

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**February 28, 1995**

The Assembly met at 1:30 p.m.

Prayers

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Jess:** — Thank you, Mr. Speaker. I rise today to present a petition on behalf of some Saskatchewan Wheat Pool members in my constituency requesting that a membership vote be held regarding proposed changes to the Pool structure. The prayer reads:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to require the directors of the Pool to seek the approval of the Pool membership by a vote before the proposed changes are enacted by the Legislative Assembly.

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

**Mr. McPherson:** — Thank you, Mr. Speaker. I have more petitions for you from my constituency. The prayer reads as follows:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to oppose changes to present legislation regarding firearm ownership, and instead urge the federal government to deal with the criminal use of firearms by imposing stiffer penalties on abusers.

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

And, Mr. Speaker, the people on this petition are from the Lafleche-Assiniboia area.

**Mr. Goohsen:** — Thank you, Mr. Speaker. I have petitions to present on behalf of the people from the Maple Creek area of the province. These all come from the town of Maple Creek except for a few from Hazlet. And I'll read the prayer:

Wherefore your petitioners humbly pray that your Hon. Assembly may be pleased to allocate adequate funding dedicated towards the double-laning of Highway No. 1; and further, that the Government of Saskatchewan direct any monies available from the federal infrastructure program towards double-laning Highway No. 1, rather than allocating these funds towards capital construction projections in the province.

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

And I'll be happy to table these on behalf of the people from my constituency, Mr. Speaker.

**READING AND RECEIVING PETITIONS**

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

received.

Of citizens of the province petitioning the Assembly to allocate adequate funding dedicated toward the double-laning of Highway No. 1.

And of citizens of the province petitioning the Assembly to oppose changes to federal legislation regarding firearm ownership.

**INTRODUCTION OF GUESTS**

**Hon. Ms. Crofford:** — Thank you, Mr. Speaker. I'd like to introduce to you and through you to members of the legislature a group of young people from the YMCA (Young Men's Christian Association) mentor program.

The mentor program is a pilot project funded by Youth Services Canada. And Regina is special in that it's one of five centres — Lethbridge, Fort McMurray, Medicine Hat, and Sault Ste. Marie — who have a program like this, working with youth at risk providing tutoring, social and recreational activities, and life skills enhancement.

The pilot project does end March 31 and they're of course hoping it will be refunded again. They work with the public school board and each work with 5 to 30 kids each in the schools where they're assigned.

I'd like you to join me in thanking them for their work and welcoming them to the legislature.

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

**STATEMENTS BY MEMBERS**

**Through-put Elevator in Unity**

**Mr. Britton:** — Thank you, Mr. Speaker. Mr. Speaker, I would like to finish the other half of my statement I started.

Mr. Speaker, I was mentioning the confidence the Saskatchewan Wheat Pool had in the area around Unity. Also, Mr. Speaker, I would like to draw to the attention to the members that there's another high through-put elevator with condominiums going up in Unity. It's called Northwest Terminals. And after losing the Crow, I think these condominiums become more and more important to the farmers as a place to store their grain while they can maybe sell it on a local area.

Also, in this new terminal, they will be able to clean the grain to offshore standards, Mr. Speaker, which I believe is something that the farmers have been more or less asking for for a long time.

So thank you for your time, Mr. Speaker. I just wanted you to know that we're really progressing out there in the Unity area.

**Peak Manufacturing Hiring 18 Permanent Employees**

**Mr. Jess:** — Thank you, Mr. Speaker. In the Battleford area, 18 local people now on social assistance will find permanent jobs at Peak Manufacturing. Their success is due to the Department of Education's Future Skills program. Upon completion of four weeks in the classroom and four weeks on the job, the 18 will become employees of Peak.

In the classroom, participants will acquire a basic knowledge of carpentry, electrical and plumbing work, first aid, safety, and good work ethics. This will be followed by four weeks of working alongside Peak employees as apprentices. In addition to the original eight weeks, six trainees will receive special training for the fibre glass section of Peak. The program not only benefits those who have found work; Peak Manufacturing, which has had difficulty finding skilled labour, will benefit by obtaining 18 new and enthusiastic workers. This program will help Peak meet the demand of booming sales. Mr. Speaker, this is an example of how partnerships are working. At least five government departments have cooperated with private industry to create lasting employment.

I wish to congratulate Peak, their 18 new employees, and all those involved. Truly, Mr. Speaker, our efforts to help people work, are working. Thank you.

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

**Freedom to Read Week**

**Ms. Murray:** — Thank you, Mr. Speaker. Mr. Speaker, what do Margaret Lawrence, Frederick Phillip Grove, Mark Twain, the Koran, the Bible, Shakespeare, Salman Rushdie, Taslima Nasrin and many other ancient and modern writers have in common?

The answer is obvious and deplorable. Each, at one time or another, in one place or another, has been censored, kept from the hands of readers because some putative authority, who "knows better" believed that words in the wrong minds are inherently dangerous.

Some, like Mr. Rushdie and Ms. Nasrin, are literally in danger for their lives because others would deny their right to independent thought. To counter this dark impulse to deny the rights of the mind, a trend which unfortunately is always with us in society, this week has been declared Freedom to Read Week in Canada.

The purpose of this week is to draw national attention to the issue of censorship. Freedom to Read Week is sponsored by the Book and Periodical Council of Canada and locally it is promoted by the Saskatchewan Writers Guild. It is a sadly astonishing fact that we cannot match in equal measure, scientific and technological progress with moral and intellectual tolerance.

To use the old phrase: we can put a person on the moon, but we squirm about letting a Canadian student read *The Diviners*, by any measure a classic of Canadian writing. Intellectual freedom is still a concern here as well as abroad for writers, for teachers,

for readers, and for lawmakers like us.

Tomorrow in Regina the writers guild will host a meeting to mark this week. Authors John Gray and Elizabeth Philips will read from their own work and from writings banned or challenged in Canada. Mr. Speaker, the freedom for which we stand on guard includes freedom of the mind.

Thank you.

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

**Rocanville High School Science Fair**

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, I'd just like to take a moment to acknowledge the work and efforts of the students and teachers of Rocanville High School in Rocanville. Last night I had the privilege of judging their science fair competition, and it was very interesting and intriguing to go through the different displays.

One display I remember judging, Mr. Speaker, was a young individual had decided he'd been taken up with all the commercials that are suggesting that Quaker State is the best oil that a person could use in their vehicle. So he got a number of different oil products, and he set up a mechanism where he could determine what the lubricating value of each of the products was. At the end of his experiment he found that actually of the oils he had, Shell XL was the best oil and Quaker State was the poorest. And I think as you looked at it, the cheaper oil actually in his experiment turned out to be the best.

Another one was, a couple of young boys, a salesman had come by their yard and was trying to sell them insulation and suggested that if they had a reflective barrier on either side it would be more appropriate insulation factor. So they did some experimenting. The result was, Mr. Speaker, that they came to the conclusion having a reflective barrier on either side of the insulation really is no value whatsoever.

And these were just two of a number of the different projects. So I think it was very worthwhile. I want to thank Dennis Thiessen for inviting me to come and judge at their fair, and I wish the students and teachers well as they continue this annual event.

Thank you.

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

**Esterhazy Lions Club Benefit Dance**

**Mr. Knezacek:** — Thank you, Mr. Speaker. We have all heard of personal accounts of how various groups, organizations, and individuals have touched the lives of many Saskatchewan residents.

Well I have another example of a community organization which is making a difference in people's lives in my own riding. I had the pleasure of attending a benefit dance on Saturday

which was organized by the Esterhazy Lions Club. The benefit dance was held to raise money for the families of two children, Kayla Boehmer and Melissa Fyfe.

Kayla was born with severe medical needs that have kept her family busy since her premature birth in 1992 and Melissa was diagnosed with a cancerous brain tumour in 1993. These two children have received, and are receiving, medical treatment, but now their families are faced with travel expenses and non-reimbursable medical costs. That's where the Lions Club decided to step in.

Mr. Speaker, I'm pleased to report that 400 people attended the benefit dance and the Lions Club raised over \$11,000 to help these families with their expenses. Many local businesses and individuals donated time and money to ensure this worthwhile cause met with success.

I know these families are grateful for the contributions that have been made by everyone in the community and surrounding area. Congratulations to Esterhazy Lions Club which has certainly lived up to its motto, "People Helping People." Thank you.

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

#### **Largest Reunion Planned in Norquay**

**Mr. Harper:** — Mr. Speaker, I am pleased to rise today and to pay tribute to a community in my riding, Norquay, which on August 5, 6, and 7, 1995 will host Saskatchewan's biggest reunion. The Norquay community ventures office has been busy contacting former residents of the community, relatives, and friends in the anticipation of a large turn-out at this reunion. Neighbouring communities of Pelly, Hyas, and Stenen have also joined in to make this event truly a community event.

This reunion is a community project and one that the entire town can take pride in hosting. The involvement is widespread, including groups, organizations, and individuals from the local communities.

Mr. Speaker, this reunion demonstrates the commitment our communities have towards preserving our heritage, and the town of Norquay and the organizers of this reunion should be congratulated for their hard work in putting it all together. And what they are doing, Mr. Speaker, they can take comfort in, recognizing the fact that they're preserving a bit of the past — something that is not only important to our seniors but important to people of all ages.

Thank you.

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

#### **New Rink for Town of Southey**

**Mr. Flavel:** — Thank you, Mr. Speaker. I rise today to pay tribute to the people of the town of Southey. On June 4, 1994, the skating rink in Southey burned to the ground, leaving the town of some 750 residents devastated and unsure where their youngsters were going to be playing hockey.

At no surprise to me and anyone else that knows the people of the town of Southey, the community has rallied together and have replaced it with a \$1.3 million metal rink. On November 1, the first load of metal arrived at the site. And I am pleased to say that they started playing hockey in it on February 15, which is quite an accomplishment, Mr. Speaker.

Because of the high tech of the building, it had to be built by professionals. Most of the people couldn't grab a hammer and help out as they did in the 1950s, building the old rink. But that didn't stop a lot of the people from pitching in whichever way they could. Fund-raisers and donations have raised almost \$200,000.

Mr. Speaker, I want to take this opportunity to congratulate all the people of Southey and district on their accomplishment, and to say: job well done.

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

### **ORAL QUESTIONS**

#### **Crow Benefit Elimination**

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. I notice that you saw my eagerness to participate in the debate this afternoon.

Mr. Speaker, my question is to the Minister of Agriculture. Mr. Minister, yesterday's Liberal budget was supposed to be about fairness. And as we've all heard, the Liberal leader in this province said the budget was fair. She said the cuts to agriculture affected all regions equally and that anyone who was expecting anything more out of the Crow benefit was dreaming in technicolor.

Mr. Speaker, I guess that means virtually every farm group and farmer in the province was dreaming in technicolor, according to the Liberal leader, because they have been unanimous in their condemnation of the elimination of the Crow and in the manner in which it was done.

Mr. Minister, what specific action will you be taking to let the Liberal government in Ottawa know that the elimination of the Crow benefit is unacceptable?

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

**Hon. Ms. MacKinnon:** — Thank you, Mr. Speaker. I thank the member opposite for the question. As you will know, we've had meetings with farm groups, with leaders of rural and urban municipalities, and we will be asking this House to set aside its partisan loyalties and to all join with us and to talk about the fact that this federal budget did not meet the essential test of a budget: the test of fairness.

Is it fair to say to Saskatchewan farmers, you have lost your subsidy 100 per cent while eastern farmers are cut 30 per cent? Is it fair to say to this region, which depends so heavily on agriculture and transportation, we're making massive cuts in

both, and we have no plan for agriculture, no plan for transportation? Is it fair, in Canada, to say that one of the essential understandings of Confederation was that the Prairies, as a land-locked part of Canada that has an export-based economy, needs a national transportation system? Is it fair for the federal government to turn its back on that commitment?

What we're saying to this legislature is, set aside your partisan leanings, join with us and say to the federal government: people of Saskatchewan are willing to do their part but they also believe in fairness.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. Mr. Speaker, I would once more direct my question to the Minister of Agriculture, and I would appreciate if he would get on his feet and answer this question.

Mr. Minister, just last week you were going around the province bragging about the good deal that you had negotiated for Saskatchewan farmers; how Saskatchewan farmers would be relatively well off because you had a new safety net deal signed with Ottawa.

Well is this the deal that you negotiated, Mr. Minister, that we're hearing about — a 30 per cent cut in safety nets and complete elimination of the Crow benefit? Well you're some negotiator, Mr. Minister. The only thing that could have possibly been worse, if we would have had the Liberal leader negotiating for us in Ottawa.

Now, Mr. Minister, why were you bragging about the deal you cut with Ottawa last week, only to be condemning it this week?

**Hon. Mr. Cunningham:** — Well, Mr. Speaker, the member opposite is right about one thing, I think. With the Liberal leader dreaming in technicolor, it would have certainly not gotten us a good deal.

Mr. Speaker, the deal that we cut with the federal government with regards to safety net did not include the Crow. We were not able to get us a deal on the Crow. We stood with the two prairie governments, with all the farm leaders, with all the farm groups asking for at least \$7 billion pay-out. We got 1.6 billion, which is less than one-quarter of the value, the present value of the Crow benefit — less than one-quarter. And the Liberal leader says we're dreaming in technicolor if we expected more than that. I think that's . . .

On the safety net issue, we are protected from the 30 per cent cut in safety nets for two to three years, for the length of our agreement. So in that respect we will do better than other provinces who do not have an agreement who will end up getting their 30 per cent cut.

On the Crow we made every effort. I met with the federal Minister of Agriculture. The Premier met with the Prime Minister. The Finance minister met with the federal Finance minister. Our Deputy Premier met with Marcel Masse. We met with every minister and every person we could to put across the

point for prairie farmers. We just were not able to get that across and we are going to continue to put that point across.

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

**Mr. Neudorf:** — Thank you, Mr. Speaker. Mr. Minister, you wanted 7 billion, you deserved 7 billion, you got 1.6 and you want to know the reason why? I'll go through some reasons why. How much credibility do you really have when you go to Ottawa on behalf of the Saskatchewan farmers, Mr. Minister? The federal Liberals have unilaterally broken a historical contract with every Saskatchewan farmer. Where do you suppose they got that idea from, Mr. Minister? You broke the GRIP (gross revenue insurance program) contract; they broke the Crow contract. The Liberals may be taking a hack-and-slash approach to western agriculture, Mr. Minister, but you gave them the knife, probably the machete.

Mr. Minister, yesterday's elimination of the Crow is a result of you setting the precedent. The NDP (New Democratic Party) said it was okay to attack farmers when you broke the GRIP contracts. And now the federal Liberals and the provincial leader are following suit. Only the PC (Progressive Conservative) Party has been consistent in its defence of Saskatchewan farm families.

Mr. Minister, will you admit that the Liberal attack on agriculture is at least partially due to your own making?

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

**Hon. Ms. MacKinnon:** — Mr. Speaker, I thank the members opposite for the question, and I hope they're prepared to listen to the answer. We make no apologies for the way we've handled agriculture in this province. We came out with a plan — a long-term plan — as to where we're taking agriculture. We have put money into each of our budgets to implement that plan. For example, we have an \$18 million agri-food equity fund in this budget. And if the Tories want to spend this question period pointing fingers back and forth, it was the Tories in Ottawa who started cutting the Crow benefit.

What I'm trying to say today to the opposition is we have a very serious situation in this province. The local newspaper probably said it best: devastated. The president of SARM (Saskatchewan Association of Rural Municipalities) said: devastating. What we have to do is set aside this bickering, stand together, and say the essential test of a budget is fairness. This is simply not a fair budget for farmers, for people in rural communities, and eventually for people in urban communities, because they will be hit as well. Join with us and say, we're willing to do our part but we expect fairness.

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

**Mr. Martens:** — Thank you, Mr. Speaker. We're not the only people who are concerned about the Crow. Our caucus continues to receive hundreds of letters through the "Mr. Premier, I want to know" initiative. Many farmers who have responded to us have been concerned about the disappearance of the Crow, and even before the announcement by the federal

budget yesterday.

Here is one example of the question. It comes from Allen Onyskiw from Kelvington, and it very simply asks: Mr. Premier, I want to know what you plan to do about the farmers losing the Crow.

**Hon. Ms. MacKinnon:** — Mr. Speaker, what we plan to do is we plan to work together just as we did with our own budget difficulties here. Work together with other members of this community — the opposition parties, if they'll set aside their partisan loyalties — members of the local communities, SARM, SUMA (Saskatchewan Urban Municipalities Association); members of the agricultural community. We plan to sit down; we plan to map out in detail to the federal government why this is simply not a fair way to treat farmers. We plan to also make the argument that when farmers and others on the Prairies export their commodities to other parts of the world, this doesn't just help us; it helps all of Canada. We plan to work together with these groups and to not let Ottawa off the hook. They cannot abandon their responsibility to put in place a national transportation system. They cannot abandon their responsibility to have some long-term plan for agriculture.

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

#### Support for Agriculture

**Mr. Goohsen:** — Thank you, Mr. Speaker. Mr. Speaker, it's important to note that the federal government is not the only ones to blame for the predicament that we are in in agriculture in Saskatchewan today. And my question addresses this fact, and it comes from Patrick Santo from Whitewood.

Mr. Premier, remember when you came to office in 1992, the agricultural industry was in dire straits. You and your friends of the Saskatchewan Wheat Pool organized a massive farm rally, and you were going to send a prairie fire to Ottawa. Then for your part, you successfully broke contracts with us, doubled the price of gasoline, raised the taxes on diesel, increased everything from electricity, telephones and natural gas to taxes.

Mr. Premier, how can you sleep at night knowing that you have caused such anguish and misery to farm families, in farm families' lives?

**Hon. Ms. MacKinnon:** — Mr. Speaker, these are changing and challenging times, and we all have to be prepared to accept change. But what people should expect of their government in changing and difficult times is a plan. What we did is we travelled around this province, talked to farm leaders, farmers, farm groups, came up with a long-term plan, a vision for agriculture, as we did with budget, as we did with health. And what we've done each and every year is gone down the road to implement that plan. What I would say to the member opposite is that we have responded to change. We have put in place a plan, and that plan will go a long way to provide security for farm families in this province.

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

#### Gun Control Legislation

**Mr. D'Autremont:** — Thank you, Mr. Speaker. My question to the Premier comes from Philip Hewitt of Carlyle, and it reads: Mr. Premier, I want to know why the only thing we ever hear regarding new gun control legislation is we can't do anything. Isn't it time you started to listen to popular opinion? After all, we gun owners have been rallying and petitioning for a long time. At least try invoking the notwithstanding clause. Your jobs are on the line.

**Hon. Mr. Shillington:** — As my predecessor in office pointed out both eloquently and intelligently, the notwithstanding clause is not available where the issue is within the jurisdiction of the federal government. It's not a remedy that's open to us. Constitutional challenge maybe, but the notwithstanding clause is clearly not available.

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

**Mr. Toth:** — Thank you, Mr. Speaker. Mr. Speaker, this question comes from W.L. Leurer from Regina. My question is in regards to this gun control that the federal government is doing or proposing. My question is, how far the Justice minister is prepared to carry out his protest of this legislation.

**Hon. Mr. Shillington:** — Well I have stated in prior question periods when a similar question was put, I think by the same member actually, that the policy remains unchanged and we continue to oppose the expense of this Bill. We believe that the expense, primarily to the provincial government actually, the expense is all out of proportion to whatever modest benefit might accrue. So we continue to oppose the national gun registry.

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

#### Federal Agriculture Funding

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. Like all Saskatchewan people, I am deeply concerned about the effect of the changes to the transportation subsidies announced in the federal government, on farm families.

And it's most interesting, I mean there is no question at all that rural Saskatchewan has been hard hit. It's also very interesting, Mr. Speaker, that there's no acknowledgement that the \$17 billion paid by the federal government in agriculture for the last six years, everyone knows that that's not sustainable throughout time, and that GATT (General Agreement on Tariffs and Trade) was requiring certain changes.

In Saskatchewan, Mr. Speaker, we have a history of overcoming partisanship on matters of importance to this province. A recent example is the Moose Jaw air force base where members of all political stripes and indeed citizens worked together to protect a piece of Saskatchewan heritage — something which no one has said thank you for, that we have it saved.

What is crucial now is to develop a united Saskatchewan

approach to how the payments are made and how the \$300 million of agricultural transition funds is going to be administered.

My question is to the Minister of Agriculture. I know the Minister of Finance has no confidence in her Minister of Agriculture, but I do . . .

**The Speaker:** — Order, order. I wish the member would put her question.

**Ms. Haverstock:** — My question to the Minister of Agriculture: will the minister join with me — and I do extend this invitation to the opposition as well — to meet with the federal minister as soon as possible, in order for us to attempt to do what your government was unable to do, and that is to ensure that Saskatchewan gets its fair share?

**Hon. Ms. MacKinnon:** — Mr. Speaker, I am quite astonished. After saying yesterday that this was a regionally fair budget and that farmers who were expecting reasonable and fair compensation were dreaming in technicolor, the member now is standing and saying, well we should go to Ottawa after the fact and cut the deal, and never mind our concerns about the fairness of the deal we're being asked to cut.

What I'm saying to the member opposite is she needs to re-examine the facts. She needs to examine many of the facts in the budget, by the way. After standing in this House, talking about income tax projections question period after question period, the federal government missed its income tax projections by \$3 billion. Will she today argue that they haven't created jobs?

What I'm saying to the member opposite is, join with us, the other agricultural groups, the other leaders in the community, and tell Ottawa this simply isn't fair. They need a plan, a long-term plan that is a fair plan.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. It is most interesting that this Minister of Finance says Saskatchewan's been hit so terribly hard when her colleagues in Ontario say, we are extremely unhappy, that Ontario received the most discrimination — the same with her colleagues in British Columbia — and yet people in the *Toronto Star* are talking about the complete hypocrisy of that NDP government since they put hundreds of thousands of workers out of jobs by their job-killing taxes, their labour initiatives. In fact, to quote here: They have done everything except tax dirt.

Madam Minister, indeed yesterday and according to people across Canada, it does appear to be regionally disturbing to absolutely everyone and no one did believe that the \$7 billion would be received in this fiscal climate in the country.

Mr. Speaker, in conjunction with yesterday's federal budget announcements, the federal Agriculture minister announced that the Farm Credit Corporation would be reducing the cost of rental agreements as a result of changes to transportation subsidies.

But the province must do its part, too, Mr. Speaker. Hundreds of thousands of acres in Saskatchewan . . .

**The Speaker:** — Order, order. Order, order. I've let the member go on for quite some time. I wish she'd put her question.

**Ms. Haverstock:** — My question to the Minister of Agriculture: will the minister follow the lead of the Farm Credit Corporation and agree that the Ag Credit Corporation of Saskatchewan will lower the rental cost to farm families and give its share of the payment replacing transportation subsidies to the renters who are working the land?

**Hon. Mr. Cunningham:** — Mr. Speaker, it's interesting to hear the Liberal leader suggest that we meet with the federal Minister of Agriculture. I certainly have met with the federal minister a number of times, and I'm arranging a meeting with him — I believe I have a meeting on Saturday morning with said minister. We'll certainly be talking about Crow issue and how we mitigate and whether there's any hope in reversing some of the very devastating effects of this budget on rural Saskatchewan and on farmers.

We do not know how the payment is going to be made in detail, Mr. Speaker. We don't know whether it's going to go to the Royal Bank or to farmers in B.C. (British Columbia) who have left the province or whether it's going to flow through to farm operators.

We have no idea of how much money we're getting for our ACS (Agricultural Credit Corporation of Saskatchewan) land or any other detail and certainly that's one of the things that I'll be talking to the federal minister about.

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

**Ms. Haverstock:** — Thank you very much. Mr. Speaker, much of the land owned in Saskatchewan is owned by this government, by ACS, and by lending institutions. For the payments replacing transportation subsidies to be administered fairly, it is absolutely essential that these institutions do their part in renegotiating rental agreements.

These payments must be passed on to farm families. And the province, this Government of Saskatchewan, has the legislative authority to ensure that this happens under its jurisdiction over property and civil rights.

My question to the Minister of Agriculture: can you today assure this House that you will meet with the financial institutions, as well as ACS, give a directive to ACS, to urge them to renegotiate these rental agreements, lower them, and that you will commit to bringing this legislation forward if necessary, requiring them to do so if they don't agree to do it.

**Hon. Mr. Cunningham:** — Mr. Speaker, this is taking an interesting turn. I suggested to the federal Minister of Agriculture that they pay this payment out to producers and not to landowners. I don't know where you were when he made the decision that it should be paid out to landowners.

It's interesting that you're in the House suggesting how I clean up the problem that the federal minister has created by his decision as to how to pay out a paltry \$1.6 billion. Certainly we'll be discussing with the federal minister how it should be paid out. We're still going to be suggesting that we don't think 1.6 billion is enough, and we're not even prepared to talk about how to pay it out until we have one more go at trying to convince the federal government that that is not enough money to adjust to the loss of our freight rate.

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

#### **Youth Centre Escape**

**Mr. Britton:** — Thank you, Mr. Speaker. I have a few questions I'd like to ask the Minister of Social Services.

Mr. Minister, last night two more young offenders escaped from the North Battleford youth centre. And during this escape, they assaulted and handcuffed a youth centre worker and also stole two cars. And the worker has subsequently been hospitalized.

Mr. Minister, could you give us a report on this latest escape and on the condition of the worker who was injured?

**Hon. Ms. Atkinson:** — Thank you very much, Mr. Speaker. On behalf of the Minister of Social Services, I can advise you of this: that two youths did escape from the Battleford's youth cottage at approximately 1:15 a.m. on February 28. The youths restrained and assaulted the night supervisor, stole the keys, and escaped in two vehicles taken from the cottage. The staff member is currently in hospital under observation. I'm advised that the RCMP (Royal Canadian Mounted Police) are investigating the incident and have not yet advised the department of the arrest of either of these youths.

I should also tell you that the youth cottage is an 8-bed open custody unit located on the grounds of the Saskatchewan Hospital.

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

**Mr. Britton:** — Thank you, Mr. Minister, for the response. Mr. Minister, every time that I've raised this in the past, you've brushed it off and said the situation was under control. And every time we suggested that somebody may eventually get hurt, you said or the minister said, there was no danger. You have consistently refused to acknowledge a problem at that centre and now a worker has been hurt.

Mr. Minister, will you acknowledge that there is a security problem in the centre and go to work immediately to correct the problem before someone else gets hurt?

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

**Hon. Ms. Atkinson:** — I'm not sure if the member is aware that there is a difference between closed custody facilities and open custody facilities. The youth in question left an open custody facility; open custody facilities do not have locked doors and

residents are required to attend work, school, or treatment as part of community life.

This is an open facility, an open custody facility. These young people were not in secured custody. They were able to leave at any time during the day unadvised and, as the minister has said to you on other occasions, this is a facility that the department is working with to overcome some long-standing issues.

#### **Federal Agriculture Funding**

**Mr. Muirhead:** — Thank you, Mr. Speaker. My question is to the Minister of Agriculture and is pertaining to the \$1.6 billion that replaced our Crow benefit yesterday. I want to know what your stand is, Mr. Minister, when it comes to who should be paid: the producer, or the landlord, the owner? And where do you stand . . . do you believe that the banks, which includes Farm Credit and ACS and the banks, who do you believe and what does your government believe who should be receiving this?

**Hon. Mr. Cunningham:** — Well again, Mr. Speaker, we suggested in this government that they should continue to pay the payment to the railroad. We suggested that they, to get around the GATT (General Agreement on Tariffs and Trade) agreement, they could domesticate the subsidy.

Obviously this was not about a GATT agreement because what we're doing is eliminating and there was absolutely no requirement under GATT to eliminate the subsidies. So obviously this was budget driven and GATT was a smokescreen, and that's why they didn't want to change the payment, keep paying it to the railways.

Now we have a real dilemma and a real problem as to how to pay that out fairly to producers, whether it's on a cultivated acre, a seeded acre basis. Will it be fair to producers in my area? Will it be fair to the producers in the member's area? Will owners get it? Will the Royal Bank get it? There are a whole bunch of unanswered questions. And I haven't seen a detailed proposal from the federal minister as to how he plans to pay that out, and there certainly will be a big problem in trying to pay this out fairly. And I guess that is a dilemma that's brought about by the actions of the federal Liberals.

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

#### **INTRODUCTION OF BILLS**

##### **Bill No. 24 — An Act to amend The Saskatchewan Housing Corporation Act**

**Hon. Ms. Carson:** — Mr. Speaker, I'd like to move first reading of a Bill to amend The Saskatchewan Housing Corporation Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. Before orders of the day, I rise pursuant to rule 42 to ask by leave of

the Assembly to engage in a debate, Mr. Speaker, regarding the cancellation of the Crow benefit and how this move by the federal Liberal government will affect Saskatchewan producers.

Mr. Speaker, SARM, SUMA, Wheat Pool, many other organizations in Saskatchewan, are reeling at the news of the cancellation of the Crow benefit and a small, one-time pay-out of \$1.6 billions. And this decision is devastating to Saskatchewan, Mr. Speaker, and I believe that priority should be given in the House today to discuss the implications of this move. So I make that request, Mr. Speaker.

Leave granted.

## MOTION UNDER RULE 42

### Federal Crow Rate Cancelled

**Mr. Neudorf:** — Thank you very much, Mr. Speaker, and thank you to all members of this legislature for recognizing the importance of what happened in yesterday's federal budget, the importance and the significance of the actions taken by the federal Liberals, and the repercussions that are reverberating through Saskatchewan even as I speak.

Mr. Speaker, I will give you the gist of what I intend to be talking about by reading the motion at this time, Mr. Speaker, and it will be seconded by the member from Morse, my colleague here:

That this Assembly join together in condemning the federal government for being grossly unfair to and ignoring the needs of western provinces in Canada by cutting grain transportation subsidies by 100 per cent and offering a minimal \$1.6 billion one-time pay-out to landowners, and that as a result of this decision, land values in Saskatchewan will drop. Moratoriums on closing branch lines will end. And ultimately, this action will have a dramatic and devastating effect on Saskatchewan as a whole. And further, following adoption of this motion, that the verbatims of this debate be forwarded to the Prime Minister and the federal Minister of Agriculture for immediate attention and consideration.

Mr. Speaker, I will be moving this at the conclusion of my remarks, which will be relatively brief, Mr. Speaker, because there is a very pointed message in what happened in the federal budget. Ostensibly, the federal budget was designed to be fair. Everyone, I believe, in all of Canada recognizes the financial turmoil that exists in Canada and the pressure which the federal government was under — in fact, Mr. Speaker, the pressures that every provincial government is under in an effort to maintain fiscal integrity within their own houses.

So, Mr. Speaker, certainly the official opposition in the Saskatchewan legislature does not condemn cuts, does not condemn spending less money by the government. In fact I would say, Mr. Speaker, that I would be very sure of this — that my colleagues would join me in commending the federal Minister of Finance in the cuts that he has made. But I also

think at the same time, and by extension, we would condemn the manner in which it was done because there is no doubt in my mind, Mr. Speaker, there's no doubt in my mind — I say to my fellow colleagues in this legislature — that western Canada and Saskatchewan in particular were ill-done by.

We don't mind carrying our fair share of the burden, but I think the line was transcended beyond fairness to a point where the Saskatchewan economy now in general, and again the farmers in particular, are being asked to carry a burden that is beyond fairness.

When we take a look at what the impact of losing \$560 million is going to have in western Canada in particular, it's quite devastating. But when you consider that about half of that will probably be earmarked for Canada . . . or has been earmarked in the past for Saskatchewan — that impact is something that has the agriculture community and the business community quite frankly reeling.

We see headlines in the papers that say simply: "DEVASTATED Budget leaves farm leaders reeling", a headline out of the *Leader-Post*. Another headline that I'm having here is: "Agriculture hit hard".

Now I'm going to summarize a lot of my remarks, and as question period brought out some of the ideas that I had in terms of where the Liberals are heading both provincially and federally — federally particularly. And then we have an apologist sitting in this House apologizing for the moves that the federal Liberal Party has taken and saying that it is all fair, that it was just. It is not just, Mr. Speaker, simply because Saskatchewan depends on vast volumes of produce to be shipped to market — vast volumes.

And right now I believe, and it's a ballpark figure, the average farmer will pay about \$10 to have a tonne of grain shipped to port. Under this new scenario we could well be looking at 40 to \$50 a tonne shipment. And, Mr. Speaker, that's on a product that may be worth — barley, \$91 a tonne; wheat, 140, 130. You take \$50 off simply for transport and where does Saskatchewan's competitiveness in the world market go. It's extremely important, Mr. Speaker, to recognize this fact.

We have at the same time a scenario now where the Crow rate is gone, the historical Crow rate which I believe was started, when? In the 1896, somewhere in that neighbourhood. It's a historical part of doing business in Canada.

One thing I agreed with with the provincial Finance minister when she says that this is not a subsidy to Saskatchewan farmers only, because all of Canada — all of Canada — gains and benefits when the Saskatchewan economy is vibrant. It is an investment, Mr. Speaker. And so for them to now say that what we have done, what we have cut, is fair, that boggles my mind. It is not fair, Mr. Speaker.

If you take a look at the other components in agriculture, what do we find? We find that the supply-managed industries have a cut in the first year of 15 per cent in their subsidy — 15 per cent the first year, 15 per cent of that the second year. Now, Mr.

Minister, we had a 100 per cent cut — we had a 100 per cent cut. Now why would that be? I'm not against my neighbours getting the subsidy on the supply-managed milk industry. In my constituency I have about one-third of all the dairy farmers in the province of Saskatchewan, so I'm very, very sensitive to their needs and to their wants, Mr. Speaker. So I grant them that.

But let's take a look at why would the federal Liberals cut the supply-managed industries so minutely in comparison to the devastation wreaked upon Saskatchewan. Well where are the supply-managed industries? Who controls them? Quebec comes to mind. Ontario comes to mind. That is where the power base is. That is where the lobbying occurred with the Liberals, in Ottawa and in Toronto and eastern Canada. It's a simple, very straightforward answer, why was Saskatchewan hard done by.

Now, Mr. Speaker, I notice that in some of the articles here we see the Liberal leader saying that nobody really expected \$7 billion. That was unrealistic, and technicolor dreaming is not something that is advisable. And she says no one really expected that much money.

Well let's take a look what Leroy Larsen, president of Saskatchewan Wheat Pool, has to say. He said, I am really disappointed; I didn't expect anything quite this severe — the president of the largest farming group in Saskatchewan.

And so if you take a look at how this is going to be implemented, that's another thing that I have some concern about because right now my impression is that it's going to be paid out to landowners — to landowners, Mr. Speaker, not to producers. We on this side of the House have always been in favour of changing the Crow — not its elimination — changing the Crow so that the benefits would be paid directly to the producer.

And the NDP over there have their own philosophical agenda, and that's fine. At least we both knew where we stood. They wanted to go to the big, bad railroads. We wanted to go to the individual farmers and the producers where it would do them much good.

But that was a fight that we'd always had here, Mr. Speaker. And on our side we used to have the expression, when you had election time, was: well what's a good topic for an election? Well go in April and go on the Crow. I think every member of this House has heard that expression. And we used to say that in '86 and even in '91 — go in April and go the Crow. But unfortunately now, Mr. Speaker, we can't say that any more because there is no Crow left.

Now if we're going to pay this remainder out, this 1.6 that we're being offered, how is it going to be paid? To the landowner. Well who are landowners first of all? Landowners — I own a little bit of land, not very much. I rent it out, but according to this, I'm going to get it, not the person who farms my land.

Who else owns lands? Well what about the big bad banks? There's a lot of banks, Mr. Speaker, that have a lot of land, acquired a lot of land recently. So they're going to get the direct

payment.

What about ACS? I don't know, maybe the minister when he gets up and has his comments could tell us how many acres ACS is in control of. I don't think it's that much. It may not only be more than about 5 to 6,000 acres of direct control that is being leased out on ACS.

But what about FCC (Farm Credit Corporation)? The federal corporation also owns land. And they are going to be getting a direct injection of cash into their operations; not where it's needed. Not that it's not needed there, but certainly the producer himself will have no say. It may be reflected in that in a couple of year's time as new agreements are written up and so on. But anyway the leaseholders and so on are out in the cold.

Now the . . . oh I don't want to say I told you so, but I can't resist making this comment anyway. Because it was in the latter years of the Mulroney government, I believe, that an attempt was made to do away with the Crow by the Mulroney government. And we had the same debate at that time as we had just recently. If the Crow goes, what is the compensation? What is the compensation? And there was a one-time pay-out made, I suggested, and I'm quoting now from the *Leader-Post* here that says:

Several years ago, the former Tory government offered to buy out the subsidy for \$11.2 billion, but the Prairie wheat pools weren't interested . . . (in \$11.2 billions and now they're being shafted to the tune of having to accept \$1.6 billions, Mr. Speaker.)

So we could go on, but what I want to do is leave an indelible imprint upon the federal Minister of Agriculture who was supposed to be from Saskatchewan, who's supposed to be from this Regina area. And we find that the knives have come out and I believe his constituents and the people of Saskatchewan have felt the thrust and the cut of that knife in a most unfair way.

Now I could go on on some of the finer details, Mr. Speaker, but in the interests of time, my colleague from the constituency of Morse is going to pick up that theme and express some ideas on that. But in the meantime, Mr. Speaker, that concludes my remarks and if the member of the government side wants to get up at this time, I will give them that opportunity now.

And I do move . . . (inaudible interjection) . . . Thank you to my colleagues who were getting excited here. I want to read the motion once more for the record. I move, seconded by my colleague from Morse:

That this Assembly join together in condemning the federal government for being grossly unfair to and ignoring the needs of western provinces in Canada by cutting grain transportation subsidies by 100 per cent and offering a minimal \$1.6 billion one-time pay-out to landowners, and that as a result of this decision land values in Saskatchewan will drop, moratoriums on closing branch lines will end, and ultimately this action will have a dramatic and devastating effect on

Saskatchewan as a whole. And further, following adoption of this motion, that the verbatims of this debate be forwarded to the Prime Minister and the federal Minister of Agriculture for immediate attention and consideration.

Mr. Speaker, I so move.

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I rise to join this debate and support the motion that's introduced. Mr. Speaker, the last decade has been a very tough decade on Saskatchewan farmers and farm families. And rural communities have gone through some extremely tough times with weather problems, with low prices, and they've struggled to adapt and change and try to maintain those communities and the farms and the values that we so treasure and which make up the backbone of this province.

When we came to power, as a government we had to make tough decisions, did our very best to alleviate the problem for Saskatchewan farmers. We brought in the program, a six-year leaseback program, which saved thousands of farmers from losing their land. We obviously had to make budget cuts. We had to be within our means of support. But at all times, Mr. Speaker, we put agriculture as a priority.

To this day this government spends in excess of 10 per cent of our budget on agriculture in this province. It would have been very easy, Mr. Speaker, for a government to take money from agriculture and put it into social programs, where we made some very, very tough decision as well. But we chose to support basic, fundamental support for agriculture in this province because we felt that in any country and in any province, and particularly a country like Canada and a province like Saskatchewan, agriculture is of utmost importance as an industry.

It creates jobs; it creates economic development. It is responsible very much for our values and our lifestyle and it's an industry that we felt had to be supported at a level. We weren't able to save every farmer. And certainly, as the Minister of Agriculture, I have talked to more farm families who are losing their farms and going through some very painful periods, more than I care to remember, Mr. Speaker.

(1430)

But we did have a plan; we did come through for our farmers. We went out and talked to farmers; we talked to rural communities. We came up with a strategy called Ag 2000. And to the credit of the people of rural Saskatchewan and to the farmers, they — not us — have implemented and begun to implement that strategy, have begun to create some jobs in rural Saskatchewan, have diversified, have made some very tough decisions, and have used great innovation and hard work in order to survive.

Now we have a federal budget which cuts very much into agriculture. We think, to begin with, that agriculture should not

be a priority. If you read the budget speech, they talk about large cuts in low priority areas, which means that the federal Liberals view agriculture as a low priority.

Mr. Speaker, we think that's wrong, that it should not be a low priority; it should be a high priority. Canadians have always enjoyed a cheap food supply, a plentiful food supply, have enjoyed an awful lot of economic activity and jobs as a result of the agricultural industry.

Agriculture is certainly one of our bright spots. We have huge opportunities going into the next century. And for any country to cut back on agriculture, we think is the wrong place to cut — particularly to cut agriculture more than you've cut other areas of government. And beyond that, we feel this budget cut western Canada and Saskatchewan more deeply than it cut the general agricultural budget.

So to begin with, we've taken too large a cut in agriculture; and secondly, we've taken a very large, disproportionate hit in agriculture in western Canada and particularly in Saskatchewan. As the member opposite pointed out, the Crow benefit, something like 56 to 58 or 55 per cent of that comes into Saskatchewan. So when you cut, that huge cut impacts . . . more than half of that comes right out of Saskatchewan's farm pockets. And therefore we don't believe that that is a wise cut or a fair cut.

Mr. Speaker, beyond that, and any cuts that are made need to be made with a plan, with a new plan and a new vision. Mr. Speaker, we are not opposed to dealing with deficits and debt. This government knows all about deficits and debts and the tough decisions that have to be made.

But, Mr. Speaker, when we made cuts, we had a plan and we came through with it. We had a plan in health care. We had a plan in agriculture. We had a plan in economic development. And what we don't see, what we don't see in the federal budget in the agriculture, is any sort of a plan.

We see elimination of an historical benefit — one that, as the member opposite has pointed out, was a part of Confederation, was a part of our vision of a nation from sea to sea. The natural trading patterns very much in this country would run north and south. We decided to be Canadians, to be a country that was tied together east to west with a railroad. We had a national dream. And, Mr. Speaker, that has been destroyed by this budget.

And worse than that, Mr. Speaker, not only has the dream been destroyed, there is no replacement dream. What we see is huge cuts. Less than one-quarter of the value of the benefit is being paid out — 1.6 billion is less than one-quarter of the present value of the Crow benefit. And there's no vision to replace it.

Mr. Speaker, we don't see a plan to rationalize and make the system more efficient. All we see is cuts in the budget, slash and burn, and something will rise out of the ashes. Don't worry; there will be efficiencies. Mr. Speaker, something will arise out of the ashes. Part of what will arise out of the ashes will be more farm families losing their farms, more farmers going

broke, more small communities folding up and blowing away.

Mr. Speaker, none of that has been taken into consideration. Nobody has studied what the effects of this are going to be. There is no vision. Certainly some transportation will now start to flow north and south. Any country that depends on some other country's transportation system to move basic commodities to market is asking for trouble.

Mr. Speaker, at some point we will be shipping some grain south. We will have to. We'll do what's cheapest. If Canadian taxpayers are not prepared to support our farmers, then our farmers are not going to carry the Canadian taxpayer. We are going to move our grain the cheapest and the fastest way we know how.

Some of that will undoubtedly be through a foreign country. When the foreign country says, whoops, sorry, we don't want your grain this week, then we are going to have huge problems, which is going to create even more uncertainties for our farm families.

So again, Mr. Speaker, this Crow benefit, we treat it like . . . we look at it like treaties with first nations, like the French language and culture rights that they got out of Confederation. We very much feel that this is part of why we're in this country. It's been a part of our country. A national transportation policy is essential to this country, and we have seen this blown away at the expense of Saskatchewan farmers and Saskatchewan communities. So, Mr. Speaker, with that, I will close my remarks.

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

**Hon. Mr. Renaud:** — Thank you, Mr. Speaker. I would certainly like to congratulate the mover and the seconder of this motion because I believe it's truly an emergency.

I find it a little strange coming from the opposition benches though, being that it was the PC government that first cut the WGTA (Western Grain Transportation Act) by 10 per cent, and then of course the Liberals cut it by another 5 per cent, reducing the WGTA benefit to \$560 million.

I really believe that the Liberal government believed that they were set up for . . . the farmers were set up for the complete removal of the WGTA benefit. But I tell you now that the farmers . . . you underestimated the farm community in this province and the farm community will pay you back in the polls.

As of August 1 of this year, this province will begin to pay the full rate for shipping their grain. This is equivalent to reducing the average farm net income by up to 50 per cent. Now, the member of Shaunavon, could you take a 50 per cent cut in your net income? It's very devastating to our farm community. And so I just want you to understand that.

It's a heavy blow to that farm sector struggling to overcome some of the very bad times that we've had in the last few years in agriculture in this province. Just as we're turning around, 50

per cent of their net income could be gone.

Imagine this lost income on the communities of Saskatchewan, towns like Shaunavon and towns like Tisdale and towns like Sturgis. Think of that lost income to the stores in that community. You know every store, every garage, will be affected.

Combine that cost with branch line abandonment and increased trucking and road maintenance and the problems become even larger, as I'm sure you're aware. The farmers of Saskatchewan and the province as a whole are paying a heavy price for the federal budget.

You know much has been made by the federal Finance minister about the fairness. You know, we know, that there had to be cuts and there had to be changes, and some programs had to go. But we've said always that fairness had to be first. Regional fairness. And there must be a plan. But we see neither fairness nor a plan.

We talk about fairness. The WGTA is completely gone and yet the dairy subsidies are reduced by 30 per cent. The Maritime subsidies, transportation subsidies are gone, but on the other hand, 60 per cent is put back into their highway infrastructure. Is that fairness?

Over the last decade, Saskatchewan producers have adapted with massive changes in what they grow and how they grow it. They have diversified, they have changed their crops, and as Minister of Highways and Transportation in this government, I have grave concerns about the lack of direction by the federal government.

Cut first and then plan after. I think that's backwards. I would suggest that they should have planned first and then look at what they could cut or what they could change to meet that plan. You know maybe the old transportation plan was not up to date, and perhaps we need a new transportation plan for the 21st century. But let's have the plan and then let's make adjustments accordingly.

The impact of the WGTA on transportation is very interesting. The government has not planned any type of vision as to where it wants transportation to go. One grave concern is allowing a speedy abandonment of light steel and low volume branch lines. It eliminates notice and conveyance provisions for expedient abandonment.

I want to mention some of the communities that will be affected by this — Zenon Park, Arborfield, Big River, Holbein, Carragana, Porcupine, Gray, Henribourg, Paddockwood, Grayson, Fulda, Middle Lake, just to mention a few.

I want to speak a bit about Arborfield for an example. Arborfield, at the end of their light rail line, has an alfalfa processing plant. What is it going to mean to that plant? They were planning a large expansion, and now no expansion. Do they have to move, or do they have to close the doors.

Mr. Speaker, this is the effect that the changes to the WGTA,

and in fact now the speedy abandonment of light rail lines, will do to rural Saskatchewan. It eliminates restrictions on incentive rates and you can imagine the impact of that. It ends port parity, route parity, and the CN adjustment. Provisions will be built into the rate-making that will meet railway costs but not producer costs. That's also very interesting.

It provides no assurance for competition through running rights. They say, well that will come later. Provides no measure to ensure the viability of the existing future of short-line railways. There's no firm plan on compensation for farmers and municipalities that will face the extra costs. There is \$300 million in adjustment package for producers or railways or somebody or something. And we're not quite sure about that. When do farmers make their plans? Farmers make their plans now. They're making their decisions for this spring now — and they have to do that. If the federal government was planning to terminate the WGTA and deregulate grain transportation, they should have at least let the farmers know what the transportation would look like so that they could plan.

And if you knew, if the Leader of the Third Party knew, she should have certainly been telling the farmers of the province of Saskatchewan so that they could plan.

I represent an area of the province, Mr. Speaker, which will bear an even greater burden of these changes to the WGTA. Our communities in north-east Saskatchewan are more dependent on branch lines than most others. We are further from ports. For communities like Chelan and Bjorkdale and Arborfield, like I mentioned earlier, and Zenon Park, this is bad news indeed.

Costs are being transferred from the railways and the federal government directly onto the farmers' backs. These costs are well in excess of any buy-out. Costs are being transferred directly onto municipal and provincial taxpayers.

If the federal government was intent on eliminating the Crow benefit, they should have taken a longer view. They should have assured that efficiencies are built in to the system before they add the cost to the producers. I'm not talking about efficiencies for the benefit of railroads, but efficiencies that would cut the shippers' cost, the producers' costs, the costs for the farmers.

The estimated savings to the railways of branch line abandonment would be about fifty to a hundred million dollars, Mr. Speaker, but it would add millions in shipping costs and road costs to producers and municipalities. This is not efficiencies; this is just a transfer of costs.

(1445)

The position of this government, Mr. Speaker, is standing for the interest of the producers. My department has been working with SARM and SUMA and farmers to study the possible efficiencies. We have been working on regional transportation strategies to develop new ways that municipal governments and my department could coordinate their plans. We have worked on projects like road-railer to provide options for short-line railways.

But how can we react to the budget announcement? How can we react to what the federal government is going to do when we don't know what they're going to do? It's very hard to provide a provincial strategy when we don't know what the rules are going to be. It's not good enough for the federal government to simply offload the WGTA onto Saskatchewan and walk away from their responsibilities.

We are calling on the federal government to take its responsibilities about farmers seriously, to consult with the farmers as our government has done, and lay down its plan, you know, that meets the needs of the producer. The Liberal leader says farmers are dreaming in technicolor. After these changes, I doubt if they could even go to the theatre.

I wonder if she's talked to Mr. Sinc Harrison from SARM and Leroy Larsen from the Wheat Pool and Mr. Westby from SUMA. I know the article in the paper that the member opposite mentioned, they say farmers are devastated. They asked for a very reasonable \$7.2 billion pay-out that would stabilize agriculture at a time that it needs stabilization. What did they get? \$1.6 billion.

I wonder what the member from Shaunavon, what does he say to the producers in his constituency? Does he say or does he tell them that they're dreaming in technicolor?

In closing, Mr. Speaker, I would ask that the federal government consider fairness first as we did. And I would ask them to give us, give the producers of the province of Saskatchewan, give the municipalities and the communities, their vision of transportation to the year 2000.

In closing, Mr. Speaker, I want to tell you a little story. There were three fellows standing talking. The doctor said, my profession was the first here on earth because as you know a rib was taken from Adam and Eve was made, and so doctors were certainly the first profession on earth. The engineer said, no you're wrong. There was chaos everywhere in the universe, chaos everywhere. And an engineer had to put it all together. And the Liberal politician stood up and said, well who did you think created the chaos?

Well the chaos, the chaos is in western Canada and the chaos is with farm communities; farmers, communities, and municipalities. Thank you, Mr. Speaker.

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

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. It is with interest that I rise today to speak on this rule 42. And not only on my own behalf, but on the behalf of many people with whom I've been speaking on this issue.

Canadian agriculture is in fact entering a very interesting phase in its long history. And Saskatchewan's agriculture industry has a very proud, proud history of adapting to the challenging international market-place over and over again.

I happen to believe that Saskatchewan farmers are the best in

the world and that we're in a fortunate position of having the resources, the capability, and the resourcefulness, to meet any challenges that will emerge.

It is truly disappointing that with the fiscal situation facing all of Canada that changes had to occur in many, many different regions of our country. It is also unfortunate that because of international trade agreements, that there are changes that have come about in Canada directly as a result of things happening in other places in the world.

And I happen to believe that most people in Saskatchewan, most farmers in Saskatchewan, would far prefer that they not require any subsidies of any kind ever. These are profoundly proud people. They would simply like things to be in place so that they could get the right kind of price for their commodities.

I think that we are quite prepared to rise to the challenge. I do wish that there were more than \$1.6 billion. I do wish that that had been able to be done differently.

And I think it most interesting, Mr. Speaker, to look at again the myth that is being created by this government. At no time did I say that farmers were dreaming in technicolor about their \$1.6 billion.

What I said was, and in response — and they quite know it — did I think that they were going to get \$7 billion. I said, no farmers believed that they would be getting \$7 billion. Not one.

People in this province happen to understand across the nation what is facing the Canadian economy and they actually want the federal government to take the bull by the horns and get this province and the nation in a proper, proper fashion, able to be able to meet its financial obligations.

It's very interesting, Mr. Speaker, that part of what they're going to try to do is to present things that are not factual to the people of the province.

Indeed it is \$1.6 billion as a one-time pay-out, and I think that is too low. Indeed it is going to be triggered as a capital gains rather than taxation, and that means that \$1.6 billion, because it is not taxed, is going to be \$2.2 billion.

Do I think \$2.2 billion is enough, Mr. Speaker? No I don't. I don't think that this equating \$2.2 billion is enough either. What is interesting is that the upfront value of this actually exceeds any long-term phase-out. And that is something that would be most interesting to hear from the Minister of Agriculture and the Finance minister, who have been in constant consultation over this, which I find curious that they all stand up and act as though somehow they didn't know anything upon anything that was coming down.

Now I believe that there would have been a great preference in some kind of phase-out. That's not what people believe who wanted to come and do investments in this province. They wanted a one-time payment. But I do believe that in some instances it might have been better to have a phase-out. But, Mr. Speaker, it is indeed fact that because of GATT, that was

not possible.

What would have had to have happened, Mr. Speaker, is that there would have had to have been a change to the method of payment that would have been GATTable. In other words, when people were consulted . . . and there were many who were consulted. In fact one group was made up of the following: SARM; the Saskatchewan Wheat Pool; the Manitoba Pool; the UGG (United Grain Growers Limited); the Alberta Pool; the Alberta Association of Municipal Districts and Counties; the Union of Manitoba Municipalities; the western Canadian wheat growers; western barley growers; Keystone Agriculture Producers; Unifarm, Alberta; Canadian dehydrators association; and western Canadian flax growers.

This particular group of producer organizations had been consistently advocating in a united voice that certain things be reached. What was most interesting, of course, was that they didn't want to have some new scheme of method of payment worked out when it was going to have to be phased out anyway.

So the one-time pay-out was something that was considered to be preferable to changing the method of payment over a short term. It is indeed tough. It is very, very tough that people of this province are going to have to deal with, the farm families are going to have to deal with, a \$1.6 billion pay-out and it's going to landowners, Mr. Speaker. Most of us, in fact, we have been in agreement, unlike the members opposite, we have been in agreement that this should have been a payment to producers.

But it is interesting, Mr. Speaker, that in order for this to be non-taxable, in order for it to be considered a capital gain, that it had to be paid to landowners. And farm land will indeed drop in value. Farm land will indeed drop in value, so the rationale is to pay landowners for the decrease in land value.

It's very, very interesting today, Mr. Speaker, to note that they really don't want to listen to one particular aspect. In fact the Minister of Agriculture, who is rarely allowed to answer because the Minister of Finance doesn't want to allow him to . . . the Minister of Finance didn't want to answer a very basic question. Today the Farm Credit Corporation indicated that it is a landowner and it will be receiving payment as a landowner and it will pass on what it receives to those who are renting from them; that they can either use those monies to purchase land or they can use those monies as a reduction in leasing the land.

Now I would like to know, when we have the Ag Credit Corporation of Saskatchewan being run by this province, and they have more than a million acres of farm land in Saskatchewan, why is it that they won't stand up and say they'll do the same thing? Why didn't they lead by example this very morning? Why wouldn't they have done that before the Farm Credit Corporation, Mr. Speaker?

Why is it that they didn't come out today and say, because we are in charge, we in fact are in charge as a province of property in civil jurisdiction to re-open any rental agreements if institutions refuse to do so, why wouldn't they come out on record today and say, we'll do that, Mr. Speaker? If there's any

lending institution in this province that won't agree to pass on these benefits to producers, to those who are renting the land, why wouldn't they stand up today in their place and do what was in the best interests of the producers in this province?

But they aren't even on record for doing it. They wouldn't even respond. The Minister of Agriculture wouldn't even be able . . .

**The Speaker:** — Order, order. I think there has to be some respect for members to be able to speak in this House and I think all members should recognize that. The constant interruption is simply not called for.

**Ms. Haverstock:** — Thank you very much, Mr. Speaker. I find it most interesting the people who want to participate in this debate. I'll be most interested in their comments, Mr. Speaker.

It is interesting to look at the following things in our province: that the group that is the largest landowner is FCC with 1.5 per cent. Of course the province of Saskatchewan ranks in there too, Mr. Speaker — .4 per cent for the credit unions, .6 per cent for the lending institutions. Thirty-five per cent of land in Saskatchewan is rented, Mr. Speaker, and the biggest single landowner is FCC. And today it went on record to do the right thing. What I would really like to see is the courage of this government to put itself on the line and say that it will do the right thing as well.

Mr. Speaker, I have a lot of faith in Saskatchewan . . . (inaudible interjection) . . . That's right, land prices are going to go down. Land prices are going to go down. And what FCC indicated today is they're going to pass on that lessened amount, in other words rental fees should be dropped, leasing fees should be dropped. It should cost less money for people to be able to rent that land. I think that's proper, and I would find it most interesting if in fact the members of the official opposition don't agree with that stand as well.

Our challenge, any challenge of a government in Saskatchewan, is not to get caught up in arguing over internal squabbles as the rest of the world passes us by. It's going to be most interesting to see what this government has done to place Saskatchewan in the best possible position, given these current circumstances.

We have known and known and known — this does not come as any big surprise to anybody, Mr. Speaker, least of all the Minister of Agriculture and the Premier and the Finance minister of this province. I mean where have they been, if they didn't think that this was going occur?

And what have they done to place us in the best possible position in terms of value added in this province? Why wouldn't they want to join with us today and with the official opposition, to whom we extended an invitation, when they say they want to remove partisanship? Why wouldn't they join with us so we could go and make a pitch for the most substantial part of those dollars in order to have value added in this province, in order to be able to adjust to the best of our ability, in order for independent people to buy short-branch lines in this province with that \$300 million, in order for rural municipalities to ask for money so that they in fact could improve road conditions for

more trucking?

What are they doing to assist this province in being more innovative, in attracting businesses here who would be unwilling to come here if it hadn't been for changes to the WGTA? It's most interesting, Mr. Speaker; we'll see in about a week or 10 days how they feel, if in fact a certain industry comes to this province.

And there'll be one reason why it does, in the multi, multimillions of dollars, one reason. Because it'll now make it worth its while to come here to create hundreds of jobs and hundreds of millions of dollars in being able to process some things in the agriculture industry. It'll be most, most interesting to see what happens if in fact they try to line up and take some credit, Mr. Speaker, when in fact we will know the reason why they will be coming here.

Our internal challenge, Mr. Speaker, is to create an environment wherein our producers and our industry have the economic environment which allows producers and the industry the opportunity to take advantage of what the world presents to them. We cannot compete in the world economy if our own house is not in order. We cannot compete if our economy is burdened with huge debts, with a weak currency, with unmanageable interest rates, and large, unaffordable government bureaucracy which we neither need nor can we afford. We cannot afford to put our heads in the sand and hope the rest of the world waits for us to catch up.

(1500)

And Mr. Martin's budget is a good first step in creating an environment that we need as a nation in order to be able to compete in the new economy. Canadian agriculture too must be ready. And it is the role of governments to do absolutely everything possible to help our producers to adapt to the new global realities and to be able to meet any challenges that come our way.

It is expected that the Government of Saskatchewan is ready with a plan to help our farmers to adjust to this new environment, and I'd like to see it. Surely the Minister of Agriculture has not been standing idly by, thinking that there'd be absolutely no changes in agriculture policy.

In fact I challenge the Minister of Agriculture to table his plan. I challenge him to table the vision of the Government of Saskatchewan, of how the government will deal with these new realities. They knew for months that this was going to occur. What have they got in place?

I challenge the Government of Saskatchewan to show the people, the people of this province, just what measures it has taken with the federal government to ensure that the interests of Saskatchewan people have best been served. I challenge the government to table its plan to deal with the measures outlined in the budget. And I know that this particular Minister of Agriculture and his officials have met with the federal government to discuss these matters prior to the budget.

I also see and I know that the Premier has met with the federal colleagues, and surely the Premier has a plan of action to deal with the matter, apart from his normal political grandstanding.

What is the plan that the Minister of Agriculture and the Premier of this province have? To do what they did in 1980 and run around saying, save the Crow, save the Crow? It didn't help them in the 1982 election. And I think they're very much misreading the people of this province if they think that we're going to buy that all over again.

What actions have they taken to ensure that the interests of Saskatchewan have been well served? It would be interesting to see the notes on that, Mr. Speaker. What actions have they taken to ensure that the federal government measures, in all sectors facing Saskatchewan, are equitable, fair, and reasonable? They're the Government of Saskatchewan. If they don't think they can do that job, there are some of us who think we can.

Surely, Mr. Speaker, they have not been sitting around just planning their political posture of what was shown this morning. That's the best they can do, Mr. Speaker, the very best that they can do? Well it's not good enough. The Liberal caucus absolutely does not believe that's good enough for the people of Saskatchewan. Surely they have a plan that just goes beyond their own political position.

The farmers of this province are not interested in this government's political posturing. The farmers of Saskatchewan want to know what they've been doing, Mr. Speaker, for the last few years to ensure that their interests are best represented.

And, Mr. Speaker, the Premier should be willing to step aside if he can't in fact table in this legislature the things that he has been doing to ensure that the farm families of this province were going to be treated most appropriately in this budget. If he hasn't done it, then perhaps we can find others who will.

Now we haven't yet had the opportunity to review in detail absolutely every single measure of this federal government. But I am indeed meeting on Friday with the Minister of Agriculture, the federal Minister of Agriculture. And I pose once again, I pose once again that perhaps these individuals would like to attend with us. I extend an invitation to the Minister of Agriculture; he can meet, in fact, a day earlier. I've extended an invitation to the opposition to do the same.

What I find most interesting, Mr. Speaker, is the hostility that's taking place here. It's very curious coming from people who have devastated rural Saskatchewan. The headline in the newspaper today says, "Devastated." Let me tell you what the people of Saskatchewan have been telling me, Mr. Speaker.

Let me talk to you about people who are afraid to continue living in their homes where their family before them lived and their family before that lived. They are afraid to live in rural Saskatchewan because of the havoc wreaked on health care by this particular government. Ask the people across Saskatchewan what it feels like to have fewer and fewer opportunities, opportunities to be able to remain in one's community if you're

a young person, to be able to work in agriculture when 18,300 jobs have been lost under this government's administration, Mr. Speaker.

Ask whether or not they agree that the country could have continued to sustain \$17 billion of monies going to agriculture from the federal government in the last six years — \$17 billion, Mr. Speaker. And they act somehow like this should be able to continue. Why didn't they offer suggestions? Not the status quo but things that would deal with today's reality, the things that farmers across this province have been dealing with in spite of these folks.

Mr. Speaker, all of us in this Assembly have a responsibility to represent the best interests of Saskatchewan people, and the time for political arguments is long gone.

Mr. Speaker, I'm compelled to actually talk about a New Democrat is a New Democrat is a New Democrat. What I find most interesting, Mr. Speaker, is that in Ontario yesterday it states this in *The Toronto Star*:

And you couldn't help snickering at . . . (the Ontario Minister of Finance's) stern avowal that by 1996 this budget would kill 90,000 jobs.

"By 1996, (this is the quote) 90,000 people in this province will not have jobs in this province because of this budget," he told a . . . press conference.

You can't help thinking the reason the New Democratic government was able to come up with that figure so quickly is because they've got the formula down pat. After all, they've had so much practice killing jobs that they must have the mathematics pretty well figured out.

Here's a government that has bludgeoned to death the hopes and aspirations of hundreds of thousands of workers with job-killing taxes and labor initiatives, and they're complaining about the federal Liberals who are mere pikers when it comes to forcing people on the unemployment rolls.

It states, Mr. Speaker:

Ontario's New Democrats have increased taxes by \$4 billion since they came to power, with increases on everything from fishing licences to court fees. Heck (it says), this is the government that tried to tax dirt and that has so mismanaged the province's economy (to the point) that our credit rating has become a laughing stock.

Well I guess a New Democrat is a New Democrat is a New Democrat, Mr. Speaker. Most interesting, the comments that have come out of the New Democratic Party of Ontario, the New Democratic Party of British Columbia, on this particular federal budget, Mr. Speaker. They both think that they've been treated worse than any other place in the country, just as this particular government thinks that this place has been treated worse than any other place in the country.

It is also most curious, Mr. Speaker, to have listened to the Premier of Ontario in his comments about the federal budget. They were identical, word for word, to what came out of this Premier's mouth on Sunday on national television.

Now I wonder who's talking to whom. Maude Barlow used the same words; the Premier of Ontario used the same words. Who isn't thinking for themselves, Mr. Speaker?

I challenge this government to table its plans. They should be tabling their plans to deal with the measures that were outlined in yesterday's budget. And what we are prepared to do as Liberals is to continue to do what we have been doing and letting people know what we think is in the best interests of Saskatchewan. And yes, to take an opposition stand to the federal Liberal Party if they think that what they've done is unfair.

Yes, we did think it would be dreaming in technicolor for this country to be giving \$7 billion, given the fiscal situation, to this province. But we don't think \$1.6 billion is enough. And we do understand the things that were done to try to increase this dollar amount.

We are prepared to do what is necessary to work in conjunction with people in this Assembly, outside of this Assembly, to try to do what is necessary to do right by the farm families of this province. And we don't want to simply bring people together for political posturing, Mr. Speaker. We'd far rather find solutions to real problems.

We go on record today for supporting . . . we do not condemn the federal government, but we do support any move that will in fact bring greater fairness to the people of this province in their adjusting to this very serious change that will cause extraordinary challenge to farm families in this province. We want to be part of the solution, and therefore we will support this motion.

**Mr. Harper:** — Thank you, Mr. Speaker. Mr. Speaker, I've had the pleasure on many occasions rising in this House before to speak, and it's always been a pleasure. But today, Mr. Speaker, I cannot say this is a happy occasion. I'm saddened, Mr. Speaker, that we have to rise in this legislature and debate such an issue. An issue that is definitely, as the headline in the *Leader-Post* suggests . . . devastated our farmers, and devastation has been rained on them by the federal Liberal government in yesterday's budget.

Mr. Speaker, I had the opportunity of being in my constituency yesterday, and quite purposely, I made the opportunity of being in a number of coffee shops at the 3:30 mark and soon thereafter. And farmers were tuned in to hear the budget because they had suspected that they were going to be asked to play a part in the deficit reduction of this country.

And quite frankly, Mr. Speaker, farmers in my constituency told me time and time again that they feel that they are certainly citizens of this country and they want to play a role, they want to do their bit in retaining some financial stability to Canada. But never, Mr. Speaker, in their wildest dreams did they think

they would be sold down the creek by the Liberal government in Ottawa in the way it has.

Mr. Speaker, \$1.6 billion financial compensation to the Saskatchewan farmer. Not all that, Mr. Speaker, comes to the Saskatchewan farmer; only some 56 per cent of it, or something like \$900 million in Saskatchewan. Mr. Speaker, that works out to some place in the area of \$20 an acre — a one-time pay-out, a one-time compensation package.

I find it interesting, Mr. Speaker, that the Leader of the Saskatchewan Liberal Party suggests that it is a lot more than 1.6, that it's as much as 2.2 — if you take into consideration the tax benefits, etc., etc. Well, Mr. Speaker, not too many farmers in my constituency have tax problems. Their problem, Mr. Speaker, is simply survival. And, Mr. Speaker, the announcements of yesterday has condemned many of them to financial death.

Mr. Speaker, the Leader of the Saskatchewan Liberal Party has just suggested to us that FCC is going to do the fair thing — FCC is going to pass on their portion of the money to their farm clients. But are they, Mr. Speaker? Let's take a close look at this.

They're saying that their farm clients can benefit from this one-time pay-out by receiving reduced lease rates. No money, but reduce the lease rates. Well, Mr. Speaker, even reduced lease rates, in view of the increased freight rates, is not going to allow many of my farmers in my constituency to stay on the land.

(1515)

Then, Mr. Speaker, the Leader of the Saskatchewan Liberal Party says the second option that farmers can use is they can use this money towards the purchase of land. Well, Mr. Speaker, many farmers in my constituency are leasing land they used to own — they used to own. But because of the financial conditions of agriculture, they have been forced to turn that land back to the FCC in an attempt at some debt reduction.

Now, Mr. Speaker, does the Leader of the Liberal Party believe that this contribution of some \$20 an acre is going to be enough to offer those farmers the opportunity to buy back that land, in light of the fact that they know that their revenue is going to be slashed next year by 50 per cent? I doubt it, Mr. Speaker. I doubt it, Mr. Speaker.

That's absolutely correct, Mr. Speaker. If there has been anybody in this legislature or anybody in Saskatchewan who has been dreaming in technicolor as a result of the federal Liberal budget, it has certainly been the Leader of the Saskatchewan Liberals.

Mr. Speaker, Mr. Speaker, it absolutely blows my mind in how anybody who pretends, at least pretends to have the interests of the Saskatchewan family farms and family farm families at heart, can find anything credible to say about the federal Liberal budget as far as it affects Saskatchewan farmers.

It can't, Mr. Speaker. If you at all have a shred of humanistic feelings in your soul for farm families out there who have been

struggling, who've been struggling for 10 years as a result of lack of proper planning by the former Conservative government and by the present Liberal governments in Ottawa, and now to have pronounced on them this death sentence that means that they are going to be forced out of agriculture, forced out of agriculture in a most undramatic way because not only are they no longer going to be able to survive, but when they do exit the industry there's going to be no incentive out there for anyone to pick up their holdings and give them a fair return on what assets they've been able to accumulate.

Mr. Speaker, these people have been left to drift in the sea of uncertainty with virtually no hope of any meaningful compensation, of any meaningful support from the federal Liberal government.

And, Mr. Speaker, it clearly indicates, as a long-time friend and neighbour and farmer colleague of mine in my constituency, in my home community of Danbury — Ben Musey — mentioned to me on Sunday in anticipation of what might happen in this Liberal budget. He suggested to me at that time, Mr. Speaker, that his 50 or 56 years on this earth, and all of them spent in Saskatchewan and all of them spent in Canada, he has learned one thing and he admits he's learned it the hard way — that there is a difference between Conservative governments and Liberal governments. Not much difference, but a difference.

I asked him: Ben, what in your opinion is the difference between a Liberal government and a Conservative government? He said, quite simple, Ron. He said a Conservative government will skin you from the top down and a Liberal government will skin you from the bottom up.

Well, Mr. Speaker, it doesn't surprise me at all that virtually every farm in Saskatchewan, as a result of this budget, as a result of lack of action by the Saskatchewan Liberal Party, and by the results of the remarks of the Leader of the Saskatchewan Liberal Party, knows that every farmer here has been skinned and left out to dry. Thank you very much.

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

**Mr. McPherson:** — Thank you, Mr. Deputy Speaker. I find it a pleasure today to rise and join in to this debate. But there's a few things that are somewhat disturbing about this entire debate, Mr. Deputy Speaker. And that is when I watched question period earlier today, we had the Minister of Finance rise in her place and on several occasions refer to the need to have all-party unity and approach a lot of these issues, you know, with a great deal of . . . well to join together and make sure we accomplish what's best for Saskatchewan people by working together.

And yet when I read the motion, when I take a look at the motion that was brought forward by the official opposition, I note that it doesn't really have the same flavour that the government was trying to put forward this morning. And knowing probably full well that they knew of this motion coming forward yesterday, I'm surprised that they wouldn't have got some of their flavour into the official opposition's motion.

Because I look at some of this stuff, you know, condemning the federal government and all the doom and gloom in the motion itself — land values dropping and all the problems that are going to arise at closing the branch lines. I find this to be very presumptuous on their part. And really, it was in the Leader of the Liberal Party's questions today that we asked the government if they wouldn't perhaps work in cooperation with us and the official opposition. We'd be more than glad to do that.

Of course the Finance minister refused to answer those questions or to accept that offer. We will say this, is that the offer remains as it is. We're more than prepared. The Leader of the Liberal Party is more than prepared to sit down with our federal counterpart, the Minister of Agriculture for the province of Saskatchewan, the official opposition, and try and work this through for the best of all the people in Saskatchewan, as it was, Mr. Deputy Speaker, in your own riding in Moose Jaw.

There was all three parties joined together, I guess one year ago, to see what could be done in saving the Moose Jaw air base. And I do believe, Mr. Deputy Speaker, that because of that all-party unison and cooperation that actually it really led to the saving of that air base, and again this year. And that's what we're asking for the farmers and the people of Saskatchewan, is that perhaps we can once again join together and not come forward with so much confrontation, but join together once again for the farmers of Saskatchewan, for all the people of Saskatchewan.

And that's why, Mr. Deputy Speaker, at the end of my remarks I'll be moving an amendment to the motion that will perhaps still keep with the flavour of what the government and the official opposition would like to have here today, and ourselves as well, speaking out for the citizens of the province but in fact doing it in such a way that we're not creating confrontation with in fact the federal government to whom we are trying to ask for more things of. So at the end of my remarks, I'll get into the amendment, Mr. Deputy Speaker.

But, you know, really I'm amazed at the position of the parties. When they stand up and put their positions forward, it becomes confusing to myself and, I guess, most people in the province. Because for one thing, we know that it was the Conservative Party, Mr. Deputy Speaker, that for some years, to try and win favours at election time, to try and win votes, actually got people very dependent upon subsidies, in not only this province but other provinces, and in Canada as a whole. And now for the Conservative government to be standing up and letting on like they're speaking for the people, it really flies in the face because they are the ones that have always been talking about having a subsidy-free environment in which the farmers and the business people could compete.

And really there are some aspects . . . there's a lot of what's happened in the federal government's budget that allows this to happen. So I mean obviously they're speaking out of both sides of their mouth.

Now I recall over those same period of years when they were bringing forward a lot of these things to make farmers

dependent on programs, it was the government across that actually tried to out-bid them on many occasions. In fact I recall the home improvement program that the Conservative government came out with. Well on the other side of that was the New Democrats of the day coming out with the 7-7-7 plan. And I think they arrived at that because there was only seven members in the House at that time for the New Democrats, and I guess that's the only reason they could have jumped at that number. But once again, they were bidding for the vote.

And also at that same time, I remember there was a Mr. Allen Engel, he was the member from Assiniboia-Gravelbourg, and the member from Elphinstone, they were touring the province at that time. They thought they had the Conservatives on the ropes, Mr. Deputy Speaker. And they come out with a cute little slogan: we're going to have cash on the dash. And I know that you remember that one, Mr. Deputy Speaker, just by the smile upon your lips.

But in fact it was the New Democrats of the day that were continuously saying, what we have to do is pressure them to get more billions out of Ottawa. Well let's sit back and take a look what this has really done.

At this point we have a federal deficit that is absolutely a monster. And at some point we knew, I guess, all members of the House, everyone in Canada knew that this had to be dealt with. At this point, I think if you take a look at the federal budget overall, it's exactly what was needed for Canada. There are some specifics that are going to be painful, and that's what we're talking about here today, Mr. Deputy Speaker. What can we do on some of the specifics of the budget that perhaps will ease some pain or change some of the stuff that's happening.

But yet, I take a look at the New Democrats and in fact they're standing up talking about how terrible the federal government is. I can only think, isn't that like the pot calling the kettle black. Here's a government that since they've been in power, October 1991, have used retroactive legislation on numerous occasions. They used it against the farmers. And I'll tell you if you think the farmers, if you think the 14,000 farmers that were in the rink in Saskatoon are going to forget what you people have done, I'll tell you they're not. They're not going to forget for a moment. You people have used retroactive legislation against the farm families of Saskatchewan, and it's going to cost you at the polls. You bet it is.

You know, since they've made the changes to the GRIP program, Mr. Speaker, and all the changes, the negative changes to the crop insurance program, they've stood in the House and they've given several speeches, Mr. Deputy Speaker, on how . . . And in fact they've come out with an Ag 2000 booklet, a nice glossy booklet on how they want to take the farmers in Saskatchewan and take them somewhere . . . well, to be more self-reliant, diversified. I should have brought a copy of the book in here. But it's exactly what the federal government is saying today, and they're having to do it because international trade rules are saying that things have got to change.

And yet your own booklet, and your own Ag 2000 booklet is going to fly in the face of what you're saying here today. You're saying that people should be more self-reliant. And then you

come in and you want to bring in motions that are saying, no, no, no. We want more subsidies. There's nothing wrong with lots of subsidies. We're just going to go ahead and break governments . . .

**An Hon. Member:** — That isn't a subsidy. It's what held Canada together. It's going to change the whole face of Canada and Saskatchewan. It's no subsidy; that was an agreement and confederation.

**Mr. McPherson:** — Mr. Deputy Speaker, if you could have this member hush up a little, I'll continue.

Mr. Deputy Speaker, when I take a look at crop insurance there's another one where this government has really fallen down. They have made the changes to crop insurance. They have pulled away from supporting the farmers of Saskatchewan to the point where we now have 70 per cent, 70 per cent of the farm acres in Saskatchewan are uninsured. And it's because of the changes of GRIP, and it's because of the changes of crop insurance. And I notice in this budget that you just brought down, that you've just brought down, you've cut another \$8 million out of the crop insurance budget.

You know what that tells me, Mr. Deputy Speaker, is that they expect, their own projections are telling them that there's going to be a lot less people involved in the program. There's going to be a lot less acres insured than last year, and those 70 per cent figures were from last year. But they expect yet another drop.

And I asked the agriculture Minister one day . . . I saw him out in the hallway, and I asked him, you know, are you not aware of the fact that we could have a serious drought here this summer. So I said, what I'll do, I'll warn you right now that in fact, if you don't make some positive changes to the crop insurance program to try and fix some of the mistakes that you have made in the past, that this is going to come around to haunt. It is really going to come around to haunt. You're going to bankrupt farmers. It's people that are really left to . . . not the marketplace. I mean these farmers in Saskatchewan, they're innovative. I'll tell you, if anyone can make it in tough times, it's them.

But one thing they can't control are things like the weather, the government. The government is worse than locusts on them. But there are things that is beyond their control. So what they've asked for is not subsidies. I don't hear people saying we want subsidies. Now this is what you're telling us today, but I don't hear people say, no, we have to have some subsidies.

What they say is leave us alone. Leave us try and become the best business people, agri-business people, that we can be. But make sure that there's some basic programs in place to ensure that we can exist, given there's factors that are beyond our control. You took those . . .

(1530)

**The Deputy Speaker:** — Order, order. It appears that we have a motion before the House that members are very excited about wanting to be involved in, and I'd ask members to take their turn and enter their remarks on the record and allow the

member for Shaunavon to make his remarks undisturbed.

**Mr. McPherson:** — Thank you, Mr. Deputy Speaker, for bringing them to order.

**The Deputy Speaker:** — Order. We also don't need the speaker to be commenting on the ruling of the Chair. I'll just ask the member for Shaunavon to proceed with the debate.

**Mr. McPherson:** — Thank you, Mr. Deputy, Deputy Speaker, I believe it is.

However, to carry on further, Mr. Speaker. This government too, when I look . . . You know, here they are today saying that they're out there for the farmers; they really want to do as much as they can. And if you take a look, Mr. Deputy Speaker, in the budget, under Ag and Food, you will notice that once again administration has been going up.

And yet, Mr. Speaker, the programs are going down. Crop insurance is down; they've eliminated the FeedGAP (feed grain adjustment program). . .

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

**Hon. Mr. Lautermilch:** — Mr. Speaker, I'm wondering if it might be appropriate for the member to address the motion.

**The Deputy Speaker:** — I believe the member wishes to raise a point of order, and I've been listening to the member for Shaunavon. I believe he is in the general subject area of the motion and he understands the motion. And I will ask . . . Order. I will ask the member for Shaunavon to guide himself by the wording of the motion.

**Mr. McPherson:** — Thank you, Mr. Deputy Speaker. And that's what I will do. That's what I'm trying to do, is address the viability of Saskatchewan farmers and what's happened over the past several months or a few years.

And in fact even last Friday, and I raised it in the House, the fact that since 1991 we've lost 18,300 jobs in agriculture alone right here in this province. And I would like to know what that government is going to do in regards to those 18,300 jobs. You can't on one hand make all these arguments that you want subsidies for farmers without knowing somewhere where agriculture as a whole is going. And really that's what I'm saying.

Now I know that . . . I guess you could get into some semantics and play games. And I think that was another thing I found disappointing today, Mr. Deputy Speaker, when I heard our provincial Minister of Agriculture stand in his place and say that they actually had a solution. And what they would do, they would domesticate the subsidies.

Well, you know, I think if you were to actually go out into rural Saskatchewan and ask the people, well is this what people really want; is this what you want; do you want us to play games with the semantics of subsidies? They're saying, no we don't need the subsidies. What we need is a level playing field.

What we need is access to markets. What we need is to be the best that we can be.

To play games with subsidies — they're just missing the boat. You're not with it at all. In fact a little forward thinking would have solved a lot of the problems.

Last night the Minister of Highways was in and I was questioning him on what his department — and we're talking about departments with lots of staff; millions and millions of dollars of budget — what have you planned? As a long-term plan what are you doing? What have you decided that . . . You know, this is coming down, there's international trade rules that we all knew about, we knew this was going to come to this at some point in the very near future, so what has your department done to forward plan?

I mean surely the Minister of Transportation would have somebody. Because I noticed in that budget that policy and planning — I think it was subvote 6, policy and planning — increased salaries and full-time equivalents, staffing has increased, but yet on preservation and maintenance, that decreased. So I can only assume that they've hired more people to do some policy work. It's right in their own documents.

So I'm asking, what have you done — what have you done, knowing full well that there's going to be some changes to the WGTA? Well his answer was, well we haven't done anything because Ottawa didn't tell us what to do yet.

Well I'll tell you something. The farmers are going to tell you what to do and they're going to tell you real soon. If you can't take your own department and do a little planning and do a little forward thinking, and knowing full well that something was coming at you — same with the Minister of Agriculture. They like to stand up in the House and say, well we haven't heard from Ottawa. We've got over half the farmers in Canada right here within our provincial boundaries. Shouldn't you show a little leadership? Shouldn't you?

Well, Mr. Deputy Speaker, changes to the WGTA is not a surprise. They knew they were coming. Everyone knew they were coming because of the rules of GATT, because of the international trade rules. You can't send your Economic Development minister all over Europe, Mexico, Cuba, asking him to fly with a bunch of staff all over the world to do some trading, and then not respect trade rules. Obviously.

Now there's a few things that are of great concern to us. And as the Liberal leader mentioned earlier, it'll be how this all affects the short lines, the branch lines, how the \$300 million of transitional money gets paid out. And that offer is still there. If these other two parties will just work with us, meet with the federal Minister of Agriculture, perhaps we can work through this for the best interests of the farmers, Mr. Deputy Speaker.

I think enough has been said on this issue by me, because I see so many of the members opposite are getting nervous and of course wanting to get up and speak on this. So at this point, Mr. Deputy Speaker, I will move an amendment to the motion, and the amendment is as follows. It's moved by myself, seconded by

Anita Bergman, Regina North West . . . the member from Regina North West, sorry. I apologize for that, Mr. Deputy Speaker, the member from Regina North West:

That all the words after "that" be deleted and the following substituted:

In light of the elimination of the Crow benefit, this Assembly make an all-party representation to the federal Minister of Agriculture and Agri-Food in support of all Saskatchewan farm families, asking the Minister to ensure that the effects of eliminating transport subsidies on branch lines be minimized and that the federal government assist in the promotion of diversification and value added processing.

I so move. Thank you.

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. Well, Mr. Deputy Speaker, that's a bit of a bizarre amendment in light of the facts, I think. It's almost as bad as the johnny-come-lately Tories standing up for the Crow. Quite amusing, but maybe never too late.

Mr. Deputy Speaker, when I listened to the Leader of the Liberal Party and the last member who spoke, it reminds me of one of my favourite old sayings: if you throw a stone to the dog and the dog barks, you know you hit the dog. And that's exactly what this motion has done to the Liberal Party today. They were yelping over there, trying to put on a bravado front, trying to run at the Saskatchewan government, when they know all the while this hurts very deeply not only the Liberal Party, but every man, woman, and child in Saskatchewan.

Well I want to say, Mr. Deputy Speaker, that I know that I give the Liberals credit for having intestinal fortitude. Because I can remember back a number of years ago, when the present Minister of Agriculture, Mr. Goodale, was working for the then minister of Transportation, Otto Lang, as a ministerial assistant, started the process, followed by Mr. Pepin, a Liberal.

And then of course we had the 10 years of Tories that really wanted to do it, but they couldn't quite get up the nerve to do it. So they just kind of chinked away at the armour and reduced, Mr. Speaker, reduced the Crow benefit year after year after year.

But then here comes good old Mr. Goodale, charging back, coming to finish the job they started 20 years ago. And it only took him a year to do it, to destroy the infrastructure support system in Canada and Saskatchewan that feeds our nation.

So, Mr. Speaker, I find it vile that the members of the Liberal Party might stand up today and support Mr. Goodale, who's the real problem. Can't you imagine, I'm listening to the radio this morning, and I heard Mr. Martin saying, oh, that Mr. Goodale, he's a tough person to bargain with.

Well can't you imagine Mr. Goodale with Mr. Martin in a headlock? Mr. Goodale says, they need 7 million; no, get a little lower; they need 7 million; no, we'll only give them 1.6 billion,

rather . . . 7 billion. This tough negotiator, Mr. Goodale, wrestling Mr. Martin down to \$1.6 billion from 7 billion. Great guy, great defender of agriculture, great defender of farm programs in Canada. Can't you imagine it?

Mr. Speaker, as I said, at least I give the Liberals credit for having intestinal fortitude, because they in a one-year period, finished off what the Tories tried to do in 10 years but couldn't do because they didn't quite have the "you know what I mean" to do it.

Mr. Speaker, this motion . . . I read the motion talking about the 100 per cent cut, the \$1.6 billion. I'm surprised the Leader of the Liberal Party and her member from Shaunavon barely touched upon it. But you know what they talked about? — Moose Jaw, CFB (Canadian Forces Base) Moose Jaw.

Well I'll tell you, it's grasping at straws — that's a good thing. But I'll tell you we're going to be sick of hearing about CFB Moose Jaw because that's the only good thing they got to talk about.

And is that going to help the farm families? Is that fair to Saskatchewan, fair to the rest of Canada? When our transportation rate gets cut to zero and the other components of agriculture in Canada, in eastern Canada especially, only get 30 per cent cut, I think it is not fair.

Mr. Speaker, another point that they put forward is, well, GATT made me do it. It's like the devil made me do it, only GATT made me do it. Well I ask the member from Shaunavon and his leader to stand in their place and show me where in the GATT agreement it said that this subsidy had to be eliminated completely. Period. Where did it say that? When they say GATT made me do it, Mr. Speaker, that is not the truth.

It's a clearing of the smokescreen they've been putting over this province for years and years while trying to . . . and as the previous government, Conservative government, did, because they wanted to get at their economic recovery through the farm community in western Canada — a land-locked community that relied on an old agreement that made producing grain in this country viable because of our distance from port. That's what they did.

Now, Mr. Speaker, I want to ask the members opposite, I want to ask Mr. Goodale, I want to ask Mr. Goodale about the banks. In the budget they said the banks were going to get . . . have to pay about a hundred million dollars. They were going to get those big, bad banks — a hundred million dollars between all the banks in Canada. You know what that would amount to? Not very much, Mr. Speaker.

But listen. When they go to make the payment to the farmer, or to the landowner rather, not the farmer, to the landowner, let's take a couple of questions. The banks alone have about 700,000 acres. They're the landowner. So if you equate about \$20 an acre to 700,000 acres, that's what? — \$14 million.

(1545)

Is that money going from the taxpayers of Canada to the banks? Not to the people who need it to produce the product.

And what about section 178 of the Bank Act, Mr. Speaker? Under section 178, this payment could automatically go to the banks without the person who actually is farming the land even knowing about it.

What about all the agreements that lenders have made farmers sign as they've gone over the last number of years, where they say any payments coming to the producer or the owner goes to the bank. Add that on, Mr. Member from Shaunavon. Did you think of telling Mr. Goodale these things if he consulted you and your leader? And if he did, why didn't he do something about it? Because first of all there was no plan.

So my point here, Mr. Speaker, is maybe this is another smokescreen — the hundred million dollars taxation on the big bad banks slipped through the back door, through section 170 of the Bank Act, through the 700-and-some thousand acres that the banks own, and through signed agreements that the banks have made farmers sign — that they will get any payment coming from government.

**An Hon. Member:** — They cut a deal.

**Mr. Upshall:** — They cut a deal. Precisely. As my colleague from Lloydminster said, I think there could have been a deal cut.

But the point is, Mr. Deputy Speaker, why? Why would a Minister of Agriculture who is from Saskatchewan, despite the fact that he worked for the minister of Transport who began the process under a Liberal government many years ago, why would he would want to take this away, this advantage, this natural advantage away from the farm families of Saskatchewan? The agreement was put there specifically, specifically to aid the farmers in getting their grain to market.

Now the only reason I can answer that question . . . the only way I can answer that question, Mr. Speaker, is that our Minister of Agriculture, and I'll say our Liberal Minister of Agriculture, from Saskatchewan, has copped out. Wasn't strong enough to stand up to Mr. Martin when Mr. Martin says, well I'm going to cut the budget. But I'm going to cut 30 per cent in eastern Canada, but I'm going to cut 100 per cent in western Canada. When the Minister of Agriculture, who's from western Canada, didn't have the gumption to stand up and say no, that is not fair.

And I ask the member from Shaunavon and the Liberal leader why they weren't there.

And now they come to this House, Mr. Speaker, they come to this House say, oh join with us and we'll march to Ottawa hand in hand and we'll go tell Mr. Goodale and we'll go tell Mr. Chrétien that they've done a bad thing. Well johnny-come-lately, I think, johnny-come-lately.

Mr. Speaker, we've been in this House now for a number of weeks. We've not heard a peep out of the Liberal Party on what

potentially could have come in this budget — not one word. But after the fact, after the fact, they come charging to the fore, saying well let's go to Ottawa. That's very, very, very hypocritical.

Now, Mr. Speaker, I want to go into some of the impact of what's going to happen here when the WGTA ends on August 1, 1995. Just think about it.

I'm a farmer. My neighbours have their seed, a lot of their seed plans . . . seed bought or their plans made. Now this has thrown that into chaos. They're going to have to go back and say okay, what am I going to do? This is going to end. Do I have to, you know, change my seeding intentions? Do I have to again go and spend money on buying new seed because I have to change my intentions; spending more money? That's a possibility.

Mr. Speaker, this allows for the speedy abandonment of light steel and low volume branch lines — just bang. It eliminates notice and conveyance provisions to expedite abandonment; speeds up the process. This is in one foul swoop, Mr. Speaker, the most devastating change that rural Saskatchewan has ever seen. And I said that, and we have said that, for years and years and years that if this were to happen, it's going to change the face of Saskatchewan so rapidly that it's going to make your head spin.

It eliminates restriction on incentive rates. Eliminating restriction on incentive rates leads to confidential rates. Confidential rates where the producer . . . or the shipper and the railway will enter into an agreement and no one will know what the rate is. So what that does, it directly influences the price of grain.

Mr. Speaker, these are issues that the majority of people in Saskatchewan have known for years will be devastating to the rural economy. And the good old Mr. Goodale, the Saskatchewan Minister of Agriculture for the federal government, a good old Liberal, he destroyed them.

This ends port parity, road parity, and CN (Canadian National) adjustments, something else that's been predicted. Provisions will be built in to rate-making that will meet railway costs they say. Well the last time I checked, I never really did know what the railway costs were because they won't expose the costs. So this says provisions will be built in to meet railway costs. Who's to say what the costs are?

Under review regulated system, no one will know what the costs are. It will be, pay what I ask you to pay or don't move your grain. And this provides no measure, Mr. Speaker, to ensure the viability of existing or future short lines. This will be a straight dump onto the backs of the province again, on the backs of short-line railways.

And, Mr. Speaker, I want to end off by saying . . . (inaudible interjection) . . . I want to keep going by saying . . . This morning the Liberal leader was out in the hallway talking to the press. And you know, Mr. Speaker, some things I believe and some things I don't believe, and I didn't believe this until I read it. Now the Liberal leader was asked a question about

Saskatchewan Wheat Pool, their appearance at a news conference with SARM, with SUMA, and with the Premier.

Now I don't care what anyone thinks of the Saskatchewan Wheat Pool or SUMA or SARM or their leaders — everybody's entitled to their opinion. But in that scrum, that press scrum, the Leader of the Liberal Party insinuated that the president of Saskatchewan Wheat Pool was bought, was bought by the Government of Saskatchewan in a trade-off for passage of a Bill that is in Saskatchewan Wheat Pool's interests.

As I said, Mr. Speaker, everyone is entitled to their opinion.

**An Hon. Member:** — This is the new politics.

**Mr. Upshall:** — But for a leader. . . This is the new politics, exactly, as my colleague says. Can you remember, this is the new politics? For the leader of a provincial public political party to stand up and accuse the leader of the largest farm organization in Canada of being bought, begs the question of integrity — begs the question of integrity.

Mr. Speaker, I have seen her talk about civil servants like that time and time again. I've heard her talk about other people in the communities. But, Mr. Speaker, this is the depths, the bowels, of no integrity. I can't believe that to be true, but it is, as I read it.

Mr. Speaker, I want to end up by saying that this amendment to this motion, I will not be supporting.

**An Hon. Member:** — What?

**Mr. Upshall:** — Will not be supporting, simply for one thing: there is no integrity in the Liberal Party. There is no integrity, and any motion . . . amendment that they put forward, even if it may look like it might be right, there is no integrity so I will not accept. So thank you, Mr. Speaker.

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

**Mr. Kowalsky:** — Mr. Speaker, I just want to take a few moments to respond to the amendment proposed by the Leader of the Liberal Party. Mr. Speaker, to have listened to the member who is representing the Liberal Party, Mr. Speaker, to listen to the Liberals on this federal budget debate, Mr. Speaker, would leave anybody in this province rather puzzled to try to figure out whether they're standing on their left foot, on their right foot, or turning around, or whether they're trying to run and hide, or whether they're trying to go forwards or backwards.

Mr. Speaker, if you just read even the first portion of the amendment, it says, in light of the elimination of the Crow benefit. Right there they admitting that . . . and admitting it . . . either they should be admitting it with shame that the Crow benefit is gone.

Where were they in the last month before this? Where were they in the month before this talking about the Crow rate? Now all of a sudden they want to get back in the tent with the people that have stood for the Crow rate, for the keeping of the Crow

rate. Now they want to get back into the tent because they know the people of Saskatchewan and the farmers of Saskatchewan are dead against them, that they feel that they have been abandoned by the Liberal Party. They want to get underneath the tent and say, well let's go back together and plead to the federal minister that somehow he might not be so tough on us. And at the same time, try to divert some of the cost over to the provincial or to the local levels.

They cannot get away with that, Mr. Speaker; it's simply not fair. Somehow or other the Liberal leader and her new disciple over there wants to get back on track with the Saskatchewan farmers, and we will not allow them to do it. We are not going to support this motion.

I say, Mr. Speaker, the Liberal leader had her opportunity to make comments to Mr. Goodale. We know now that that failed; we know that Mr. Goodale failed; and we're going to vote against this particular amendment.

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

The division bells rang from 3:59 p.m. until 4:04 p.m.

Amendment negated on the following recorded division.

<b>Yeas</b>			
Haverstock	Bergman	McPherson	— 3
<b>Nays</b>			
Wiens	MacKinnon	Shillington	
Anguish	Johnson	Atkinson	
Kowalsky	Cunningham	Carson	
Mitchell	Penner	Upshall	
Hagel	Koenker	Lorje	
Lautermilch	Crofford	Murray	
Hamilton	Draper	Serby	
Sonntag	Flavel	Roy	
Cline	Scott	Kujawa	
Stanger	Kluz	Harper	
Keeping	Jess	Langford	
Neudorf	Martens	D'Autremont	
Toth	Britton		— 38

**Mr. Martens:** — Thank you, Mr. Speaker. I think today is a very interesting day in the light of agriculture and the role that the federal government has played in providing their budget yesterday.

The interesting thing that I think occurs is that this discussion has taken place over the last 30, 35 years in how the Crow should be paid to producers. And so many times we have talked and we've debated about how it should be done, and many times we have disagreed on how it should be done. But there is one thing we have not disagreed on, and it is how much should be paid to producers in the province of Saskatchewan or in western Canada for what the Crow value was.

And I have debated this issue with ministers of Agriculture

from across the province and nationally. I have debated this issue on many occasions, and I have come to the conclusion that this is, in my view and I believe in the view of grain producers in the province of Saskatchewan, an entitlement, Mr. Speaker.

And what we have, what we have today is an erosion of that entitlement, an entitlement that went back for at least 80 years, Mr. Speaker, to a benefit that accrued to western Canada that was, I believe, an entitlement. An entitlement, Mr. Speaker, was an agreement that was reached between the agriculture production and producers in western Canada as a national policy in the early 1900s. And now we have the federal government of today throwing it out the window.

And that, Mr. Speaker, is very, very serious. In terms of an economic benefit to the people of Saskatchewan, the value of the Crow is a significant negative, Mr. Speaker, and we are going to suffer for this for a long time. And that is why we have to begin to do some very serious thinking about what we do in the future.

Now I don't believe that people in Saskatchewan or in Alberta or in Manitoba ever wanted to have the value of the Crow eroded. They were in disagreement about how it should be paid, but not that the erosion of the Crow should take place.

And I believe, Mr. Speaker, that we have, in this province, seen that. We've seen it happen by a Liberal Minister of Agriculture from the city of Regina from the province of Saskatchewan. We have seen an erosion of the Crow and the value of the payment to western Canada. And I believe, Mr. Speaker, that it is a serious indictment on that minister, and I believe that that is something that we should never ever allow the people of this province to forget.

We have had, Mr. Speaker . . . we are being forced now, Mr. Speaker, to do things in five months that have been discussed over the last forty years. We are going to have to do a number of very serious things. And I made a list of them here, Mr. Speaker.

The first one we're going to have to do is we're going to have to rationalize our rail line in the next year or so. That's what's going to take place. We're going to rationalize our rail line in a way that, Mr. Speaker, is going to cause serious devastation in the province of Saskatchewan. And it's going to impact in local communities all over the province.

The second thing we're going to have to do is rationalize variable rates in this province. And do we have any commitment on the part of the federal Minister of Transport or the federal Minister of Agriculture where this rationalization is going to have any kind of sense? Have we had any indication, either from this government in the province of Saskatchewan or in the federal Government of Canada, where the rationalization of the regulatory body that's going to control and monitor the rates of transportation for western Canada? No we have not. And that, Mr. Speaker, is the second thing that we're going to have to rationalize in the next six months.

The third thing that I believe we're going to have to rationalize, Mr. Speaker, is the community costs. We are going to have social changes in this province, the like of which we have never seen before. The people moving into Canada and the people moving into Saskatchewan in the early 1900s was a change in the social structure of this country and of this province. And today, Mr. Speaker, we are going to witness a serious social change, and we have no idea which way it's going to go.

The fourth thing, Mr. Speaker, that we're going to have to rationalize at a serious cost to the people of Saskatchewan and particularly to the major grain producers of which we are shareholders, Mr. Speaker, is the elevator system. That is another thing where we're going to have to rationalize in the next six to eight months in order to understand what we're going to be doing, and how they're going to operate with a basis of different rates for different communities in this province.

The fifth thing, Mr. Speaker, that we're going to have to rationalize through the Government of Saskatchewan, through the municipal governments, is our road cost. We're going to have to seriously look at how those are going to be impacted by the very changes that we're talking about here — very, very significant, I believe, Mr. Speaker.

Down in the south-west we had transportation of grain into the United States over the past year, and there has been serious, serious problems with the road network into the United States because of the major transportation impact that was there.

The sixth thing, I believe, is we're going to have to rationalize some of the agreements that we have with United States. I believe, Mr. Speaker, we have only a tip of the iceberg. What we're going to do is we're going to say, well we're going to control the amount of grain that moves east and west and not allow it to move south, because south is cheaper.

Mr. Speaker, we're going to have to have a serious look at how we rationalize agreements with United States, because if farmers on the southern part of Saskatchewan or the prairie basin have to deliver their grain to Churchill, Thunder Bay, or Montreal, or Prince Rupert, they're going to decide which is the cheapest.

And that, Mr. Speaker, has to allow us an opportunity to deliver to United States, which for us is going to be cheaper. It won't be for the northern communities, but it definitely will be for the south. And we need to have some assurance that there is going to be some reasonable rationalization of that.

Number seven, Mr. Speaker, we're going to have to rationalize an economic opportunity in this province the likes of which we're only on the doorstep. And I want to point out, Mr. Speaker, and to the members of this Assembly, these things are not things that have been thought out by the federal Minister of Agriculture and I don't believe they have been thought out by the provincial Minister of Agriculture.

Rationalizing the economies and economics of the things that are going to have to transpire in manufacturing and processing in this province are, I believe, not even thought about or

contemplated, and \$300 million that he has in a transition fund isn't even going to come close. Because I don't believe that the volume of dollars paid that would have been \$7 billion into the agreement of the Crow and its value to Saskatchewan — that would have had difficulty compensating in making manufacturing go in the province of Saskatchewan. This is going to be devastating.

The eighth item, I believe, that's going to have to be rationalized in this whole debate, Mr. Speaker, is the pooling of the cost of the transportation of the grain from Thunder Bay to Montreal. We have no idea, Mr. Speaker, on an annualized basis what that cost is to the people of the province of Saskatchewan.

(1615)

I don't believe that we need to have any time . . . I don't believe, Mr. Speaker, that we need to have a Liberal cabinet minister of Transportation and Agriculture decide for us what that should be. And, Mr. Speaker, if we don't have a way that we can access all of the world markets by all of the transportation methods that we have available to us, we are going to be forced, Mr. Speaker, forced to transport our grain through the Lakehead. And that, Mr. Speaker, is going to cost anywhere from 140 to 250 millions of dollars to the farmers of the province of Saskatchewan. And that, Mr. Speaker, is over and above the cost of the Crow loss.

Mr. Speaker, I've outlined eight different rationalizations that are going to have to occur. And if you asked this of anyone, Mr. Larsen or anyone in Sask Wheat Pool, or you ask anyone in UGG, I think I would only have touched the tip of the iceberg, Mr. Speaker.

We have had very, very serious concerns about how it should be done, Mr. Speaker. And I believe what we should have first and foremost entrenched in the things that we were going to do is established what we were entitled to, Mr. Speaker. And we have fallen very far short of what we're entitled to in the province of Saskatchewan. This isn't even what Saskatchewan farmers should be entitled to. This is probably, Mr. Speaker, what the Manitoba farmers should have been entitled to, and we should have had twice as much as that, and that would have been a very significant benefit to the people of Saskatchewan.

And, Mr. Speaker, that is why I will be supporting this motion as a part of the reason for being here and for doing the things right.

Mr. Speaker, the people of the province of Saskatchewan need to have an opportunity to have the Minister of Agriculture of Canada listen to them, the Minister of Transport listen to the people of Saskatchewan, and I don't believe they have. They've unilaterally made decisions, and I don't think it's the right thing to do.

I could go on and talk about how the provincial government set the tone for the federal government to do that. They took away the GRIP contracts from farmers, and what did the federal government do? They said, well if the provincial government can take away GRIP from farmers, then maybe they wouldn't

even mind us taking away the Crow.

And so what we have had, Mr. Speaker, is one thing after another give a significant negative impact to the people of Saskatchewan. What they also did, Mr. Speaker, was they took away the premiums that had been generally entitled to by the farmers; they took that away from them too. They took the provincial share away and then the federal government said, okay, me too. And what have we got?

Mr. Speaker, they took \$300 million out of that premium and now we're getting a transition fund from the federal government of \$300 million. Well, Mr. Speaker, that's our own money. That is our own money. And that was owed to the people of Saskatchewan, and now all of us in western Canada have to share that. That's the type of Liberalism that we have in Canada today. And that is why I will be not supporting the decisions of the federal government in doing what they're doing.

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

**Mr. Martens:** — Mr. Speaker, this motion talks about the kinds of things that are important for the people of Saskatchewan, its impact, and I have only touched the tip of the iceberg in relating to this Assembly on how the people of the province feel.

Mr. Speaker, we will be supporting this and hoping that everyone will have the courage to support it, including the Liberal members of this legislature. Thank you, Mr. Speaker, for your time.

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

**Hon. Mr. Romanow:** — Thank you very much, Mr. Speaker. Mr. Speaker, I do not intend to speak at length, although this motion certainly justifies a great deal of discussion and debate. But I think much of what I had intended to say has already been said by members on all sides of the House.

Yesterday's budget, Mr. Speaker, was indeed a budget which, for western Canada and Saskatchewan in particular, can be categorized as a budget of high unfairness and high uncertainty, particularly because of the motion which has been presented by the members opposite. It is an unfair act to do away with the Crow rate and to do away with it in the circumstances in which the Liberals have done.

All the while in the negotiations with farm organizations and governments who were pleading with them, basically, that the Crow rate should be retained, the government took the position in Ottawa that if it was to go, as a bare minimum there would be a buy-out of \$2.5 billion. It was stated, Mr. Speaker, by all the farm organizations and individuals, by governments, that 2.5 billion was a fraction of the value of the Crow rate estimated to be about \$7 billion.

This morning, Mr. Speaker, we have woken up to the cold reality of a new day in Saskatchewan where the Crow rate is gone 100 per cent in exchange for \$1.6 billion, not \$2.5 billion, which amounts, Mr. Speaker, to less than one-quarter of the

total value of the Crow rate. Less than a quarter of the total value of the Crow rate.

The Premier of the province of Alberta and this government have had our differences about the issue of the method of payment on the Crow rate. But the one issue which I think it's safe to say most western Canadian people of all ideologies subscribe to, is that if the Crow was to be done away with, there needs to be a compensation figure to the farmers of Saskatchewan which is commensurate with the loss to the region. And that figure is in that order of \$7 billion. You can therefore imagine the shock, the sense of dismay, the high sense of anxiety which is attached to the announcement of yesterday that the figure is \$1.6 million.

Mr. Speaker, this transportation subsidy is gone as of August 1, 1995. In exchange, farmers will receive, according to the federal Minister of Agriculture, about \$20,000 on average. Those are going to be paid only to the landowners, as is currently articulated the policy. That'll be it. And we will see from this, Mr. Speaker, a high transition, as my friend, the member from Morse, talked about — a transition in the reorganization of rural western Canadian life.

From rail to trucking with the commensurate costs of larger trucks, the additional burden of highway systems and infrastructures, the trading patterns of rural Saskatchewan dramatically affected as branch lines in the consequence are going to be eliminated. And eliminated not in the best interests of rural Saskatchewan, but eliminated in the interests of the railway companies.

And to add insult to injury, we're now seeing the national dream, Mr. Speaker, the Canadian National Railways, up on the privatization block on top of all of this. Somehow, it is argued by the federal government that if you can do away with the Crow and privatize the CN, and when the CN becomes now a private, for-profit corporation, that in that circumstance the farmers are somehow going to be spared anything but the highest of rates in a situation with reduced lines, a profit motivation, and a disruption to our towns, villages, and our cities.

Mr. Speaker, this is an issue which affects all of Saskatchewan. This is not a farmer-only issue. This is an all-Saskatchewan issue. This is a working person's issue. This is a business person's issue. It will change the map of Saskatchewan, this unfair decision handled in this way, change it in ways in which we cannot foresee.

Mr. Speaker, I think this motion needs to be passed and passed unanimously by the members of the House, to cut across ideology, to say to the Prime Minister and to the federal government: you have time to change your direction. We urge you to change your direction. We urge you to reconstitute the situation, at least until there's an opportunity for fair consultation. And I think it's a motion which would assist all of us in government and in opposition to try to convince our colleagues in Ottawa of the unfairness of this act of theirs.

I said there was another aspect to this decision as well, Mr. Speaker. I want to say a word about it. It is highlighted by huge

uncertainty. Mr. Speaker, if it remains as articulated, the farmers face an enormously uncertain future.

First of all, the new system kicks in on August 1, 1995. Can you imagine the potential of the glut leading up until August 1, 1995 as farmers try to take the last remaining weeks and months' benefit of this Crow? What happens however if the pay-out, even at the relatively low — not the relatively low — at the very low figure of 1.6 billion, isn't paid until some several months after August 1, 1995? We have the spectacle of people who are having to deliver under a rapidly changing transportation system and not even having that on average \$20,000 of money in their pocket while doing so. This is another form of uncertainty and unfairness.

But clouding all of this and making it so uncertain, Mr. Speaker, is the whole issue of the ground rules for the pay-out of the \$1.6 billion. These ground rules are very, very unclear, to put it mildly. Announced by the federal Minister of Finance, the sum is to be paid exclusively to landowners. We know the situation in Saskatchewan. There are people who are landowners who farm the land and we know that there are landowners who do not farm the land, who have lease arrangements with other farmers. Many of these lease arrangements are not entered into by way of written agreement. Many of them in Saskatchewan are entered into by verbal agreement, by a handshake, the terms and the conditions of which are made amongst neighbours and between neighbours.

We know as well that many of the institutions, such as FCC, ACS, these are landowners too. Banks, railway companies, large real estate companies, are landowners. How in the world is this confused methodology of the buy-out, even assuming that one would accept it in principle, which I do not, how in the world is it to be administratively effective? This is the uncertainty and the turmoil in which Saskatchewan farmers and all the people of Saskatchewan have been now placed.

I say, Mr. Speaker, this is high uncertainty, coupling with the unfairness, the basic unfairness that I talked about with respect to the people of this province and western Canada.

Mr. Speaker, I want to close on this thought. The Crow rate has been a part of Canada for decades. It has been described as part of the Confederation bargain. It has been said that the Crow rate was part of the bargain which saw the western provinces enter into Confederation.

It was part of the bargain that when the Fathers of Confederation foresaw in their wisdom the need to build a railway line straight from the centre of Canada, the eastern part of Canada to the west coast of Canada, they saw not only the need to build a transportation system, they saw the need to build a country.

They went through scandals. They went through political upheaval. But an eventual result was that the national dream was fulfilled and we did have that rail ribbon of steel tying Canadians together from the east coast to the west coast to build an economic and social unit called Canada, a unit which was separate and different from our friends to the south called the

United States of America.

And we built our farms and we built our settlements, in exchange for which the railway companies received large grants of land tracts and mineral rights and other benefits and privileges as part of the Confederation bargain. That was the deal. That was what western Canadians bought into when they bought into the national dream.

Now one could argue that perhaps what the Fathers of Confederation in 1867 built has now been undone through the passage of time. I don't fully subscribe to that view, but none the less everything changes.

(1630)

If that argument is to be accepted, the very least that was incumbent upon the federal government was to come up with a new national transportation policy, Mr. Speaker, which would have built or generated a new national dream for the 21st century. Something upon which we could carry forward that torch, that vision, of a united Canada east to west — or as the CBC (Canadian Broadcasting Corporation) says, from sea to sea to sea — one which may cost us a little more economically but one which in fact keeps us together as this great northern half of the North American hemisphere, this country called Canada, a new national dream.

I've argued that the politics of the 1990s is the politics of public debt. We know that. We know the federal government has a debt problem. That's a problem for all Canadians. We know that. All of us believe that we've got to do our share in tackling the national debt. But the politics of the 1990s in dealing with public debt does not require a knee-jerk response which in effect says, we're going to throw the baby out with the bath water. It requires us to cut the suit to match the cloth which is available. It might take a different form. It might take a different shape. But whatever it does it requires this — as I said in my remarks during the course of the budget debate — to protect the core values of what it is to mean to be a Canadian, what it means to be a Canadian. This is fairness, this is equity. It means regional equity. Our transportation subsidy as of August 1, 1995 is gone 100 per cent.

I won't trouble the House about comparisons on other regions and the fact that they did not receive the same kind of fate, but that is the fact. If we are asked to share the burden for the public debt, surely the onus is fairness as the member has said. Surely it is in the principle that amongst regions there is a community, a sharing, an inter-regional cooperation that we help each other out, just as we do as individuals.

We have built medicare. We have built the railway system. We have built the transportation system. We've built our wheat pools. We build our communities on that system of sharing and giving. And if the public debt requires some new vision, some new plan, we're not beyond the task of rising to the occasion. We are indeed capable as Canadians of dreaming that dream of the new 21st century transportation system and the new Canada of the 21st century.

To me, Mr. Speaker, this decision taken by the Minister of Finance is in a sense yet another — I cannot speak of the other issues of the federal budget because it would be out of the scope of the resolution — but another example of the undoing of the ties that bind this great country together.

Mr. Speaker, this morning I had the privilege, I had the honour, to be at a joint press conference where, cutting across ideology, the president of the Saskatchewan Wheat Pool, the president of the Saskatchewan rural municipalities, the president of Saskatchewan Urban Municipalities Association, elected individuals each one of them, joined with the Premier of this province and said publicly to the people of Canada, we must right this injustice. We ask you, Minister of Finance, and Prime Minister, and Saskatchewan and Canadian people to put your political biases aside to right this injustice. That is an act of statesmanship, Mr. Speaker. That is an act of nation building. That is an act of province-nation building that those leaders exhibited today.

That's what this motion is about. This motion is asking us to do the very same thing. And, Mr. Speaker, given the history of this country, given the concerns that we have for our farmers and for our communities and our towns and our villages and our cities, given the need that we must have a national transportation Act, given the fact that this is the elimination of the National Transportation Act — say what you will about it; that's what it is — given the necessity for us to dream the dream of keeping this great country together and strong and vibrant and healthy to the 21st century, we must pass this and pass this unanimously.

I call on the members to do so, Mr. Speaker. Thank you very much.

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

The division bells rang from 4:36 p.m. until 4:39 p.m.

Motion agreed to on the following recorded division.

**Yeas**

Romanow	Van Mulligen	Thompson
Wiens	MacKinnon	Shillington
Anguish	Johnson	Atkinson
Kowalsky	Cunningham	Carson
Mitchell	Penner	Upshall
Hagel	Koenker	Lorje
Lautermilch	Crofford	Renaud
Murray	Hamilton	Draper
Serby	Sonntag	Flavel
Roy	Cline	Scott
Kujawa	Kluz	Harper
Keeping	Jess	Langford
Neudorf	Martens	Gohsen
D'Autremont	Toth	Britton
Haverstock	Bergman	McPherson

**Nays**

— 45

**ORDERS OF THE DAY**

**WRITTEN QUESTIONS**

**Hon. Mr. Shillington:** — Yes, I think I can save the Assembly some time, Mr. Speaker. Questions 10 to 39, which appear as items 1 to 30 on the list, we will be converting to motions for return (debatable).

Members opposite are asking a question about next fiscal year. We can hardly answer that in five days, even as efficient as we are.

**The Speaker:** — Questions 10 to 39, questions for return convert.

**Hon. Mr. Shillington:** — I missed the Speaker's comments.

**The Speaker:** — Questions 10 to 39.

**Hon. Mr. Shillington:** — Motions for return (debatable), that's correct, Mr. Speaker.

**The Speaker:** — Return (debatable).

**Hon. Mr. Shillington:** — I would table question no. 40. Thank you.

**The Speaker:** — . . . tabled.

**Hon. Mr. Shillington:** — Now I can further save the Assembly some time by stating that items . . . questions 41, 42, 43, which appear as items 32, 33, and 34 are also converted to motions for return (debatable).

Once again members opposite have asked the question about next fiscal year. As efficient as we are, we cannot answer within five days questions about the next fiscal year.

**The Speaker:** — Items 41, 42, 43, motions for return (debate).

**Hon. Mr. Shillington:** — I believe with the concurrence of all members, Mr. Speaker, we'll call it 5 o'clock, and begin rule 16 debate at 7, rather than interrupt members opposite in their presentations.

Leave granted.

The Assembly recessed until 7 p.m.

**CORRIGENDUM**

On page 467 of *Hansard* No. 16A, February 27, 1995, 1:30 p.m., left-hand column, third paragraph, "The Chair" should read "Hon. Ms. Atkinson."

We apologize for this error.