quit asking questions and this House ends, I'll be seeing Mr. Paszkowski on July 1, 2, 3, 4 at the Ag ministers' conference. So it's just a matter of I'll probably see him there before I have time to go see him at his home, so I hope you understand that. And it won't change my commitment of trying to get this thing changed, believe me.

**Mr. Goohsen:** — All right, Minister, we will take that as a commitment that you are going to bring this specific problem to that specific minister at your first opportunity July 1, 2, and as far as I'm concerned we can leave it at that.

And to make sure that you do have time to get away, I'm going to limit myself to two more questions on behalf of the cattle industry and allow some other people to do some things if they want to. So you see how well your argument has struck home; I'm going to get right to the end of this so that you can get on over there and defend our industry.

I want you to know, for the record, that I am personally a member of a feeder association. But in saying that — for the record, so that people know about it — I have not used my membership since I got involved in politics because I thought there might be a conflict there. And yet I've maintained my membership because, like the Minister of Labour who, as he put it, rode off into the sunset of his political career, I may someday do the same and want to go back into the cattle business.

And the program is very beneficial. It is very helpful. I have used it and I will use it in the future if I go back into cattle. So I hope that you understand that it is important to the industry, important to the people that are involved in the industry. And as a producer, I've used it and I can vouch for the fact that it seemed like a very low risk for government in order to maintain a very viable industry that is very important to Saskatchewan. Without a feeding industry, there is no need to have, really, a cow-calf operation in the province, unless you're going to depend on somebody else somewhere else in the world to buy all of your calves.

And it just goes against the grain of your thinking and mine of late, and I'm glad that we are agreeing on most things finally at last. But the diversification necessary in our province to build our province can certainly develop more here. Feeding our own cattle our own grain, rather than shipping both to Ontario or some place in the States and letting them take the profit from putting the two together, just never did make any sense to me. And I'm sure you agree with the fact that we'll do much better if we do that at home and ship the finished product somewhere, whether it be boxed beef to California, you know, or steaks to the restaurant in downtown Regina.

I have one last question, Minister, about Heartland that was brought up at that particular meeting. Heartland Livestock, as you know, is a subsidiary of the Saskatchewan Wheat Pool. So that there be no mistake that we're trying to slip anything in on you or the Wheat Pool.

But apparently there is some belief and some perception that Heartland is getting an unfair share of the business related to the feeder industry. And the business that they get of course, is the fact that through their own program . . . Saskatchewan Wheat Pool, as you'll remember, had a feeder financed program some years back. The feeder financed program of course meant that you had to buy the cattle from the Wheat Pool and you also had to sell them to the Wheat Pool. And I don't think there was anything wrong with that; it was totally out front.

But some people are of the impression and the perception, right or wrong, and maybe you can correct this for us, that Heartland has cornered that part of the market in Saskatchewan and it almost guarantees Heartland and Saskatchewan Wheat Pool the business of buying and selling just about all of the feeder cattle in Saskatchewan.

Now what percentage of the feeder cattle industry does Heartland have guaranteed? Is it an unfair amount? Are the private operators being discriminated against? Do they have a legitimate complaint when they come to me and say, member, go to the legislature and find out why Heartland is getting all of the business and we can't seem to get any any more? Because the private operators out there are under the impression that somehow Heartland has contracted, or has under contract, a guarantee to handle these cattle both coming and going in the feed lots.

**Hon. Mr. Upshall:** — I don't know if we can get that number for you. We don't have it here and I don't know if Heartland would give it out. But it's a little bit . . . I don't know really

what you mean by . . . I understand what you mean by unfair, but I guess from the Wheat Pool's perspective it's pretty darn good business if they've got the market cornered off.

And we can't dictate to them what kind of programs they have for their producers. We can't say to somebody who wants to guarantee, well you can't get this guarantee because you're going to deal with Heartland and they also have another little program that'll support you. That's just the way private enterprise works.

So I will attempt to get the number. I don't know if I can but I'll make that commitment to you.

And I just don't know how to answer the question because we can't tell the Pool how to run their business. And if they've got programs that are put in place, as I say, to make sure that they're getting the lion's share of the business — and I believe it is substantial; I think you probably know, but I don't know what the number is — then I don't think we as government are in a position to tell them, well they can't top up these programs.

So I'll try to get the number. And if you have any further questions when we do get it, then I'll be willing to answer them.

**Mr. Goohsen:** — Thank you, Minister. Well I guess my final questioning will be: has the Department of Agriculture made any changes that provide Heartland Livestock with the opportunity to capture a larger share of the feeder business, buying and selling?

And then of course I have to lead to the possibility that if Heartland is in fact cornering the market here, do they suddenly find themselves in a position of becoming a monopoly? And if so, is that an acceptable thing to have for the industry? Even though it may be good business for them, is it good for them to have a monopoly?

So, Mr. Minister, if you know where I'm going, why not I let you just go ahead and answer the thing. But so that I can save some time while you're thinking about the answer, I would thank your officials for the help that they're giving you tonight. And I want to thank you for your answers.

I did promise to quit so I'm going to trust you to give us a fair answer and say goodnight and allow the rest of the people to get on with their questions. Thank you, Mr. Minister.

**Hon. Mr. Upshall:** — In discussing with my officials, we have done nothing knowingly that would give them an advantage. But at the same time, if there's some people who think that something . . . any changes that were made does, we're not in the business of favouring one group over another. And I'd ask you to bring that forward because . . . but knowingly, no. We've made no changes knowingly that would give Heartland an advantage.

**Mr. D'Autremont:** — Thank you, Mr. Chairman. I'd like to welcome the minister and his officials here this evening.



I'd like to start off with something dealing with the youth of our province. You may see in the back here this is 4-H, but I have received a number of petitions, cards written in to me, and perhaps the minister has received the same sort of thing, of 4-H members who are concerned about decreasing funding for their programs through the extensions department.

And I just wonder if the minister could explain what's going on and does the department continue to support 4-H in its traditional fashion?

**Hon. Mr. Upshall:** — I just want to . . . oh, the member's left. I want to make one correction that my assistant deputy pointed out to me. When we were talking about the feeder-breeder loan program, I believe I said 57,000 people — it's 5,700 people. I didn't realize I said that. I guess I said it twice. So I just want to make that clear for the record.

With regard to 4-H, we have in the whole process of budget had to make some very, very tough decisions in order to do our part, as other departments around the government have had to do their part, in order that we can maintain the tax level or slightly reduce it in some areas and yet maintain as many services as we can. And yet maintain sort of a quality of life in rural Saskatchewan, and in this particular case, the children.

And in the whole budgetary process everything is on the table and 4-H was one of the programs that was on the table. But we decided that it was too important to let go. We could have, in the whole scheme of things, maybe saved one or two office closures of ACS or Crop Insurance or some of the other. But we didn't, and we maintained the 4-H program because we felt that the closures that we did do, the areas were still well represented and the farmers weren't disadvantaged because of those closures.

The towns would argue we had taken away jobs, which gets into another whole argument about how we maintain services, keep taxes down, provide . . . downsize government and yet not lose any jobs. And it's really difficult; it's quite a balancing act.

But we're in the process right now — we made the decision to maintain the funding at \$271,000 — we're in the process of signing a new five-year agreement for the 4-H program. I've got many of the cards, as you did. But we made this decision. I think it's the right decision because I think in talking with the 4-H leaders that they understand the constraints of government, and they are out there actively fund-raising and talking to business people in order to access the necessary funds. But we're in there for a new five-year agreement. I don't think it's been signed yet, but the process is going well, I understand, to maintain that funding.

(2200)

**Mr. D'Autremont:** — Well thank you, Mr. Minister, because it is a very important program. And it's not just rural children we're talking about. Most people think of 4-H as your local cattle, 4-H, or horses or pigs or grain. But it's much more broader than that. It gives leadership training. It's both for rural and urban children. I think it's a very important part of the

social fabric of Saskatchewan.

I'm glad to hear that you're going to carry on with the program, that you're going to continue funding it. Hopefully that funding will be at the level that has been historical for 4-H. So I think that the people who sent me the cards . . . And I'd like to read out their names: Trina Thompson from Carnduff; Monica Whiting from Carnduff; Rebecca Simpson from Carnduff; Krystal Tully from Carnduff; Amanda Fowler from Carnduff; Laura Bayliss from Carnduff; Melissa Woloshyn from Storthoaks; Mona Sykes from Carnduff; Camilla Balogh from Corning; and David Balogh from Corning.

And I hear some of the other people suggesting that they received a lot more. Well in our area, they knew who the minister was, and they felt they would send them directly to him rather than through their representative because I would bring it up in this manner anyways. But I will send these over to you, Mr. Minister, so that you can have a copy of those.

Discussion carried on earlier this evening about the GRIP program, and there was some mention of the GRIP cases in Alberta and Manitoba. I wonder if your department has tracked the court cases in Manitoba and if you can relate to us what those conclusions were.

**Hon. Mr. Upshall:** — First of all I thank you for sending over the cards from the 4-H people. I appreciate that because I've got many, many cards, and I've personally answered them, and I just let them know that there is a commitment to 4-H, so I'll do the same with these . . . (inaudible interjection) . . . What's that . . . (inaudible interjection) . . . Probably. Yes, we got lots. I've got tonnes of them, and I agree that they've got good cause.

Anyway with regard to GRIP, Manitoba . . . I'm not exactly sure, we're not exactly sure, what's happened in Alberta. But in Manitoba they had one court case that we're aware of concerning the lentil program when they changed it, and I believe that the government lost that case.

In Alberta . . . we do have people who know this but not right here, so we can get an answer to that to give you an overview of what we know happened in Alberta if you like.

**Mr. D'Autremont:** — Thank you, Mr. Minister. The court case in Manitoba, how would it compare to the events that occurred in Saskatchewan in relationship to the changes to the contracts and the GRIP program in Saskatchewan?

**Hon. Mr. Upshall:** — I don't mean to be evasive but . . . (inaudible interjection) . . . no I will be . . . yes, because the Saskatchewan cases are still before the court. And I don't know that I should be getting into judging how a Manitoba case might affect a Saskatchewan case. I think that, as all cases that come before courts set precedent for the next case, I think the judge will look . . . if there's any similarities, I'm sure he will consider what happened in Manitoba. But I couldn't talk about what the similarities might be because I would be sort of prejudging what the outcome might be in Saskatchewan.

**Mr. D'Autremont:** — Well thank you, Mr. Minister. I think

there is very well likely a great number of similarities between the two cases where contracts were changed by the governments . . .

**An Hon. Member:** — Broken.

**Mr. D'Autremont:** — Broken, yes, that's what we've said since the day it happened — broken. And I think what the only difference between the two cases has been the fact that the farmers in Manitoba had their act together. They went to court immediately. They had the financial wherewithal to do so and challenged the government and won.

The court cases in Saskatchewan, because the farmers were less affluent because of the prices of grain, did not have the wherewithal to force the court challenge through at a quick pace. One might even say it's proceeding at a glacial pace. But I think those court challenges have an opportunity for success.

If that is the case, Mr. Minister, and if the court challenges by the farmers are successful, what provisions does the department have in place if the judge, as happened in Manitoba, said that the original contracts were valid, and therefore any payments due by the farmers had to be paid; any pay-outs by the government were due and had to be paid out. In all likelihood that would mean a substantial pay-out by the government to farmers who were in GRIP when the contracts were broken.

What contingency plans does the government have in place, does your department have in place, if that should occur?

**Hon. Mr. Upshall:** — Just before I answer that question, I will send across, one for the third party, one for opposition and one for independent member . . . I've got three copies of the global questions for the opposition and the third party and the independent member.

With regards to your question, first of all we don't expect to lose the case. And as far as, you know, saying anything more, I think that the courts will decide. And until . . . I mean we're not even into the main case yet and we feel that we have a very strong case, so I don't want to start speculating on, you know, monies that we might have to spend or might not have to spend. So I think I'll just leave that alone for now.

**Mr. D'Autremont:** — Well, Mr. Minister, whenever you enter into a court case both parties expect to win. But as in any contest, when you and I face off in an election, only one of us will end up as an MLA. So there is always a winner and a loser.

When you're in a court case there's always the opportunity that you will lose. The other party would not enter into that court challenge if they felt that they were going to lose. Why, after all, spend all that time, effort, and monetary costs that would be involved in that, to proceed with a court case that is a foregone conclusion that you're going to lose. Obviously the farmers don't believe that is the case.

Therefore there is some percentage of chance that you will lose the case. Now in your opinion that percentage may be very minuscule but that opportunity is still there. So hopefully you

have some sort of contingency plan in mind, or are you operating on the Liberal philosophy from Ottawa that if we don't talk about the possibility of Quebec separation it will never happen so we don't ever have to plan for it. I think you have to be aware that those possibilities exist and that you have to have some form of contingency in mind when you enter into it.

**Hon. Mr. Upshall:** — I understand what the hon. member is saying, but maybe you can answer one question for me. What will the judgement be? How do I know if . . . let's say the government does lose. How do we guess what the judge might say? He might say, full compensation. He might say, partial compensation. He might say yes, you lost but no compensation because of a circumstance or whatever. So I mean we can guess, but until we know what the judgement is, it's pretty hard to know the dollar amount or how we might get that money and what we do with it.

**Mr. D'Autremont:** — Well, Mr. Minister, obviously you're not going to divulge any information that you might have on this, on any potential contingency plans that you might have. I would simply suggest then that you do develop some form of plan so that when the event occurs that you're prepared for it.

I'd like to move on to another issue. I received a number of phone calls from organic farmers who have some difficulty marketing their crops. They find markets in other provinces. They find markets within this province. They find markets sometimes overseas or across the border. If they go through the Canadian Wheat Board they get the same price as a farmer who does not deal in organic crops.

What kind of assistance, what kind of programing, is in place? What kind of support, either directly or indirectly, does your department provide for them? What kind of representations do you or your department make to the federal government to allow these farmers to be able to market their crops?

**Hon. Mr. Upshall:** — Yes, that's a problem that's been ongoing for a number of years. I know when I first got into politics 10 years ago, there was some concern about . . . the same concern, although things have changed since then.

The Canadian Wheat Board has become much more flexible because the organic farmer, like basically any other farmer, even though he has to sell through the board, has a buy-back price at the . . . basis Minneapolis, on a daily spot basis, and then he can ship his grain to whatever destination.

The problem, I think, that you have identified is that . . . is the fee charged for that. Correct me if I'm wrong. But I've talked to the Canadian Wheat Board about this and I know they are actively discussing, I believe they're actively discussing, this problem with some of the organic growers.

I don't know what the answer is but I know they have made some changes. And because of the climate surrounding the board, I don't know if they're very open to suggestion right now as to how to satisfy their farmer customers. So I don't know what the outcome will be, but I'm assured they're talking.

(2215)

**Mr. D'Autremont:** — Thank you, Mr. Minister. Some of our native brethren would also say that they have been talking with the federal government on treaty land entitlements, but it's taken them a hundred years to get any movement. I'm hoping it won't take quite that long for the organic farmers.

Mr. Minister, do you know what kind of cross-border shipments there would be in organic materials coming up from the U.S. into Canada and displacing the Canadian market, either be it in the raw cereals or in processed organic materials for sale within Canada?

It's been pointed out to me that, because of the fees being charged by the Canadian Wheat Board, that in some circumstances it's less expensive for the organic retailers to buy U.S. products rather than dealing with the Canadian products.

Do you have any idea how much cross-border shipments there would be coming up into Saskatchewan or into Canada that are displacing our own producers?

**Hon. Mr. Upshall:** — We don't have that number because I think we have to go to the federal government to find what the shipments are into Canada of organic product and to find the breakdown per province. And I will endeavour to have the department do that for you.

Just on the point you made, if that is true . . . we'll have a look into it, and if that is true, then I think the board has to probably make some changes because we want to give our producers an advantage here. Although I know one thing — there is a tremendous amount . . . part of the problem would be is that the processors aren't here; they're outside. And so all of our . . . I shouldn't say all. The large majority of our organic product is shipped out to be processed somewhere else. And it would be nice to have a processor here so that we could process and fill the demand.

As far as the point you make, I don't know the answer to that question, on both questions, on the number of bushels that are coming in. And I don't know the exact nature of the problem that you identified about the board making it easier for people to buy grain in the U.S. and process it here. But I will endeavour to get that answer to you.

**Mr. D'Autremont:** — Well, Mr. Minister, it's not simply just grains. But if you use organic bread, it may be less expensive in Toronto or Montreal to purchase organic flour from the U.S. than it is to ship the grains, buy them, ship them to Ontario or Quebec and process them there because of the fees dealing through the Canadian Wheat Board — than it is simply to buy the flour from a U.S. producer. Because then you are not dealing . . . you're not concerned about the Wheat Board import or export circumstances in eastern Canada because they do not operate under the Canadian Wheat Board.

And this creates difficulty for our producers here. It's the fact that the Canadian Wheat Board is not the Canadian Wheat Board; it's simply a prairie wheat board, and there are other

entities across the country that deal with the production of cereals or the cereals are not regulated in some of the other jurisdictions.

I think, Mr. Minister, this leads into another area — a question that has been quite prominent across the Prairies for the last year or so, and that's the dual marketing system. A number of producers have indeed challenged the Canadian Wheat Board in an attempt to move the process along while the Canadian Wheat Board does seem to be prepared to facilitate some change. And that seems to be most reluctant to do, but is prepared, it looks like, to make some small changes.

It's only because some producers have been prepared to be push them, one would say, to the wall on some issues and indeed are facing court circumstances because of that. Although it's interesting to note that some of those that have been charged and been brought before the court system, some of those charges have been stayed whereas some of the other producers have been found not guilty of the charges against them.

I believe, Mr. Minister, that I . . . most of the producers in the province, most of the people in the province, are aware of what your stand is on this issue, aware that where your government stands on this issue, that you believe that there should be no dual-marketing system, that all grain should be marketed through the Canadian Wheat Board.

And yet it seems that there are a large number of farmers who disagree with you on that position, who believe that they are the producer of the grain. They are the owner of the grain, and they should be allowed to market their grain in the manner they see fit, to take their chances to either make it or break it as the case may be with their own finances.

Obviously if someone wishes to market outside of the Canadian Wheat Board, they would be marketing outside of any pooling system that the Canadian Wheat Board has. If the markets changed to an extent that the price they've received is less than what the Pool price is, they lose that money. Conversely if they market better than the Canadian Wheat Board does and pick up a premium market some place, then they would pocket that difference themselves to their own benefit.

There are a large number of people across this province who believe that they should have that opportunity. It's been suggested by a significant number of people that the people who are most in favour of this or all of the people that are in favour of a dual-marketing system live along the U.S. border. But I think when you take a look at those people that have been at the U.S. border participating in some of the protests, in some of the movement of grain across the border, it's not simply people who live within 20, 30 miles of the border.

It's people who live across the Prairies, not just in Saskatchewan but also in Manitoba and Alberta, across the entire length and breadth of the Prairies, who are interested in having an opportunity to market the products for themselves.

I believe that the farmers of Saskatchewan in particular and the

Prairies in general should have an opportunity to have an expression as to whether or not they wish to have a dual-marketing system, whether they wish to have the opportunity to sell either to the Canadian Wheat Board or to some other entity.

The farmers of Saskatchewan have never had that opportunity, to make the expression as to whether or not they wished to have a choice. They had that choice prior to the Second World War — I believe, 1942 — where they could market either through the Canadian Wheat Board or through some other grain company, whomever they wanted to deal with.

That was changed during the Second World War because grain prices were escalating and the Canadian government did not wish to pay those escalating prices. By forcing farmers to deal with the Canadian Wheat Board, they could control the prices at that time, claiming that it was an essential war material and therefore the prices were fixed.

But when that happened, the farmers were not given that choice. While some farmers would like to have the Canadian Wheat Board gone totally, other farmers would simply like to see the Canadian Wheat Board change somewhat, and a significant number of farmers, I believe, Mr. Minister, are in the middle there some place, somewhere between wide open and no change.

One of the things that a lot of farmers tell me about the Canadian Wheat Board that they have a great deal of concern about is the fact that they never get to see, at any point in time, the books of the Canadian Wheat Board. Have they done a good job in selling grain? Nobody gets to know because they don't get to see. Nobody gets to see how much money has gone for administration. Nobody gets to see what the salary levels are. You see for the commissioners but not below that. People believe that they should have the opportunity to give an expression as to whether or not they would like to continue under a monopoly system of the Canadian Wheat Board.

That option was given to the farmers in Alberta by their provincial government. Now I know that there are a number of people in this House, perhaps you yourself, Mr. Minister, I believe, have said that the question was slanted. Well whenever any question in a referendum is put forward, the side that opposes whatever change is being presented always feel the question has been slanted in opposition to them.

You can ask the question, do you favour a dual-marketing system? I don't believe that you would support that question, Mr. Minister, as simply that. I believe you would want to put in there, would you support a dual-marketing system if it meant the end of the Canadian Wheat Board. That's the question you would like to have put forward. No one has yet proven, Mr. Minister, whether or not a dual-marketing system would mean the end of the Canadian Wheat Board. It would mean the end of the Canadian Wheat Board as we know it today. That's certainly true. As a monopoly entity, the Canadian Wheat Board would end if a dual-marketing system was allowed.

But prior to the Second World War, the Canadian Wheat Board

existed in a larger marketing environment where they were not the only entity buying grain from Canadian farmers. Farmers would like to have that opportunity again. They have been asking us . . . and we have brought forward a Bill actually in this House, Mr. Minister, to allow the farmers to have a plebiscite, to have a vote on whether or not they would like to see a dual-marketing system opened up, whether or not they would like to have the opportunity to market through some other mechanism than the Canadian Wheat Board.

**An Hon. Member:** — We're not going to agree with you.

**Mr. D'Autremont:** — Well the member from Rosetown says he's not going to agree with us. Well that is his choice; that's his opportunity. But should he deny every other producer in Saskatchewan that choice, that opportunity, simply because he doesn't believe it? I believe that all producers in this province wish to have a choice. A number of them will say no, I don't want a change. A number of other ones will say yes, I do.

I know that some of the members opposite have said that the elections for the Wheat Board Advisory Committee was the plebiscite, and that's the only plebiscite that is needed. Well when you look at the number of farmers who vote in that Wheat Board Advisory Committee, it's something like 20 per cent, and that was a high, Mr. Minister. Normally it's even less than that.

Also the minister over there says that a number of people supporting the dual marketing system ran and lost. I will agree with you, Madam Minister, that they did indeed run and lost. But why did only 20 per cent of the producers vote? Because the advisory committee to the Canadian Wheat Board is totally impotent. It does nothing, it accomplishes nothing, it has no power.

It has no ability to influence the direction that the Canadian Wheat Board is going. It is, as its name implies, simply an advisory committee. They can advise but the commissioners and the Canadian Wheat Board do not have to follow the advice given to them by the Wheat Board Advisory Committee. The Wheat Board has obviously been following that advice though, because the people that have been elected have been true supporters of the Canadian Wheat Board and believe that no other marketing system has any value, that no other marketing system should exist in Canada.

But it was interesting to note, Mr. Minister, that while an opportunity was given for another marketing system to be in place — the continental barley marketing system, while it lasted for that very, very short period of time, approximately three weeks or more — that the farmers who participated in that system made significant economic gains and received a significantly better economic return for the sale of their commodity than those farmers who continued to market through the Canadian Wheat Board.

And indeed when I talk to farmers today who have broken the law, as the federal minister believes it exists, as the current Minister of Agriculture here believes it exists, and taken their commodity across the border, they have realized a very much greater significant return on their product than those people

who have sold through the current system.

The other farmers who are not breaking the law in that sense, but believe that they should have the opportunities that are available across the border, are those that are promoting the idea of bringing forward a vote on the dual-marketing system.

(2230)

So, Mr. Minister, what we're calling on you to do is to allow the producers of Saskatchewan — those people with permit books that sell the commodities that the Canadian Wheat Board deals with, that being wheat, durum, and barley — to have a vote on a dual-marketing system. Obviously if it's held within the province of Saskatchewan today you, Mr. Minister, would have the opportunity to set out the question.

Now I'm sure that when you would propose the question that there would be some contention as to the wording of it, just like you feel the contention . . . you believe there is some contention to the question as it was presented in Alberta. So, Mr. Minister, this is your opportunity to put the question forward to the farmers, to the producers of Saskatchewan.

You seem to be most reluctant to even do that. And I have to question why, Mr. Minister, when you are so sure, so sure that you would win that vote, that you would not take the opportunity to settle this question once and for all. Why would you not take the opportunity to allow the farmers to have that vote on your question? You could set the rules, you could set the question. But yet, Mr. Minister, for some reason you seem to be most reluctant to even consider that, to even consider the possibility that a vote by the producers should even be allowed.

And I have to say, Mr. Minister, that I believe the reason you are most reluctant to allow this vote to carry on is that you are afraid that you would lose. It's not quite the sure thing that you seem to think the GRIP court case would be, that you don't have to give any consideration to what might happen if you lose, because if you got to choose the time of the vote, if you got to choose the question, you would win. This time, Mr. Minister, you seem to be most reluctant to take that chance, to give the farmers that opportunity to express their voice.

Mr. Chairman, I do believe we have passed the hour of 10:30 now.

The committee reported progress.

The Assembly adjourned at 10:35 p.m.

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