

The Assembly met at 2 p.m.

Prayers

INTRODUCTION OF GUESTS

Hon. Mr. Dirks: — It's my pleasure to introduce to you today, Mr. Speaker, and to all members of the Assembly, a group of 26 grade 8 students who are seated in the west gallery, attending here today from St. Francis Elementary School, located in the constituency of Regina Rosemont. They are accompanied by their chaperon and teacher, Mr. Small, and I will have the opportunity to meet with them for pictures and for some refreshments after question period.

We're delighted that you've taken time out from your school schedule to meet with us today. We hope it's a profitable excursion, and I would ask all members to join with me in welcoming them to our Assembly.

Some Hon. Members: — Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I want to join the member from Rosemont in welcoming the students from St. Francis. Mr. Small and I were involved in piloting the new social studies curriculum in division 3, and we had some interesting times in developing the curriculum which, I might add, and the Minister of Education will be interested, is a new and, I think, a very good innovation.

My welcome to Mr. Small and his class, and I, too, wish them a prosperous and a rewarding stay here in the legislature.

Some Hon. Members: — Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. I wish to welcome to you and to the Legislative Assembly, 17 students from an adult class at the Regina Plains Community College. I want to congratulate the college. I probably welcome as many students from this one institution as I do from all others in my riding.

I look forward to meeting with the students are question period and sharing your observations.

Some Hon. Members: — Hear, hear!

ORAL QUESTIONS

Impact of Lower Grain Prices

Mr. Engel: — Thank you, Mr. Speaker. My question is to the Premier, and it has to do with yesterday's announcement of initial grain prices for the coming year, initial prices which are down by 81 cents a bushel, or nearly 20 per cent from last year, and which are lower than the worst years of the '30s when inflation is taken into account.

My specific question is this, Mr. Premier: have your officials studied the impact of yesterday's announcement, and have they indicated what the impact of this

announcement will be on Saskatchewan's farm income?

Hon. Mr. Devine: — Mr. Speaker, the impact of lower grain prices are somewhat similar to the impact of lower oil prices or lower any commodity prices — potash. People have less revenue and less profit. As a result of the decline of 17 or 18 per cent in the initial price of wheat, you will see farm incomes decline as a result of that reduction. I don't have the precise number with me, but I can get it, the nearest estimates of what that might mean to western Canada, to the province of Saskatchewan.

As a result of the decline, I can say that hundreds of millions of dollars are needed in the pockets of families here in Saskatchewan, farm families. And as result of the things that I have been doing with the federal government, Mr. Speaker, I believe that we can look forward to large infusions of cash into the pockets of farm families in Saskatchewan in the near future.

Some Hon. Members: — Hear, hear!

Mr. Engel: — Thank you, Mr. Speaker. Supplementary question to the Premier. The question was: have your officials reviewed the specific impact this is going to have on our 65,000 farmers? And can you confirm that this announcement will take a minimum, at 81 cents times the 20 million tonnes of grain approximately, of \$500 million dollars out of the Saskatchewan economy; in particular, out of the farmers' pockets? Can you confirm that that's a minimum that will be lost to Saskatchewan farmers?

Hon. Mr. Devine: — Mr. Speaker, as the hon. member knows, there's a combination of things that goes into the annual income for farmers: one is the initial price; secondly is the final price; and third is the production.

Now if you can put a combination of packages together where you have a good production years so that you can have fairly good yields — if, throughout the period of time, Mr. Speaker, in the '86-87 crop year you find that you have higher domestic prices for wheat, say, in excess of \$10, so for '86-87 you can look at an increase — you could find world markets improve over the next little while so that when you have your final payment, obviously, you're going to have more money.

And, Mr. Speaker, the other side of the equation is costs — the whole cost side of agriculture. Now if you look at the kinds of things that we can do, Mr. Speaker, you can protect farmers with respect to interest rates. We have reduced interest rates and provided interest rate protection for farmers, and that's very important. The bank rate is continuing to fall and that's significant. You can look at fuel prices, Mr. Speaker, and in this city obviously they're the lowest there are in Canada. And you add our farm fuel rebate on top of it, you're going to be looking at in the neighbourhood of 20-some cents a litre for farm fuel.

If and when you provide protection to Saskatchewan farm input costs, then you can improve the situation. So it's a combination of things, as the hon. member knows. It's the initial price. It's the final price. It is what price they're going to provide for Canadian production, used and

consumed here in Canada, which could be 10, 11, or \$12, or something in that neighbourhood, which could be significant, and the world markets, and the costs. So you put those together, Mr. Speaker, and we'll see what the final outcome is with respect to agriculture.

On top of that, if you have injections of cash of hundreds of millions of dollars, say, though a western grains stabilization program, or through various kinds of other mechanisms that people can design, obviously you can have a fairly positive impact on the situation.

Mr. Engel: — One more question, Mr. Speaker. Most farmers and farm leaders agree that it's time for both you and the Mulroney government to act in a significant way. By way of information, Mr. Speaker, just let me quote a little bit from what Lorne Hehn, the president of United Grain Growers, said:

We now have a situation where our farmers are no longer competing with other farmers. They are competing with other government treasuries. The situation warrants federal government intervention. (The little if's you were talking about are \$500 million if's, at a minimum.)

Mr. Premier, during your trip to Ottawa did you get a commitment from your friend Brian to introduce a deficiency payment for all production of Canadian Wheat Board grains to protect Canadian farmers from the huge subsidies provided to American and European farmers by their national treasuries? Did you ask for a commitment for a deficiency payment? And if you did, how much of a commitment are you asking for?

Hon. Mr. Devine: — Mr. Speaker, I asked and I received a commitment of a cash injection into western Canada and into Saskatchewan. And there are many ways to get that cash out. Deficiency payment is one; stabilization is another; higher domestic prices is there. There is a combination of things, Mr. Speaker, that the federal government is looking at, and I will be making a ministerial statement after question period outlining several of them.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I refer to the same issue that my colleague the member for Assiniboia-Gravelbourg did, and I ask you, Mr. Premier: did you press the Mulroney government to agree to the introduction of parity pricing for wheat, oats, barley and other products? Parity pricing, as you know, would guarantee farmers their cost of production plus a fair return for their labour — that's the definition I use — on all production sold in Canada. Now that would not put our farmers in anything like the same position as U.S. or European farmers, but it would help. Did you ask for such a commitment? Did you get such a commitment.

Hon. Mr. Devine: — Mr. Speaker, what I did ask for, and what I got a favourable response to, was a two-price system for grains in Canada and a higher price for domestic consumption. If, for example, wheat could be raised from \$7 to \$10 a bushel, on an annual basis of \$3 a bushel increase means about \$100 million a year to the province of Saskatchewan.

Mr. Speaker, if we can move towards a broader, two-price system — we have one now, but if we can expand it — then it moves along the lines of providing some assurance for the domestic consumption of grain, that it's going to be priced fairly, and I don't believe it would cost the consumer very much. I think . . . And you would see that it might be pennies — 3 or 4, 5 cents a loaf at the outset, if you had domestic grain priced in the neighbourhood of \$10 a bushel or \$11 a bushel or something like that.

So yes, Mr. Speaker, I talked to him about two-priced grain, specifically about \$10 wheat or more, and yes, it would mean an infusion of cash, and yes, they're looking at it very seriously. And they see it as one of the mechanisms they may be able to use to provide additional income to Saskatchewan farmers when there is, as the hon. member points, out, a world glut, and very, very strange policies in both the European Economic Community and the United States; very strange policies around the world with respect to oil pricing that don't make much sense at all and that has Saskatchewan families pitted against international treasuries. And yes, Mr. Speaker, this government is going to do something about it, and the federal government is going to do something about it.

Some Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. In reference to your earlier comment on input costs, you will be aware of the 1984 federal election campaign promise to eliminate all federal taxes from the price of farm fuel, and you will be aware, Mr. Speaker, that that has not happened.

When you were in Ottawa, did you press the Primer Minister to honour the commitment made in the 1984 federal campaign to remove all federal taxes from the cost of farm fuel? Did you ask for that commitment, and did you get it?

Hon. Mr. Devine: — Mr. Speaker, I asked them again to remove the taxes from farm fuel. But it's a little strange for the member, the hon. member opposite, to be asking for tax reductions on farm fuel when he had the highest gasoline prices west of the Maritimes and supported a program that would tax farm fuel in Saskatchewan; had a rebate, and then took it off. It's a little strange, Mr. Speaker, that the members opposite would even ask for reduction in taxes on farm fuel when they had the highest prices west of the Maritimes when they were in power.

Hon. Mr. Blakeney: — Final supplementary, Mr. Premier. The promise was made in 1984, the commitment, to use your term: did you find out whether that commitment would be honoured?

Hon. Mr. Devine: — Mr. Speaker, it is a relatively new government. They are going to be in power for some time, Mr. Speaker.

When I said that I was going to take the tax off gasoline, Mr. Speaker, I took it off. And when I said I was going to protect interest rates because the NDP wouldn't protect interest rates, I did. And when I said that I was going to

build a rural gas distribution system, Mr. Speaker, I did, because they didn't. So, Mr. Speaker, when I say I'm going to build something, or say I'm going to do it, it'll get done.

Some Hon. Members: — Hear, hear!

Premier's Trip to Eastern Canada

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to direct a question to the Premier, and it deals with his little trek to eastern Canada, I think which the rest of Saskatchewan would certainly agree was the biggest flop since Ford built the Edsel.

But my question to you, Mr. Premier, is that, thanks to your trip, we have the news now that the initial price of grain is down 20 per cent. We have the news, because of your trip to eastern Canada, that Husky Oil upgrader is on hold for another year; that another \$90 million is going to be poured out.

My specific question to you, Mr. Premier, is: can you confirm that, along with this mission to eastern Canada to protect the farmers and the oil producers, did you have in your company down East working for Saskatchewan such notable people as the president of the Saskatchewan PC Party, Ron Barber? Did you have the former president of the PC Party, George Hill, in some of your meetings? Did you have the executive director of the Saskatchewan PC Party, Pringle? Did you have the election campaign director, Dave Tkachuk? And did you have your chief fund-raiser in your company, Staff Barootes?

Is this the great group that are working to protect Saskatchewan farmers?

Hon. Mr. Devine: — In all my meetings with government officials — either with the Premier of Ontario or with the federal cabinet or any other meetings with respect to agriculture and oil — none of those people were there at all.

Mr. Speaker, I find it pretty interesting that they're saying they're concerned about agriculture and about the oil industry. They're obviously against Husky, and they're more interested in who's travelling and going to Toronto than they are in the farmer.

And they've changed their tune here right in the middle of question period because they don't care at all, Mr. Speaker. They couldn't give two cents about farmers, and when they were in government they didn't care about farmers. They taxed them. They had a death tax. They provided a taxation on fuel. They had land bank. The solution to everything was: well, sell your farm to the government; we'll look after you.

They didn't care, Mr. Speaker, and farmers turfed them out. And believe me, Mr. Speaker, farmers will turn them out again.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Obviously the Premier's not very proud of his little entourage that he took, because he didn't answer

the question. I'm asking you again, were any of these political hacks along? And I ask you, did the taxpayers pay any of their expense in getting these hacks to eastern Canada where you went on a fund-raising excursion?

Hon. Mr. Devine: — Mr. Speaker, none of the people from the PC party of Saskatchewan were at any of the meetings that I was at with respect to government, or premiers and others. Some of the people in the PC party of Saskatchewan went to Toronto to talk to business men, and they went there at their own expense.

Mr. Koskie: — New question to the Premier. Can the Premier confirm that during his trip to Toronto he and various PC party officials held a private fund-raising dinner at an exclusive Toronto club, attended by Conrad Black amongst others, and that the key reason for going on this trek to eastern Canada was not to fight for farmers and the small oil producer, as you claim, but rather to get some fresh election contributions from Bay Street and to see if you can solicit some of the blue machine to come and bail you out in Saskatchewan?

Hon. Mr. Devine: — Mr. Speaker, the hon. members know that they can never accuse this administration and this government of not sticking up for farmers. And because they know that, they've got to change the topic and change the subject.

Mr. Speaker, they don't know what farming is all about. Their leader doesn't understand agriculture. Their policies obviously are evident. And any new ideas that they're coming up with today on agriculture, Mr. Speaker, are the same as the Progressive Conservative government in power today. It's me too, me too, me too, me too, because you haven't had an original, good, solid solution in agriculture for the last 50 years, Mr. Speaker.

People know that we understand agriculture, and we move. You can't even talk about it without changing question period half-way through and talk about a finance meeting that's going on in Toronto. Well, Mr. Speaker, I think they should be ashamed of themselves when it comes to agriculture in the province of Saskatchewan.

Some Hon. Members: — Hear, hear!

Expenses on Trip to Eastern Canada

Mr. Koskie: — New question to the Premier. Mr. Speaker, Mr. Premier, when asked by the news media why so many PC officials had gone along with you, accompanied you to eastern Canada, you admitted that they were along for various meetings with Ontario and federal PC party election strategists. And you defended this kind of a political trip at taxpayers' expense by saying, that's how you build a big blue machine — you said to the press. Mr. Premier, when you claim that your trip was to fight for the farmers and for small oil producers, and when that turns out to be little more than a cover-up for a political trip at taxpayers' expense, don't you feel that you owe to the Saskatchewan taxpayers an apology and at least give them back some of their money that you're using, of their taxpayers' money?

Hon. Mr. Devine: — Mr. Speaker, this has got to be a new low in the spring session of the legislature. The member opposite knows absolute that not one penny of taxpayers' money went on . . .

Mr. Speaker: — Order, please. Order.

Hon. Mr. Devine: — Mr. Speaker, the hon. member knows that not 1 cent of taxpayers' money paid the transportation for any other individuals except me and my staff. I met with the Premier of Ontario on agriculture and on oil; I met with the cabinet ministers on agriculture and oil, Mr. Speaker. And they're afraid to even ask questions about it because they don't have any credibility in the oil patch; they don't have any credibility in agriculture; they don't have any credibility when it comes to health; they don't have any credibility when it comes to paper mills; they don't have any . . .

Mr. Speaker: — Order. Order, please.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order. If we're going to have a question period, I'm going to ask the members to kind of hold their voices down and let us be able to hear what's being said in the Chamber.

Mr. Shillington: — Mr. Premier, I just want to be crystal clear about your answer to one of the questions. And I would ask you to save me the frantic ravings of a desperate Premier — just a simple, short answer to the question. Will you confirm that the expenses of Dave Tkachuk and George Hill and Ron Barber and Don Pringle, in each of those cases, or any one of them — will you confirm that in no case was the expenses of any one of those paid by the taxpayer?

Hon. Mr. Devine: — Mr. Speaker, people in the Progressive Conservative Party will travel to other parts of Canada on either their own expense or at the Progressive Conservative Party expense. They were not there with me on government . . . and in my discussions with anybody associated with the Premier's office in Ontario, or with respect to discussions in Ottawa on oil or on agriculture or on anything else.

Mr. Shillington: — One further supplementary. Mr. Premier, you refer to officials of the Conservative Party. Only one of the people I named is just an official of the Conservative Party — Ron Barber. The others all hold government positions, and that's why I specifically asked: Tkachuk and George Hill and Staff Barootes, all . . .

Mr. Speaker: — Order, please. Order.

Mr. Shillington: — I ask you to confirm, yes or no: were the expense of any of the people I named, namely Hill and Tkachuk and Barootes — did any of those people travel at taxpayers' expense?

Hon. Mr. Devine: — Mr. Speaker, Senator Barootes is obviously a senator. He may have travelled, because he's got some sort of expense associated with being a senator. Anybody that travelled for the Progressive Conservative party paid it themselves or paid for by the party. Anybody

that was down, associated with that, Mr. Speaker — I go right back, Mr. Speaker . . .

Mr. Speaker: — Order, please.

Hon. Mr. Devine: — Mr. Speaker, I go right back to look at this pathetic bunch. They can't talk about agriculture. They can't talk about oil. They know they're not credible at all, so they've got to talk about straw men that they want to create and say, well for heaven sakes, you've got a political party in the province of Saskatchewan, one, frankly, that just beat you all to pulp.

Well, Mr. Speaker, I'll tell you, we know you're not credible in agriculture. We know that you're not credible in oil or anything else, and you've got to come in and talk about this kind of thing, or straw men, or about political parties because you can't do anything else. And the people of Saskatchewan know it.

Mr. Shillington: — A further supplementary. Mr. Premier, I ask you to confirm that the expenses of Tkachuk and Hill were not paid for by the taxpayer. I ask you to confirm that. Yes or no?

Hon. Mr. Devine: — Mr. Speaker, I've already said several times that they were not paid for by anybody else except privately themselves or the PC party of Saskatchewan.

Short-term Answers for Farm Problems

Mr. Sveinsson: — Mr. Speaker, I have a question of the Premier, and I would like to say that the short-term answer for farmers in the province of Saskatchewan . . .

Mr. Speaker: — Order, please. Order. The member from Regina North West has the floor. Give him the opportunity to ask a question.

Mr. Sveinsson: — Mr. Speaker, I would just like to enunciate quickly that the answers, the short-term answers for farmers will not be found in the well-founded criticism of the NDP party. I would like to suggest that the U.S. farm Bill has been looming over the heads of farmers in this province for months. It hasn't been news to the farmers of the province, but I believe it's been news to the government. The U.S. farm Bill was not mentioned in the throne speech or in the budget.

I ask the Premier. You left Ottawa Monday to get answers for farmers on a short-term basis for problems that have been created by the U.S. farm Bill, European Common Market. The price of wheat there has been there for a long time. Relating to that farm Bill and to the floor price of wheat that we can expect in Saskatchewan, which could range around \$2 this summer, what are the short-term answers for farmers in this province? And have you any real answers coming out of Ottawa at this time?

Hon. Mr. Devine: — Well, Mr. Speaker, as I mentioned in the previous answers, I will be making a ministerial statement on agriculture and oil right after question period. But yes, we have obviously put a lot of money into agriculture, short run, right now about a billion dollars at 6 per cent money, and other programs that are providing

some assistance to farmers.

And yes, Mr. Speaker, I will be announcing the kinds of things that I suggested to the federal minister and to the federal cabinet with respect to large infusions of capital and cash, thousands of dollars per family, into Saskatchewan in the very near future.

Decline in Housing Starts in Saskatchewan

Mr. Sveinson: — A new question to the minister of housing, Mr. Speaker. Saturday, April 5th it was mentioned in the Saskatoon *Star-Phoenix* that new housing starts in Saskatchewan are down by 3 per cent in 1986. In Monday's *Globe and Mail*, in statistical trends nationally, it indicates that the national housing trend for new housing starts is up 34 per cent. We trail the nation by 37 per cent, and I ask the minister why, and does he have any answers to this problem which includes a very broad base of employment if, in fact, it can be initiated?

Hon. Mr. Dirks: — Mr. Speaker, housing starts fluctuate from month to month. I would mention to the member opposite that as a result of the \$3,000 new home buyers grant which we initiated in the budget of a few days ago that we have already received literally hundreds of requests from people who are interested in that particular program.

Mr. Sveinson: — In your own budget you indicate that a 6,000 infusion for new home starts in 1982 only started 1,200 starts between '82 and '83. In the budget you indicate that \$3,000 suddenly in '86 is going to initiate 2,000 starts. Could you explain that to me, Mr. Minister, how less money is going to initiate more starts in 1986?

Hon. Mr. Dirks: — Mr. Speaker, as we all know, interest rates are tracking down and that's a very favourable sign for this country and certainly for this province. As I indicated to the member opposite, we already have hundreds of indications of people that are most interested in seeing new houses started and taking advantage of the \$3,000 grant that has been offered to new home buyers. Every indication that we have is that predictions are that there will be more housing starts in the province this year, all things being equal, than there were last year.

Mr. Sveinson: — Your own bureaucrats in the Sask Housing department indicate that housing starts are going to be down over the next two years. Mr. Minister, I'm sure you realize that during an election year you were going to initiate some program to enhance housing starts. Are you saying your bureaucrats are wrong, and if so, why have you still got them employed?

Hon. Mr. Dirks: — Mr. Speaker, I'm very pleased with the quality of people that we have working in Sask Housing Corporation. I think if you compare . . . (inaudible interjection) . . . If the member opposite would be so courteous as to give me an opportunity to respond to the question, I'd be happy to do that.

Mr. Speaker, if you take a look at the fiscal picture of Sask Housing today and compare it to what was happening under the former NDP administration, you will see that this corporation has come a long ways in providing the people of Saskatchewan with the kind of quality service that they deserved then but didn't get then. They deserve

it today and they are getting it today, whether it's with regard to seniors' programming, housing programs — wherever, across the province. And certainly the \$3,000 grant for new home buyers is a good example of that particular kind of program.

The member opposite would attempt to impugn the integrity and bring into question the professionalism of the people in the Sask Housing Corporation. I certainly have no indication, Mr. Speaker, no indication whatsoever other than that we have people of the highest calibre working for the province of Saskatchewan in that corporation. We can be proud of it. We can be proud of what it did yesterday, proud of what it's doing today, and proud of what it's going to do in the future, Mr. Speaker.

Some Hon. Members: — Hear, hear!

MINISTERIAL STATEMENTS

Meetings with Federal Ministers Regarding Agriculture and Oil

Hon. Mr. Devine: — Thank you, Mr. Speaker. I want to make a statement on both agriculture and oil as a result of my meetings the last couple of days. With the decline, Mr. Speaker, in the world wheat prices it is imperative that Saskatchewan farmers receive short-and longer-run financial assistance to be successful. Hundreds of millions of dollars, amounting to thousands of dollars per farm family, are necessary to keep Saskatchewan agriculture viable. I am concerned about farm families, Mr. Speaker, and I'm particularly concerned about the communities in which rural people live in this province.

In my meeting with the federal cabinet minister in Ottawa in the last two days, including Charlie Mayer, the minister responsible for the wheat board, I laid out a package of financial assistance for farmers in western Canada and Saskatchewan.

The first thing I asked for, Mr. Speaker, was an early and an immediate payment of the western Canadian grain stabilization program of \$500 million or more. This would provide approximately 5,000 cash per Saskatchewan farmer prior to seeding this spring, Mr. Speaker.

Number two, Mr. Speaker, I asked for a significant increase in the domestic price of wheat to at least \$10 a bushel. This could result in an additional 1 to \$2,000 per family, and in the '86-87 crop year could have a significant impact on the final payment, Mr. Speaker, with respect to grain prices.

Three, I asked the minister, in cabinet, the Canadian grain commission freeze and put a limit on elevator handling charges across western Canada to help cut and control farm costs in the province.

Four, Mr. Speaker, I asked that the Canadian Wheat Board increase the quota substantially on lower grade wheat to help markets and provide cash flow for farmers across Saskatchewan in the northern and north-eastern part of this province, Mr. Speaker. They've had a large crop, but they have been suffering because of the lack of

markets and lack of cash.

Five, Mr. Speaker, I asked that the federal and provincial governments and elevator companies complete their review of a stock-switching option to facilitate a \$17 a tonne saving for the livestock industry here in the province of Saskatchewan.

And finally, Mr. Speaker, I asked that the federal government aggressively — aggressively — pursue international grain pricing, trade, and aid policies to get common sense back in the world market.

All of these, I asked, Mr. Speaker, that the federal government review, and any other forms of financial assistance that could be made possible to the people of Saskatchewan and the farmers of western Canada.

Mr. Speaker, from my discussions with the federal cabinet, I expect to see action on these items in the very near future. It will mean hundreds of millions of dollars to Saskatchewan communities, and they need it.

I reported to the federal ministers that much was done to reduce farm costs in the province of Saskatchewan: interest rates lower, Mr. Speaker, from zero to 6 per cent; farm fuel protection, Mr. Speaker, and they'll be able to buy it in the neighbourhood of 20-some cents a litre; the development of a fertilizer plant here to reduce those costs, Mr. Speaker, and other measures with respect to farm in put costs that the cabinet committee will be reporting on.

Secondly, with respect to the oil industry, Mr. Speaker, the Canadian oil industry and the Saskatchewan oil industry is too important to Saskatchewan and to this country to let a manipulating cartel, such as OPEC, wreck our industries and our families and Saskatchewan communities. It is important, Mr. Speaker, that the province and the federal governments show that they strongly support the energy industry in Canada.

I advised the federal cabinet, Mr. Speaker, that after the OPEC meetings of April 15th — after the OPEC meetings of April 15, next Tuesday, that the Saskatchewan government will be responding to keep people and families working in the energy industry and to ensure that the cartel does not beat our industry into the ground.

As well, Mr. Speaker, I completed significant negotiations with respect to the Husky upgrader, and I'll briefly report on those.

One, Mr. Speaker, with respect to the oil industry, Saskatchewan will respond, subsequent to April 5, to protect jobs in Saskatchewan, to encourage production, to protect the service industry and the exploration activity in the province of Saskatchewan and that will be announced, Mr. Speaker, subsequent to April 15th.

Second, Mr. Speaker, our Minister of Energy, the Hon. Lorne Hepworth, and finance and energy officials are in Ottawa, as I speak, designing a complementary package with the federal government to ensure an overall program between the provincial government and the federal government, to provide immediate assistance to energy

producers here.

They are going to design a two-stage program, Mr. Speaker. They're going to have a short-run program to provide immediate assistance to the industry, and longer-run program that will look at some sort of stabilization, or price stabilization, or various alternatives that both parties and other governments, including Alberta, are reviewing.

I have requested that the federal government remove the PGRT tax (petroleum and gas revenue tax), Mr. Speaker. It's a tax on excess profits, and obviously when oil prices are below \$15 there's no profits. It's designed to come off in any event, Mr. Speaker, in 1988 with the new Western Accord. We've asked the federal government to remove it faster. The industry can look forward to immediate and long-run action from the province of Saskatchewan, Mr. Speaker, as a result of the meetings.

Finally Mr. Speaker, with respect to Husky. I have three announcements to make, and I appreciate that some of the details — some — have been in the media.

The first is, Mr. Speaker, we reached an agreement with the Minister of Finance, federally, the Minister of Energy, Alberta, and Saskatchewan, and Husky to put together a \$90 million package and completely finish the engineering for the Husky upgrader in Lloydminster, Mr. Speaker. Those expenditures will be shared 40 per cent by the federal government, 30 per cent by Husky and 15 per cent apiece by both the province of Alberta and the province of Saskatchewan. It's a major commitment, Mr. Speaker, to finish the research and have the project design in place in the very, very near future.

Secondly, we have a commitment by all parties, Mr. Speaker, to build on the 1984 MOU (memorandum of understanding): to make it a stronger financial package under the different economic conditions because of lower interest rates now, which help; lower oil prices, which make it more difficult; changing currencies; and others — a commitment by the federal government, Mr. Speaker, and all the parties, that we are going to design a financial package, and as soon as the engineering research is finished and is now paid for, that we will be able to put together a package and begin construction of brand-new upgrader.

And third, Mr. Speaker, the \$90 million that is there from the federal government and a combination of the provincial governments is tied to production incentives, Mr. Speaker, which will encourage activity and production and exploration in the province of Saskatchewan, Mr. Speaker. And it's exactly the kinds of things that we want to see in terms of confidence in the industry.

I summarize, Mr. Speaker, in two days of negotiations we've been able to come back with money for the province of Saskatchewan, projects continued for the province of Saskatchewan, new policies and added confidence for both agriculture and energy.

Some Hon. Members: —Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I will not try to comment on each item in the Premier's ministerial statement, save only to say this: with respect to wheat, what was not said was a great deal more significant than what was said.

With respect to grain, the Premier indicated that there would be a payment from the western grain stabilization plan. Everybody in western Canada knew that, and nothing that the Premier did or did not do would have affected it.

With respect to the proposal to increase the domestic price of wheat from \$7 to \$10, that may amount to 10 per cent of the wheat produced in Canada. What he is talking about therefore is \$3 on 10 per cent, or 30 cents a bushel — if that high. He goes down to Ottawa, comes back and says, yes, they have cut the initial price by 81 cents a bushel, but I am fighting hard to see if I can get 30 cents of it back. And I think that may overstate the effect of the proposal which he now put forward.

He speaks of discussions about international grain marketing. And of course we and everybody else in Canada wants the federal government to hold discussions with respect to international grain marketing.

What the Premier did not say, what he did not acknowledge, was that our current problems are due to the policies of the federal government of the United States and the policies of the European governments — paying major subsidies to their farmers — and he was unwilling to even ask the Mulroney government to step up in support of our farmers in the way that the federal government of the United States has stepped up for their farmers or the way that the European governments have stepped up for their farmers.

Some Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — His statement makes very clear that he not only did not get that; he didn't even ask for deficiency payments. And that, I think, indicates the level of his understanding of the problem and the source of the problem; and his unwillingness to cause any problems with his colleagues at Ottawa by asking for something desperately needed by Saskatchewan farmers — as acknowledged by the Saskatchewan Wheat Pools' request for deficiency payments, the request of the United Grain Growers for federal intervention, and the request of the advisory group to the Canadian Wheat Board for deficiency payments . . . Every reputable farm group says that's the way to go. The Premier does not even ask for that.

With respect to oil, the Premier indicates that there's going to be a short-term strategy and a long-term strategy — remarkably few details. He suggested that the PGRT should be removed rather more rapidly than Mr. Wilson suggests. We would heartily endorse that. And we regretted that the two Wilson budgets neglected to remove the PGRT, the petroleum and gas revenue tax, which is being phased out over a period of some years and which we would like to see phased out now.

(1445)

With respect to the Husky upgrader . . . I don't know what one can say about the proposals concerning the Husky upgrader except that, if one believes the statements, one is unusually naïve. It is suggested by the Premier that the \$90 million is to pay for engineering studies. Well Mr. Price, the president of Husky, said last August, and I want to quote:

The upgrader process has been selected. The engineering contracts on key high-technology components have been let. Other engineering packages will be let in the next couple of months.

Now this is what Mr. Price is saying.

We are now being asked to believe that engineering studies are going to be done after the high technology contracts have been let, and after the other engineering package contracts have been let (now I am quoting from Mr. Price), and we know that those contracts have been let. We don't need any other studies, because the contracts have been let.

I have no doubt that the proposal is to reimburse Husky for the work they have already done in order that Husky may continue their team. Obviously Husky want to keep together their engineering team. Obviously they want that — and we want that.

We want an upgrader. We are against the delay which was bought at for \$90 million. We favour commitments which were already made. Ottawa must honour the Husky deal. That is what we say; that is what the member for Saskatoon Sutherland said last November — I will refresh his memory on that — and we believe that the time has come to make commitments on the upgrader. We regret that the government at Ottawa would not agree. We regret that the government opposite has cold feet on this issue as well as so many other issues. We would have wished a commitment on the upgrader.

Some Hon. Members: — Hear, hear!

PRIORITY OF DEBATE

Initial Grain Prices for the '86-87 Crop Year

Mr. Engel: — Mr. Speaker, before orders of the day, pursuant to rule 17 and pursuant to the letter I sent you this morning, I rise to ask leave that the Assembly give priority of debate to a definite matter of urgent public importance. The matter is this: the announcement of the initial grain prices for the '86-87 crop year, which are the lowest grain prices in seven years and threaten the health of the entire provincial economy unless solutions are agree to.

Mr. Speaker, I therefore seek leave to move a motion pursuant to rule 17, seconded by our leader;

That this Assembly give priority of debate to a definite matter of urgent public importance, that being the announcement of initial grain prices for the 1986-87 crop year, which are the lowest grain prices in seven years, and threaten the health of

the entire provincial economy unless solutions are agreed to.

I so move, or seek to move.

Mr. Speaker: — Pursuant to rule 17, I did receive notice of the matter this morning at approximately 11:30. I find that the matter is of sufficient urgency to warrant priority of debate. So I'd ask the Assembly: does the member have leave to proceed?

Leave granted.

Mr. Engel: — Thank you very much, Mr. Speaker. We are facing a very solemn time in the history of this province, and today I rise to move that this Assembly give priority of debate to a definite matter of urgent public importance.

Mr. Speaker, for farmers right across Saskatchewan yesterday was black Tuesday, if there ever was a black Tuesday for Saskatchewan farmers. They were hit with the lowest initial grain prices announcement — lower than anybody anticipated.

The definite matter on which I seek priority of debate is this: the announcement of initial grain prices for the '86-87 crop year, which are the lowest in seven years and which threaten the health of the entire provincial economy, unless solutions . . . and here's the issue, Mr. Speaker, unless we, in this House, agree to solutions.

At the end of my remarks I will be moving a motion along these lines, Mr. Speaker. And I know that all members will acknowledge the urgency of the matter before us, that initial grain prices were just announced yesterday, barely 24 hours ago, and farmers are still reeling from the shock.

Similarly, Mr. Speaker, I know that all members will acknowledge that this is clearly a matter of enormous public importance, for what could be more important to Saskatchewan than the future of our number one industry — agriculture? And that future, Mr. Speaker, I submit, is threatened — threatened by the disastrously low grain prices, and threatened by the weakness and indecision of the PC governments, both in Regina and Ottawa.

Mr. Speaker, the time for Tory talk is over; it's time to act. And farmers expect the same kind of treatment and the same kind of action as other members in other sectors of our society have been getting. It's no use for our Premier to tell his friend, Brian Mulroney, keep up the good work, Brian. That isn't good enough any more, Mr. Speaker. It's time for our Premier to stop talking about how he's exploiting his special relationship with the Mulroney Tories, for the ones being exploited are the farmers of Saskatchewan.

Mr. Speaker, agriculture — and this is not news to anybody — agriculture is the backbone of Saskatchewan. Agriculture is the number one industry. It's important to the national economy of all Canada. Saskatchewan farmers need action now — need action now from both the governments of Ottawa and the governments of Regina.

Mr. Speaker, they need concrete action and very specific

action. I therefore urge all the members of this Assembly today to join with me and agree that this is a definite matter of urgent public importance and that priority of debate should be given. If this is agreed to by the PC members opposite, I will be moving a substantive motion proposing specific concrete actions to be taken at once by the Mulroney government. That motion will be along the following lines:

That the Legislative Assembly of Saskatchewan call on the federal government to protect Canadian farmers from falling commodity prices and rising input costs by:

1. Introduction of a deficiency payment from the federal treasury for all production of Canadian board grains, to protect Canadian farmers from the huge subsidies provided by American and European farmers by their national treasuries.

2. Introduction of parity pricing for wheat, oats, barley and other products, to guarantee farmers their cost of production plus a fair return on their labour for all production sold within Canada;

3. Elimination of all federal sales tax and excise tax from the price of farm fuel;

4. Introduction of federal legislation to enable the early development of low-cost, generic farm chemicals (that Bill is before the House);

5. Public repudiation and abandonment of the disastrous recommendations contained in the Nielsen task force report with respect to Canadian agriculture.

Early payment of all funds due to Canadian farmers under the terms of the Western Grain Stabilization Act; reopening of international negotiations to bring an end to the current world grain price war.

And, Mr. Speaker, Saskatchewan farmers are tired of a "paper-tiger" Premier . . . (inaudible interjection) . . . Members opposite think it's funny.

His politics by polling has led us into a situation that we just can't afford to live with, Mr. Speaker. Politics by polling, Mr. Speaker, has now turned around to politics by panic. Farmers are sick of your indecision and your weak leadership. I think it's time for this Premier to show some decisive action. I think it's time to show some decisive action on the part of farmers on this serious matter, and also on the part of the Saskatchewan electorate to decide on whether we like what he's doing.

As has been mentioned by our leader and others on this side, the Premier can run away, but he can't hide from the people of Saskatchewan.

Mr. Speaker, let's look at the Premier's panic over the past few years and see what it has gotten us in the past few days. On Sunday he backed away from an election call because he got cold feet, and he was afraid and disappointed because the people of Saskatchewan,

through his polling, have indicated that his days are numbered. The *Leader-Post* editorial sums it up nicely when they said, "The province is ready for an election even though the Premier is not."

On Monday he flew off to Ontario with some of his friends. I'm not sure why he took the president and the past president and his financial minister and his executives along with him, from the Tory party. But he flew off to Ontario to meet with the Prime Ministers. They were going to get tough, Mr. Speaker. But his friend, Brian, wasn't in Ottawa. He was on a holiday down in Florida. And what did he accomplish from his patched-together politics of panic? He got two things. He got one that he announced today: the hush-up for a Husky oil upgrader, the one-year delay for Husky; and a 20 per cent drop in the grain prices. And the former minister of Finance says the farmers are really interested.

I want to tell you, Mr. Speaker, the farmers in your country are interested because they're watching very closely on how well you're padding the pocket-books of your friends in the oil industry. And what have you got for the farmers? How much have you got for the farmers?

Over the last four years we saw this province sink into a \$2 billion deficit, thanks to the money you've given to the oil companies. Now it's your turn to cough up for the farmers. Now it's your turn to cough up for the farmers. Well, Mr. Speaker, the farmers of Saskatchewan, the people of Saskatchewan, simply can't afford more years of this "paper tiger" Premier. Saskatchewan can't afford four more years of this kind of administration. Saskatchewan farmers need action from you, and they need action from your colleagues in Ottawa. They need action now.

That is why they expect this legislature, and all the members of this legislature, to call on our friend, Brian Mulroney, and the PC government in Ottawa to respond to the crisis facing Saskatchewan grain farmers. And let there be no mistake, Mr. Speaker, a crisis facing grain farmers is a crisis that's facing all Saskatchewan people — a crisis that's facing all of Saskatchewan people, I said. Their good friend, Brian, found a billion dollars to bail out the banks. Two banks got bailed out. A billion dollars was found for them. A billion dollars was found to bail out one oil company — Dome Petroleum.

The question today is: what have you got for farmers? What have you got for farmers? When the farmers are competing, we're saying to the Saskatchewan farmers, we're saying to those in our caucus and all those people that are farmers here: you compete with the treasuries of the United States; you compete with the treasuries of the European Common Market. And we're supposed to put it on the line to the tune of a billion dollars. And what does this government do? What does this man do?

Saskatchewan farmers need help now. They are turning to their national government, to the Government of Canada. They're turning to you, Mr. Premier, to convince Brian Mulroney and his government. And they need help, and we need action now.

(1500)

Let me turn to a few of the specific areas that I've mentioned in this resolution that we need help on.

Mr. Speaker, the Premier made mention on how he got a commitment that there's going to be a pay-out on the western grain stabilization plan. And that was some big accomplishment that you wanted us to cheer about. Well, Mr. Premier, the grain stabilization plan is in place; the grain stabilization plan is in place and it would have been paid out with your visit there or not.

But there's another little problem facing Saskatchewan, Mr. Premier. And I'll show you a map and anywhere south of the No. 1, this shaded area, you must know this map and you're aware of it. And this is the map, the federal drought aid for R.M.s, and the average drought intensity was indicated on this map and what the pay-outs are.

How much can I expect from the grain stabilization fund, Mr. Premier, when you arise in this debate? How much can we expect as farmers that delivered a one-bushel quota on a thousand acres? How much will that farmer expect from the grain stabilization pay-out? I'd like to know what the pay-out is going to be in a case like that.

We've been paying in for years, and now all of a sudden the last three years in my constituency the pay-outs have dropped off less and less until where last year it was a meaningless amount — a meaningless amount. The neighbours in the whole constituency have paid in very, very little.

I'll talk about my own constituency which won't include my farm, because my farm happens to be in . . . the biggest part of my acreage is in the Shaunavon constituency. The severity of the drought down there is 29.94 compared to some of the other areas that go as low as 12 or 13.

So, Mr. Speaker, the Premier will say, well we've made special provision for drought, and we've made special pay-outs. And I want to quote from an article. I believe this one is in Saskatoon, a Canadian Press, a CP:

Proposals to restructure the federal agricultural spending smack of ideas from people who don't know what they're talking about, says Garf Stevenson of the Saskatchewan Wheat Pool.

Pool members are proposing that they don't expect and like a change like that. Last year when the grain prices were 81 cents higher than they are now, the farmers received \$450 million. This year farmers are going to get more than \$450 million less.

How much more will they get out of Ottawa on the grain stabilization? Seventy-eight per cent of all wheat board permit book holders are enrolled in the plan, so more than one-fifth of the farmers will not benefit from that at all, Mr. Speaker. And the other part that I'm talking about is the area in the drought where the farmers didn't contribute to the plan.

So I'm wondering how that solution sits with you as being

one where the American treasurer is supporting their farmers and it's going to guarantee in Canadian funds close to \$6.10 for the payment. How does that sit, and how can you shrug it off and say that the farmers are going to be covered by the western grains stabilization plan fund? The western grains stabilization plan isn't designed to help out in the situation like this. I don't think when that plan was formulated, and when that plan was put in place, that there was the thought and the design to be a solution, when world prices are artificially forced down by international treasuries that aren't part of the Canadian farmers' responsibility. We have no way to control that aspect of our income.

And I maintain, and I submit, Mr. Speaker, that that is not a solution to the problem we're facing today — the pay-out on the western grain stabilization. As good as it may be, and as much help as it will be to some people that have a market like you in your area, Mr. Speaker, who had a reasonably good crop and were able to deliver a reasonable amount of grain. And I'm confident that people north or close to the river and from there, north . . . In fact, I could look at my map and determine without getting an odd one, where the other did decide just where you fit in, but the areas there, it's patchy.

There's a little block that could come close to beat you that might — that might have claimed some crop insurance as well. I feel bad that a large area of the province isn't represented by someone that could be speaking on behalf of the farmers there, so I'm not going to put words in the speaker's mouth.

But farmers that are in areas where the crops weren't good, aren't going to benefit from western grains stabilization plan's pay-out. So that excuse, Mr. Speaker, that won't wash. That isn't sufficient. What we really need is a pay-out that I've been asking for ever since the threat has been out there that the price of grain is going to drop, and that is that we need a deficiency payment.

The treasury . . . the federal treasury has to effectively deal with the problem, and the only way you can deal with it, every bushel of wheat that is sold has to be paid for in the same form as the European Common Market and as the Americans are doing in subsidizing the farmers.

Saskatchewan farmers are efficient; they are hard working and they're productive, but they cannot compete head to head in a world market with other producers across the world who are being subsidized.

Saskatchewan farmers cannot compete with Fort Knox and the treasury from there. The problem is national subsidies from the federal treasury in the U.S., or maybe the member from P.A.-Duck Lake thinks that Fort Knox is as broke as you are here in Saskatchewan. Well I've got news for you. They have \$6.10 Canadian for every bushel of wheat the farmers in the United States grow. That treasury is standing behind the farmers.

My cousins and my counterparts down in the United States that are farming down there in North Dakota and Montana, and even some down in Kansas, are selling their grain equivalent of \$6.10. And I will get to the details. I will get to the details of how they're paid out in a

little bit, Mr. Premier. The problem is one that those people are being subsidized by their treasuries, and Canadian farmers are asked to go the billion dollars on their own, and I think that's more than we can expect from our farmers. They need a deficiency payment on all the grain they produce. A federal deficiency payment should be based on something like \$6 wheat.

I'm not alone in calling for a deficiency payment, Mr. Speaker. If you look at the press clippings and you watch what's going on, the Canadian Wheat Board advisory committee called for it. Wheat pool president Ted Turner has called for a deficiency payment of \$3 per bushel. That would bring it up . . . It would have brought it up close to \$6.54 per bushel. Pool figures show it costs \$1 billion for all Canada in 1986-87 to make a \$3 pay-out. And I think that, if you look at *The Western Producer* on March the 27th:

The Canadian Wheat Board advisory committee wants Ottawa to subsidize grain prices so prairie farmers receive the same returns as their American counterparts.

And I think that's only fair. The other part to make that entirely fair is if we could get our fuel and our input costs for the same price as they go down there. But it also wants . . . And I want to quote from this article of March the 27 in the *Producer*.

The Canadian Wheat Board advisory committee also wants the federal government to make a deficiency payment to farmers to cover the difference between expected low initial prices and what U.S. producers are getting under a subsidized American program. The advisory committee wants the government to assure farmers of a price comparable to the U.S. target price program. For the 1986-87 crop year that price for wheat in Canadian funds is about \$6.10 a bushel, or \$225 a tonne.

That deals with the issue as far as the deficiency payment. Let me talk a little bit about the farmers' input costs, Mr. Speaker. And I think the top of the list on farmers, when the price of grain is so low, I predict that very little fertilizer will be used; I predict that a minimum of chemicals will be used; but there's no way to get your seed in the ground without some fuel.

The Tories . . . During the election we had our leader talk about it, and it's been mentioned by many on numerous occasions. In 1984 Brian Mulroney promised Canadian farmers that a PC government would eliminate all federal sales tax and excise tax on farm fuel. We liked that promise. People across the piece supported it. But what's happened? The promise has blatantly been broken.

The Premier today, oh, forgive them; they're a new government. Forgive them; they're a new government. They haven't had time. Well I'll tell you, they could have done away with that promise on farm fuel exactly the day they were sworn in. That promise could have been removed if they would have wanted to. It's not a matter of being a new government or an old government That 12 cents a gallon, coupled with \$20 a barrel oil . . . And we

think that \$20 a barrel oil isn't all bad; \$20 a barrel oil isn't all bad.

In fact, when we were getting \$6 a bushel for our grain, I would ask the former minister what was the price of oil. What was the international barrel price for a barrel of oil when we were getting six bucks for wheat in 1975? What was it, Mr. Speaker? Well I'll tell you how much it was. It was about 11 bucks. Eleven dollars a barrel, the price of oil — the price of wheat was six bucks. Now we've got the price of wheat down to \$3.30 — maybe a little less when you take off the handling charges. The handling charges are 33.5 cents a bushel for shipping, approximately, that handling charges go to Vancouver. So you subtract that from their price, we're getting about 3.15 a bushel — half, half the price of what we got when oil was \$11 a barrel.

So for the Premier to trot off with his entourage of political supporters — past president and the president and the financial people that try and put together your election package — for you to trot off to Ottawa and convince the farmers of Saskatchewan that we've got to get an injection into the oil industry or everything's going to go under. I want to tell you, once the price of oil is half of what it was in '75, then you've got reason to go. Then you've got yourself a problem.

Once the oil goes down to \$5.50, then he's got himself a problem because that's what the oil company should get. That's what the oil company should get if we're supposed to grow wheat for 3.15 a bushel. The oil price should be 5.50 and then you'd have a legitimate argument. Because if the oil price would be \$5.50, Mr. Speaker, I again could do an acre for four cents, like I used to be able to.

I bought a John Deere 8020 tractor, Mr. Speaker, and you can remember those 8020s when they were brand-new. We could work summer fallow and seed and cultivate for four cents an acre. And we were getting about two bucks a bushel for wheat. Price of wheat went up to \$6 a bushel and it was costing us about two-bits an acre to farm.

What's it costing now? What's it costing now for fuel? I'm getting \$3 and the oil companies are getting 20 bucks a barrel, and he's running off to Ottawa crying about the oil cartel. He's crying about the oil cartel and how bad off they are. Why not worry about our neighbours? Why not worry about the Saskatchewan farmers who are trying to make a go at that price. If the price of oil would come to down to where it belongs at \$3 wheat, get the oil for \$5 a barrel, then we'd have a solution because then the farmer could possibly grow wheat. Because the oil price would be down, the chemical price would be down, the input cost to make fertilizer would be down.

The best thing for the Canadian farmer would be if the oil price would be tagged to the price of wheat. If we had the oil price tagged to the price of wheat we'd be able to make it. But at \$20 a barrel, like my colleague from Shaunavon says, that makes 12 bucks a bushel. You double the price of oil, and you double the price of wheat from '75 and you'd have yourself 12 bucks a bushel, not just for a thousand bushels, for all our grain. And then we'd have a solution to the proposals that are there.

The other area of concern that I'm raising in this motion, and that's the concern we're having with the Nielsen report. I don't know, Mr. Speaker, and when you're getting into this debate — and I really hope you are — when you're getting into this debate, Mr. Speaker, as Minister of Agriculture for Saskatchewan, at least give some of your time to the concerns that farmers are facing and get into the debate and tell us what you told the Deputy Prime Minister about his report. Tell us the words and the language you and Ron Barber and George Hill used when you talked about the Nielsen report and what that's going to do for agriculture.

(1515)

Introduce increased producer premiums for crop insurance by 20 per cent, is what Nielsen says — in a time when we're supposed to take an 81 cent cut in our wheat. Nielsen says we need a 20 per cent increase in our crop insurance premium. Introduce a variable freight rate for the shipment of prairie grains to make the grain system more competitive — at a time when farmers are asked to take 81 cents. Force the abandonment of some of the branch lines to make the rail system more competitive. Allow the railroads to avoid accountability for the state of the rail system by paying the Crow benefit directly to producers. Cancel grain cash advances for prairie farmers.

The only little goodie the prairie farmer had when he harvested his grain in the 1st of September or August when the new quota book was issued and you had your bin full of wheat — you could get a cash advance, zero interest. Cancel that program, is what Nielsen said, and end the farm fuel tax rebates. Instead of reducing the prices like you promised, that report says to end it.

I think it's time for you, sir, to stand up in this Assembly and tell us and tell the farmers of Saskatchewan and tell everybody what you think of the Nielsen report. Or did they bother sending you one? Or is that the question? Have you never seen this one? Don't you know the Nielsen report exists? Because not one peep came out of the political party that you represent. And the Agriculture minister saying what the effect that's going to have on our farmers and on our people for Saskatchewan — not a word was said as to what you would do about the Nielsen report.

I wish you'd have told them in no uncertain terms, and I wish you would have demonstrated to him that you'd tear up that report and you'd get rid of that report because it doesn't do anything for Saskatchewan farmers. That's your job as Premier. That's your job as representing the farmers that we represent.

The other area I want to get into . . . And I'm pleased: I was pleased to hear the comment. I was listening . . . I was at a function in Gravelbourg, and we went out to the car, and we were listening very carefully to your nominating committee. We were listening to the nominating meeting, and we were watching and waiting anxiously, with bated breath. Everybody was anxious to start celebrating and say, the election's on — let's go for it. And the only good news we heard from that is that you've amended, and you've come back on one issue, and that is Bill C-215.

Lorne Nystrom, for more than two years . . . for two years Lorne Nystrom has been working hard across Saskatchewan and across Canada trying to introduce a concept that called parity pricing, to increase the commodity price of goods consumed in Canada to a place where the farmer would be paid. Under Bill C-215 wheat, oats, barley, beef, and pork sold for domestic and human consumption would be priced at levels which would return the cost of production, plus a margin of profit for farmers. The pricing formula would be adjusted annually.

Finally, finally our Minister of Agriculture has come around to endorse that concept — finally he's come around to endorse the concept. He's saying just in wheat, he's saying just in wheat — but it's a start. You've got your foot in the door, Mr. Premier. You've got your foot in the door, and when you're back as an agricultural economist or as researcher, after you get your feet warmed up enough call an election, we'll have you do some studies on this as an agricultural economist and realize that it's an important sector — an important factor in supporting the income.

The other area that this can be put into place . . . And you suggested a fairly broad number. You said it could be a difference of 1,000 to \$2,000 per farmer. That is going to depend on how you implement it. Are you going to give the domestic price increase to so much per farmer, or are you going to just slap it in to the wheat pool — the commodity pools — and then it's divided evenly on the amount of bushels that's grown? That's going to depend whether it's \$1,000 a farmer or \$2,000 a farmer. And it could even go as high as . . . I mean on 1,000 bushels or 2,000 bushels per farmer. I think the difference could be that it could be made as much as \$20,000 per farmer, guaranteed farm income, if it's so much money per farmer.

I think that those variables are ones that can be discussed and looked at afterwards, but the principle that you support, you've finally come around to seeing it our way. We appreciate that push forward in getting the consumer to pay what it costs to produce it. That's a good start. I think once that's done, then we've come a long way.

The other that is of great concern to me, Mr. Premier, is the International Grains Agreement. The last International Grains Agreement was signed in 1971, Mr. Speaker. Since that time we've had both Liberal and Conservative governments in Ottawa, and the only difference between those two governments and the position they've taken on the International Grains Agreement is that one's been in, and one's been out. Neither party has aggressively campaigned for either a floor price or a ceiling price on the Canadian grains agreement. They've gone along and they've used the Canadian wheat council in London — the International Wheat Council in London — to use it as a platform or as a forum for discussion of wheat problems.

Canada has never, let me repeat, Canada has never officially called for an agreement on a floor price for wheat sold on the international market. They've slid along and used it as a forum for discussion. The office has become one of protocol with no economic clout, no

power, no thrust. They talk about problems of subsidies; they talk about market supplies; they talk about contributions donor countries should be making; they talk about foreign aid and related concerns in foreign aid. But they've never, never talked about a floor price.

Here we've had a government in Ottawa that has slipped up and let pass an opportunity to sign a new Canadian grains agreement when the price of grain was high. They haven't done a thing. What have they done? They've knuckled under, bowed to the four leading grain traders — Cargill Grain, Continental Grain, Bunge, and Castle and Cooke — and they've bowed to them to let them manipulate the market-place and let them control where it's at.

The number one priority from this discussion we're having today and this session is to urge Ottawa to reopen the talks. They've just signed a memorandum of intent in London at the wheat council. I would urge that you urge your colleagues in Ottawa — Wise, the Minister of Agriculture — to put forth the position that we need a floor price. This business of the European Common Market and the Americans dumping their grain is something that we, as farmers, can't compete with. And unless you understand that aspect of it, we're going to be in big, big trouble — we're going to be in big, big trouble.

The other aspect of the resolution that I propose to move, that I've been talking about, and that is as it relates to the price of chemicals — the introduction of federal legislation to enable the early development of low-cost generic farm chemicals.

Before our colleagues in Ottawa is a Bill that will deal with the farm chemicals and the price of farm chemicals and generic chemicals. Two hundred and thirty million dollars was paid out by Saskatchewan farmers in 1985 alone to buy pesticides. A big part of that \$230 million is mark-up, which results in higher profits to chemical manufacturers. Prices for farm chemicals stay sky-high because the chemical manufacturers are granted 17 years, Mr. Speaker, 17 years of patent protection for any pesticide that they bring on the market. During those 17 years they are able to gouge farmers, and that's why Saskatchewan family farms have had to pay that kind of money — \$230 million.

New Democrats want to make some changes to that legislation. Our party spokesman, Lorne Nystrom, has introduced a Bill in the House of Commons to reduce the patent time for farm chemicals from 17 years to four years. This will end the monopoly pricing practices and cut the cost of farm chemicals dramatically.

In 1969 legislation was passed to permit generic pharmaceutical drugs to be sold. The cost of pharmaceuticals was immediately reduced to all people of Canada. Similar reductions could happen. And I am urging you, in spite of rumours from Ottawa that they want to change the Pharmaceutical Drug Act so that they can lengthen the patent life — in spite of that — I would urge the Minister of Agriculture, and your colleagues, to urge your friends in Ottawa to reverse that decision and make sure that Saskatchewan farmers are protected.

There's many, many, many more things I could be saying about reasons why we should have a priority debate, but I am pleased that the leader of our party is prepared to second this motion — and you'll excuse me, Mr. Speaker, while I fill this in. I move, seconded by our leader:

That this Assembly give priority of debate to a definite matter of urgent public importance, that being the announcement of initial grain prices for the 1986-87 crop year which are the lowest grain prices in seven years, and threaten the health of the entire provincial economy unless solutions are agreed to.

I so move.

Some Hon. Members: —Hear, hear!

Hon. Mr. Blakeney: — Mr. Speaker, I want to address some remarks to the House on this issue, which I'm sure all hon. members will acknowledge is a very, very important issue facing our province. The seriousness is indicated by a simple review of the figures. And I will not review them exhaustively, save to say that the initial prices for number one wheat are down 81 cents; for amber durum wheat, is down 81 cents; for oats, down 38 cents; for barley, down 66 cents a bushel. And those, Mr. Speaker, are respectively 19 per cent on red spring hard wheat and durum, and 27 cents on oats, and 25 cents on barley.

(1530)

And nobody, I think, can deny that those are very, very large drops in initial payments. They are the lowest in seven for wheat; the lowest in eight years for barley — and a 27 per cent drop, the lowest in eight years, for barley, has got to be a very, very serious issue. It appears that farm income across the prairies will drop about \$1 billion, and about half of that would be in Saskatchewan.

The reasons, Mr. Speaker, are not far to seek for the setting of initial payments at these low prices. The U.S. lowered the floor price, the low rate, by 27 per cent, and that has had the effect, is having the effect, of lowering the world prices of grain by about the same amount. The world price of grain has been set effectively by the United States government. They have slashed the price by 27 per cent, and the result is drops in world prices of about that order.

Mr. Mayer, the minister in charge of the Canadian Wheat Board, has indicated that he is not lowering the initial payments by the full amount. He is "cushioning the amount," to quote Mr. Mayer. And while we, of course, welcome the fact that he is cushioning the amount, this means that the prospects for a final payment are not very good. If, in fact, they have increased the initial payment over and above what they would have had they been applying the same test as they have in previous year, if they are cushioning the amount which the farmer will lose, then the prospects of a final payment are less than brisk.

And farm leaders have reacted, some of them with fairly colourful language, but all of them with very, very clear language. Mr. Turner of the Saskatchewan Wheat Pool

says, what is going on; why are we selling wheat to Japan at below the cost of production? Harvey McEwen of the Western Canada Wheat Growers, the old Palliser wheat growers, says prices have gone all to hell. Charles Swanson of the Manitoba Pool Elevators and Bruno Friesen of the Alberta Wheat Pool, all are saying the same thing. Turner is saying, "We need a deficiency payment of at least \$1 billion." He's speaking, I believe, for all of western Canada. The quote was not clear.

Larry Kristjanson of the Canadian Wheat Board says the U.S. farm Bill, in effect, broke the world price, and this is a reaction by the U.S. government to what amounted to predatory pricing by the European Economic Community.

But the result, Mr. Speaker, is that prices are far too low. They're lower than the cost of production, and we are going to have fierce competition in international markets.

Now ordinarily I suppose people would not shy away from competition. Canadian farmers can produce a bushel of wheat as cheaply as anybody else in the world. And subject to transportation costs, they can lay down their wheat around the world as cheaply as anybody else. And competitions, therefore, would not ordinarily hold any perils for Canadian farmers.

The idea of competition is very much championed by some people, including members opposite. But unfortunately, this competition is a different kind of competition. Producers are going to be forced out; producers are going to be forced out because there is a surplus of grain. But it is not the inefficient producers who will be forced out. It will not be the high-cost producers that will be forced out. No, it will be farmers whose federal governments, whose national governments, will not protect them in the world wheat war. Those are the farmers who will be pushed to the wall.

There is no question that what is happening now as a result of the changes in law in the United States — and we're now here criticizing specifically the United States government; they perhaps had little opportunity to do anything else in the light of the predatory pricing going on for some years by the European Economic Community. We're not here to allocate praise or blame. We're saying that Canadian farmers are caught in this cross-fire and it's a body blow.

And the question we must now ask ourselves is: can Canadian farmers roll with this punch? Have they got sufficient reserve, have they been operating sufficiently profitably so that they can roll with this punch at least for short time? And the facts are, regrettably, that they have no extra reserve. A look at the *Economic Review* of 1985 makes clear that the net farm income of Canadian farmers was in 1984 — we don't have the '85 figures — \$311 million. That, Mr. Deputy Speaker, is half of what they made in 1983, less than a third of what they made in 1982. Three hundred and eleven million dollars net farm income less than half, Mr. Deputy Speaker — I want to underline this — less than half the amount made in any single year since 1974. So that the farmers in 1984 were in no position to absorb body blows of this kind, were in no position to take on the U.S. treasury or the European

governments' treasuries.

Now the year 1985, for which we do not have the figures, was not a banner year for Saskatchewan agriculture. By and large farmers did poorly in 1985. Although many did fairly well, as a group they did not do well. It was not a good year. I look at these figures when I see net incomes at times in 1982 of over \$1 billion, and 1981, which was a very good year, of \$1.6 billion. To give some sense of comparison, 1975, \$1.4 billion, and in '84, \$300 million. Now these farmers are in no shape to take on a major price war. Take \$300 million and subtract a loss of 500 million, which I believe this will be, and you don't have to be very sharp at figures to know that farmers are going to be in very real problems. It will be grim in 1986 and, I think, even grimmer in 1987 by reason of the cash flow-throughs which will not be coming in 1987. There is no real prospect of a good final payment. Other payments will reduce because of the way that support programs are structured.

I would like the government at the appropriate time to prepare some estimates, based on average crop assumptions and the best price assumptions we can lay our hands on, as to just what it will mean for Saskatchewan farmers. Because I think that people in Saskatchewan should know this, because they move about. They ought to be able to talk to their neighbours in other provinces and have facts to explain the real problems that are going to be faced by Saskatchewan farmers.

I would very much welcome a kit indicating just how serious this is — not a doom and gloom kit, but a hard facts kit — that Saskatchewan people could use when they talk to their friends and neighbours in British Columbia or Ontario, indicating just what the nature of the problem is.

There is not an awful lot of room for optimism in the very short term. Now we're not now saying that all is gloom and doom. Saskatchewan farmers have faced many problems, but in this particular instance they want to know that they have an ally in dealing with this particular battle.

Some Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — There's not much room for optimism on the score of world grain prices because world stocks are at record highs. The stocks of almost every grain in the world are at record highs, and as a group they are at record highs. Some of the stocks — the corn stocks in the United States — are astronomic. And this is not good news for world grain prices.

Now what can we do? Well first and foremost, we must resolve that our federal government must act. Our federal government must act. And they must act in this way. They must provide a deficiency payment for Saskatchewan farmers. They must provide a deficiency payment for all farmers in western Canada.

Our farmers need some protection. This is a problem that in no sense was brought upon by any action of the Saskatchewan farmers, or indeed by any governmental

agency in Canada. It is a world price battle and one in which farmers in the United States, protected by their government, are battling with farmers in Europe, protected by their governments. And caught in the cross-fire are Saskatchewan farmers, not yet protected by their federal government.

Farmers deserve the sort of protection which . . . Perhaps we can't ask for what European farmers are getting, but we can rightly ask for what American farmers are getting. And they require it. And that must be number one. Deficiency payments must be number one. And we clearly must urge the federal government to move in that direction.

Now there are other things that can be done. Reference was made to the western grains stabilization program. It's already provided \$450 million last year and will provide about perhaps 500 million this year. And that is not very much, more having regard to the fact that grain prices, wheat prices, are 81 cents a bushel less.

So western grain stabilization is not to be despised. It is a useful supplement to income. But by and large it will not be very much more this year than last. And in the face of a drop of \$500 million in the amount that farmers will get for their product when they deliver it to the elevator, it is not going to in any way bridge the gap.

A reference has been made to the fact that more than 20 per cent of Saskatchewan farmers are not covered by the western grains stabilization plan, and they also will be suffering. Reference has been made to a \$10 price for domestic wheat, and no one will deny that that would be useful. We are now paying, we as consumers in Canada now are paying the Canadian Wheat Board about \$7 a bushel for wheat which is used to make the breads and the macaroni that we consume here in Canada. If this was raised to \$10, the effect would be to put an extra \$3 into the pool on about — my estimate — about 10 per cent of the grain. Ten per cent of the wheat, I should say. Now that is not very much; \$3 a bushel on 10 per cent of the wheat is about 30 cents a bushel across the piece.

This is again useful, but in the face of an 80 cent drop in prices, a 30 per cent increase paid for by consumers in Canada, is not an adequate response to the problem. Other things might be done. We could defer any increases scheduled for grain freight rates. And some of those people who saw the Crow rate disappear and weren't worried about it must now be a little more worried, because those increases in grain freight rates are coming right off of farmers' incomes and farmers' incomes are cut to the bone. One would wish that we had the opportunity to relieve those years so that we could have the Crow rate still in place.

(1545)

Mr. Deputy Speaker, other governments, notably the Government of the United States, subsidize the price of transporting grain. Much of the U.S. grain crop is shipped out through the Mississippi River system, a very heavily subsidized transportation artery. And therefore there is no reason why our farmers should not have some measure of

subsidy as well. That subject has been debated in this House before. Our position on it is well-known. The position of members opposite is well-known. And I regret that that issue has been lost by Saskatchewan farmers and they will have to pay more for shipping their grain.

I turn now to fuel taxes, and we had in 1984 a firm commitment from the federal government that the federal taxes on farm fuels would be removed. The government has now been in office for 18 months. In the face of what is certainly going to be the worst farm year so far as prices is concerned for many, many, many years, it seems very, very appropriate that the federal government now honour the commitment so that that farm input cost would be reduced.

And with respect to fertilizers, I know my colleague, the member for Assiniboia-Gravelbourg, has referred to fertilizer costs and farm chemical costs. We would urge the government opposite to urge the federal government to deal with farm chemicals the same way that pharmaceutical chemicals have been dealt with for a good number of years, that is that the patent protection be modified so that generic chemicals can be manufactured and marketed. It has produced very substantial savings in the drug market, and in the prescription drug market — those types of chemicals. It can produce dramatic savings for farmers with respect to farm chemicals, and we would urge the government opposite to press that point on the Mulroney government because our farmers need every break they can get in this very difficult time.

With respect to the provincial government, I will not now outline all of the things they have done — they will doubtless do that — or might do. One of them I will mention. One of the costs is land taxes. Land taxes have increased rather dramatically because of the withdrawal of the property tax rebates, and I would urge the government to consider the reintroduction of property tax rebates. We know that these are not large sums of money individually, but in the aggregate, it would be 40 or \$50 million for Saskatchewan farmers, and would be of assistance.

Now, Mr. Speaker, farmers in the next two years will be under greater pressure from low prices than at any time in the last 40 years. A simple calculation will indicate that, if these prices that are now out there on the world market are sustained for any significant period of time, it will be the period of lowest prices on the international grain markets for many, many years.

Now the issue, Mr. Deputy Speaker, is simple. It is whether or not the federal government will stand behind Saskatchewan farmers. That is the issue. When the farm machinery companies were in difficulty, the federal government was seen to stand behind Massey-Ferguson. When the banks were in trouble, the federal government was seen to stand behind major depositors and bond companies and other banks and trust companies — in the Northland Bank, in the Canadian Commercial Bank. The Government of Canada, in other ways, in other ways stands behind, let us say, the automobile industry. We cannot go to the United States and bring an automobile into Canada without paying a tariff, and this assists the automobile industry. So we have many, many industries

in Canada which have already received the protection of the federal government.

The farmers are perfectly willing to compete on a world market, on a level playing field. The question is now whether the federal government will protect our farmers when the playing field is anything but level. Farmers clearly are now competing against the treasury of the United States and the treasury of the European Economic Community countries. It is just plain wrong to ask Saskatchewan farmers to compete against the treasuries of those powerful and rich nations. It is just plain wrong to send our farmers out there unarmed when they're competing against farmers in the U.S. and Europe who have massive government subsidies.

And so it's not a complicated issue, but it's a vital one for Saskatchewan farmers. We need a federal government which will stand up for western farmers, Canadian farmers, in the way that the U.S. federal government is standing up for their farmers . . .

Some Hon. Members: — Hear, hear!

Hon. Mr. Blakeney: — . . . in the way that the French and German governments are standing up for their farmers. Nothing other than that will do the job. It is not a complicated issue, but it is a vital one.

And, Mr. Deputy Speaker, we need a government opposite, we need a government in Saskatchewan, which will demand that we have a federal government that will act in this way, that will demand action from Ottawa and will use all its resources to get deficiency payments, which are the only answer to the ongoing problem faced by Saskatchewan farmers. Their competitors get those payments. Our farmers deserve no less; they need no less.

We need a government in Saskatchewan which will make that clear, and we need a government at Ottawa which will respond to this pressing need of Saskatchewan farmers. I will support the motion.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Deputy Speaker, I'm rising in response to the motion as put forward with respect to the importance of agriculture in the province of Saskatchewan and the current economic times faced by farmers and farm families.

I believe it's fair to say that no other minister of agriculture and no other premier in this country is closer to and is more aware of the agricultural needs and the farm financial picture, not only in Saskatchewan but indeed across Canada.

Mr. Deputy Speaker, we have been working in the province of Saskatchewan for the last four years with farmers, with our colleagues in neighbouring provinces, with various federal governments, Liberal and Conservative, to put together packages to help Saskatchewan farmers.

And we've done it through many, many vehicles. We've done it through the tax system. We've done it through

direct grants. We've done it through education. We've done it through financial assistance. We've done it through opportunities for marketing their products. And we've done it quite clearly with a great deal of money from the Government of Saskatchewan to farmers in our province.

I can give you just a brief example, Mr. Deputy Speaker, and I will go through them in a bit of a detail.

But just in the small publication we put forward that farmers appreciate very much with respect to the assistance that they can get, the farm purchase program, which is interest rate protection, from '82 to '85 was \$31 million in the province of Saskatchewan.

Counselling assistance program. — new, never been here before — was \$49 million. The agriculture credit corporation in Saskatchewan — \$64 million. The feeder association guarantees — \$7.5 million. The oil royalty refund program — \$149 million to reduce the price of fuel. Irrigation assistance — just under \$1 million. The livestock tax investment credit, Mr. Deputy Speaker — \$12 million. Other provincial programs, and I'll put them together — 18 million.

On top of that, we have provincial and producer programs that were put together, Mr. Deputy Speaker. Saskatchewan beef market insurance programs — \$81 million. Saskatchewan hog assured return programs — \$30 million.

And then on top of that, Mr. Minister, we had federal and provincial programs. The prairie livestock drought assistance, which was 26 million. The Saskatchewan livestock drought assistance, Mr. Deputy Speaker, which was 30 million. The north-east flood compensation package, which was 14 million.

Then on top of that, if you take the federal-provincial co-operation in crop insurance of 642 million, and the western grains stabilization program, federal and provincial, \$418 million. Mr. Deputy Speaker, what I want to point out is in the last four years the average farmer in the province of Saskatchewan received \$24,640 from the Saskatchewan government or the federal government. Average on a year, they received \$6,000.

And in 1986, Mr. Speaker, it's even bigger. The average farm will receive \$35,960 in federal and provincial programs between the province of Saskatchewan and the federal government. And the average farm per year, well certainly in that year, will almost quadruple what they've received over the last four years. Now I will go through these in some detail, Mr. Speaker, in a moment.

These programs, Mr. Speaker, are far and above anything that has ever been designed in the history of Saskatchewan or the history of the country with respect to agricultural assistance and farm insurance. Mr. Speaker, these programs were not in place by previous administrations. These programs were not there under the NDP. These programs were not there when they were in power. These are brand-new programs to protect people in the province of Saskatchewan that were not there

before, that literally amount to billions of dollars.

Mr. Speaker, Mr. Deputy Speaker, when the hon. members were talking about agriculture, this side of the House was quiet and listened to them. When I'm talking about agriculture, they don't like to hear the truth so that they holler and fool around in their seats and so forth. Well I would ask for their respect because I think this is an important topic and not one just to be flirted with. All right.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, we are in this legislature discussing the role of farmers in the province of Saskatchewan and the role of governments, Mr. Speaker, and the role of the provincial government and the federal government. And I'm just asking them to give me the same courtesy I gave them when they were speaking in this legislature. If they want to hear about agriculture, I'm going to talk about agriculture.

Mr. Speaker, there are some things that are different under our administration than the previous administration. And there's an attitudinal difference with respect, Mr. Speaker, to how we co-operate with farmers and to build with them and to deal with them.

Mr. Deputy Speaker, listen to them again. They can't stand to listen to the truth about agriculture. I would ask you: please listen; take the patience to listen and find out the truth about agriculture.

Mr. Speaker, do you know what happened? We have some new programs and we cancelled some of their programs. And let me tell you about them. This what farmers — farmers all over Saskatchewan . . . Well obviously in 1982 they took every seat for the Progressive Conservatives except two in the South and two on the east side.

Mr. Speaker, I'll tell you what the answers were of the NDP opposite. This was the answers in agriculture, and all there was — all there was. And they'll have to live with it. They had a program that said, if you're in trouble in agriculture, the government will buy your land; and you can go out there and you could be called a share-cropper because you will be able to live in this new system, this new system, where they picked it up either from Cuba or from the Soviet Union, called land bank.

Mr. Speaker, that was the answer to farm difficulties. You've never seen any financial assistance in the '60s or in the '70s that was anything close to the programs that I'm going through here today that are brand-new — brand-new — weren't there before.

There was the land bank. The land bank was the answer to everything in Saskatchewan. When you had financial difficulties and the price went up and the price went down, or costs went up, they said, you sell your land to us and we'll hold it in government, and then when you're all finished farming and it's all over, then we'll be able to say

well here's a grant, or here's some welfare because we own the farm in government. That was the answer.

Well, Mr. Speaker, it wasn't obviously an answer. It wasn't a solution at all. It was rejected categorically by people because it didn't work. It didn't provide some help to people.

I'm going to go through programs today, Mr. Deputy Speaker, that will show concrete assistance and understanding and appreciation for agriculture in this province.

(1600)

I'm going to mention one other — interest rates. The former administration can stand there, and the Leader of the Opposition can get up and say, well somebody in Ottawa has to help farmers when it's difficult times. Somebody should. Somebody in the province should do something when it's difficult times for farmers. And he is sitting over there today saying, my gosh, we should be doing something. Well, Mr. Deputy Speaker, I can remember when those folks were in administration and interest rates went from 10 per cent to 12, to 15, to 18, to 22 per cent — through the late '70s and early 1980s — and do you know what they said? And do you know what they did? Nothing.

Farmers were going broke accumulating the debt, and they were hurting, and they had their backs to the wall. And what did they say? Nothing. Not 1 cent. They let the bank take the whole farm. Banks were going right into farmers and taking it all because of the high interest rates, and these people didn't do a thing. And they stand up and say today, during difficult times, somebody should be doing something about agriculture.

Well at 20 per cent interest rates and 18 and 17 and whatever, if they had done anything, Mr. Deputy Speaker, we'd have seen some success in agriculture and a lot stronger agriculture today. But they didn't do a thing. So the answer was, we can't protect you, but you can sell your land to the government. That was the answer. Put your land in land bank and we will protect you.

And then they would go around, Mr. Speaker . . . and I listened to the former minister of Agriculture bragging about all the money they made speculating with farm family land. They bought the land for \$150 an acre, and it had gone up to \$500 an acre, and they said, look at all the money the government has made on the back of the land bank and the families.

Mr. Speaker, I don't know how they can stand up and even raise this issue in the legislature. I don't know how they can do that and go home and look at themselves in the mirror. When they would take a million acres of farm land and speculate on it, people resent it today and they resented it then. Interest rates would go up to 22 per cent and they wouldn't give them 1 cent — no protection at all. And they can stand up in this legislature and think that they know anything about agriculture. It's shameful. I don't know how they can raise it.

And then in the '70s, Mr. Speaker, they had a new idea.

They said that they were going to really help folks. They introduced a new tax for agriculture — a brand-new tax, Mr. Speaker. So if somebody died in your family on the farm, if the dad died, the NDP had a new tax. They called it succession duty; it was the NDP death tax. And they would tax that family, the widow and the orphans, and if you couldn't pay the debt, Mr. Speaker, they would charge you interest. They would charge interest, Mr. Speaker, at a time when families were hurting.

Let alone they didn't help when the interest rates were going up, but then if somebody died in the family and the family had to be passed on to women and children, they said, no, you're going to pay the NDP this death tax. And they charged Saskatchewan families \$28 million in that death tax, regardless of interest rates, charged them interest on it. And if they couldn't pay, they said, well give your land to the government. We'll put it in the land bank, and we can speculate with it, and it will go from \$100 an acre to \$600 an acre.

Mr. Speaker, the people that designed those policies are standing up in this House today saying that they want to defend agriculture. Nobody in the country would believe them. Where were they when it mattered? Why didn't they defend families and farms during drought? I didn't see any big payments from them during drought. You can't find any. They talk about farm fuel. Who taxed gasoline in the province of Saskatchewan? The NDP. Who taxed it? The NDP. Who took off the farm fuel rebate? The NDP.

Who has put it back on? We have taken the tax off; we have provided rebate programs; we have cut their taxes; we have had large payments. The complete mirror image, Mr. Deputy Speaker, And they can stand up in this legislature and say, oh well, they would go to the wall for farmers. They have no more respect from farmers; they don't deserve any respect, and they shouldn't even raise it in this legislature.

Well, Mr. Speaker, farmers want a lot more than that. They want to see some vision. They want to see some long-run programs that will allow people to build. They want to see communities grow. They want to see better research, and they want to see real help, I mean financial help — hard-core help — something that you can hang on to and put in your pocket and invest in Saskatchewan. Not land bank, not death tax and succession duties, not no help when there's high interest rates, not charging them through the nose for fuel — that was the NDP answer.

Mr. Speaker, it's important that agriculture have an agricultural college that is absolutely the best in Canada and, if it can be, the best in the world. And people have asked for years because it's going to give us the research and the extension and the connection between academics and the farmers, to make sure that they've got the very best information. And they tried to get it for years, Mr. Speaker. They asked for a brand-new college of agriculture. Where was the members opposite? It's not important, not a priority. Agriculture was not a priority. It was only a priority to grab the land and to speculate with it — that's what they did — or tax it. But agriculture was not a priority because there was never an agricultural

college built under their administration, and they were there a long time.

Mr. Speaker, farmers also want markets developed. When the NDP moved into the province of Saskatchewan, packing plants moved out. Burns moved out of Prince Albert; they partly nationalized another one because agriculture does not trust the NDP, nor agriculture processing or manufacturing. They know that if they don't treat the farmers right, Mr. Speaker, they won't treat small business right, and they won't treat industry and agriculture right. And so they left. You find me, Mr. Speaker, meat packers and processors and food distributors that think that the NDP ever believed in agriculture and the food business. They don't know anything about it, and what's more, all they wanted to do was exploit it.

I ask, Mr. Speaker . . . farmers wanted their costs reduced. Give me a single example where the NDP reduced their costs. They charged them tax on their energy. People have said, I want a rural gas distribution system because I can't cut my costs as much as 60 per cent in Saskatchewan. The NDP said, no, we don't care; it's not a priority. Agriculture colleges aren't priorities; rural gas aren't priorities; cutting your costs aren't priorities because we can get your land and we can speculate with it and then we can brag about it. That's what they did. And that's what happened, Mr. Speaker.

We have introduced a rural gas distribution system to help cut the costs for rural communities and farmers, livestock industries, processors, manufacturers, communities — and it should have been done 20 years ago. In four short years, Mr. Speaker, we have got that a long ways down the road in terms of being implemented to families across this province, because we believe in them. They are a priority, and they will stay a priority.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the Crown corporations can do a lot for Saskatchewan farm families and agriculture. Crown corporations can provide individual line service to farm families, and they've asked for it for years. Never done by the other people, but we are providing it because it helps maintain rural Saskatchewan — part of a mainstream community. And we have said, Mr. Speaker, that we should do whatever we can to provide protection to farm families with respect to power lines, and wherever possible bury those lines, along with rural gas and telephone line service, to make sure we have safety and efficiency and a real solid community farm way of life.

None of that was done before. And these people can stand up and say, you have to stand up for agriculture. Well, Mr. Speaker, we have provided irrigation programs, and I haven't started to get into the financial programs.

We have provided building blocks for rural Saskatchewan and farmers — building blocks — whether it's irrigation, whether it's agriculture college, whether it's cutting their costs, whether it's rural gas distribution system, whether it's individual line service. And, Mr. Speaker, there is no more mechanism in Saskatchewan

that says, if you're in any trouble, we will take your land and we will speculate it. We stopped the land bank policy.

And there's no more system that just sits back and says, if somebody dies in your family, you'll get taxed. It isn't here in the province of Saskatchewan. It's not here. It was there under their administration, but it isn't here now.

Mr. Speaker, we have made significant changes. And the members opposite say . . . If I might, Mr. Speaker, say, well it was removed in '82 or '81. There was no death tax. Well then I ask them: if you're so proud of your removing it, how much did you pay back to Saskatchewan families? How much did you give back? Not one penny. You took money from families like mine, and farm families all across the province, and they sit there and chuckle and say, oh yes, but we took it off. Well after you took it off it was \$28 million from widows and orphans at the worst time in their life, and you charged the interest on it, and you never gave back a cent.

And you can stand up and you run all over this province saying, you, Mr. Premier, have charged a tax on used cars for months; you made a mistake, and you took it off; you should pay it back. Well I'll tell you, you can't stand up and talk about agriculture, nor can you stand up and talk about giving money back when you would tax farmers \$28 million at a time of death and not give them one penny back.

Mr. Speaker, agriculture is important in this province and it's important in this country. I decided to take on the Agriculture portfolio because it is important, and it's important enough to me to be in the Premier's chair. I got it on the national agenda, and I got it on there because I said agriculture should be important, and it should be discussed by first ministers, not just Agriculture ministers.

And as a result of the kinds of things that we've been able to do, Mr. Speaker, we have brought more money to agriculture. And I'm not saying it's enough. But I'm saying that compared to anything else, and what we're about to do, you can't match it in history, whether it was in 1970s or 1980s or the 1940s or '30s or in the 1800s, anywhere in North America.

And yes, yes, I can phone and talk to cabinet ministers from Saskatchewan. We know there will never be NDP cabinet ministers from Saskatchewan in Ottawa. I know that. But there can be cabinet ministers in Saskatchewan that are Progressive Conservative, that are farmers, and that know what farming is all about. And I can phone Bill McKnight. I can phone the Hon. Bill McKnight, who's from the heartland of agriculture, and I can phone him as a cabinet minister. And I can phone the Prime Minister and I can say, I need help because there is a drought in Saskatchewan.

And do you know what happens, Mr. Speaker, when you have the Premier of the province of Saskatchewan, and is also the Agriculture minister, calling his friend and fellow Saskatchewan politician in Ottawa and cabinet, saying we are going to build this together? Do you know what happens? Saskatchewan can stand on its own two feet, and with co-operation with the federal government you'll

see millions and indeed tens of millions and hundreds of millions of dollars come right out to Saskatchewan.

We said we had a drought and we needed help, and there was a \$150 million shot come right through Saskatchewan and western Canada. Never been done before, ever in the history of Saskatchewan or across this country — ever. And it's to defend agriculture. Farmers in the north-east said they have a flood and they need assistance. We can phone our cabinet ministers and the Prime Minister and say, would you help us fix it? And you get some support, and you get action, and cash goes right into farmers' hands.

Mr. Speaker, when we want protection for our cattle men we can call the Alberta people, we can call Manitoba people, and we can call the Prime Minister and say, will you do something about it? And do you know what happens? They protect Canadian cattle men from those offshore imports that are subsidized so highly. And it's done. It's done, not just from somebody whining and screaming about it, but by somebody phoning and say, these are the facts, and I'm telling you the straight goods; this is what needs to be done. And it is accomplished.

For years and years and years, Mr. Speaker, Saskatchewan farmers had to pay capital gains tax. They had to pay. The former government opposite didn't on the land they speculated with, but people did — people did — farmers and families. They made a little bit of money over the life of their farm; then when they sold it and wanted to retire, they had to pay capital gains. And farmers throughout Saskatchewan came to me, and came to people like me, and said to the Prime Minister: Can you take it off? It's 50 to \$60 million a year to farm families here.

(1615)

And the new government, the new Mulroney government, took the capital gains tax off, and it's worth 50 to 60 million every year to farm families in the province of Saskatchewan. Mr. Speaker, that's action, that's cash, and that's caring for farmers, and response from a federal government that has powerful representation from Saskatchewan in that federal government. Saskatchewan people can be proud that they have elected those kinds of individuals that can sit in cabinet and make the decisions that are necessary here.

Well, Mr. Speaker, obviously when Saskatchewan farmers . . . And a lot of Saskatchewan farmers, and not only in my riding but throughout southern Saskatchewan — and some involved in the NDP, I'm sure; well, I know the member from Shaunavon — are involved in the energy business at the local level. And when we want a brand-new western energy accord, Mr. Speaker, we can get it. And we phone, and it's good for Saskatchewan; no more ceiling, no more regulated tax; a break for western Canadians and farmers.

Fifty million dollars last year, Mr. Speaker, \$50 million went to farmers in Saskatchewan out of the oil patch — 50 million right to farmers and farm families throughout this province. And I know the NDP doesn't like the oil patch at all, and it's their number one enemy. But with a new

western energy accord carved out between the province of Alberta and the province of Saskatchewan and the brand-new federal government, what do you get? You get \$50 million of cash injected into rural Saskatchewan from Estevan to Lloydminster and every place else there's oil and gas.

And that's powerful. That's not just rhetoric. That's not somebody just standing up and squealing and waving his hands and cackling, or whatever you do. That's concrete action, because you understand farmers and you understand business and you understand how to co-operate with each other, and build. Not cry. Stand on your own two feet and say, this place is going to be built.

I don't care what the OPEC people are doing. I don't care what Americans are doing. I don't care what anybody else is doing. We're going to stand on our own two feet and defend Saskatchewan agriculture and farmers.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm not going to dwell on a lot of other topics, but obviously we can get co-operation with respect to upgraders and with respect to other projects — the Regina upgrader, the Husky upgrader, and fertilizer projects and so forth — that make sense for Saskatchewan. They're jobs. They cut the cost of fertilizer. They cut the cost of fuel. We have never been able to refine our own fuel in this province, never under the NDP. You always took it from Alberta. Now, Mr. Speaker, we'll be able to take our own natural gas and make our own fertilizer, our own fuel, and make our own gasoline and diesel fuel for Saskatchewan people to make them competitive.

I mean, if it was so obvious, why didn't they do it before? Because they don't understand it. They never have and they never will. Nobody, nobody in western Canada or in Saskatchewan or any town or village or community here should ever let them get back in and do the kinds of things that they did to Saskatchewan family farms and people — ever.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — The farmers and rural people, small-business and industry people, know what building's about. If you co-operate with industry, if you co-operate with other governments, if you put that package together, Mr. Speaker, if you put that package together you can build even during difficult times.

I'll tell you what a government is judged on when it comes to agriculture. It's judged on how hard it tries and how hard it works under all conditions.

The former administration lost in a boom, Mr. Speaker, and I think it's worth reminding them. Things were going . . . You had \$6 Durham and \$7 wheat and high potash prices, and you know what? They lost because people finally figured them out. They don't really care about families or farmers or anybody else. They just care about what the rules and the tools of power to speculate with people.

Well, I'll tell you how you're going to be judged, Mr.

Speaker, how I will be judged, my cabinet will be judged — how hard you try during difficult times and good times and all times. Are you going to bow your neck and put your back to the wall and defend families and farms and other people? That's how you'll be judged.

Well, Mr. Speaker, when I go down the things that they did to Saskatchewan families, farm families like mine and others, compared to anything that we're doing today, Mr. Speaker, they shouldn't have even raised the point in the legislature. They don't have the credibility to speak on it all.

What do I see today? Mr. Speaker, I see today we have designed a large number of brand-new programs and policies that help livestock industry, help people during difficult times and so forth, and I will touch on a few of them. But what I see today from the opposition that can stand up there is, me too, me too, me too. If they had it all figured out, why didn't they do any of this when they were in power for 11 years? Why didn't they do any of it? Where were you? What happened?

Well, today, Mr. Speaker, you look at things that go on in this province and you look at the kinds of things that we're doing, and all of a sudden the opposition is saying, well it's kind of a good idea that you provide interest rate protection. They do that now. They say, well it's kind of a good idea. He thinks it's good to provide interest rate protection and it's good to provide gas tax cuts. And the NDP say, well it's good to have royalty holidays. Oh and it's good to have pension plans, and it's good to support the free enterprising small business, and it's good to stimulate the oil exploration, and it's good to build upgraders. Well, Mr. Speaker, if they think so highly of those things, I don't know why they don't just vote for me.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, those are the reasons that we were elected, because the other guys didn't do it. And now they're very popular. This is really something, that the Leader of the Opposition is going to do all these things plus, because he's finally walked around and he's listened to people and he's heard the message. Well I don't believe it, Mr. Speaker. They didn't do it when they had 11 years, and their track record in agriculture is pitiful; it's pathetic.

I'll tell you what they'll do, Mr. Speaker. I'll tell you what they'll do to farm families and everybody else. They will tax your gas. That's what they'll do, because they did it before. They will tax your clothes. They will tax your power bills for farmers. They will tax them again. They will stop Rafferty projects, which are irrigation designed to help agriculture. They will close the oil patch again, because they've done it in the past. And they will centralize government in Regina. They don't care about rural communities, Mr. Speaker. You watch out, Melville, because you won't get any redistribution or any decentralization. Swift Current won't. The water Crown in Moose Jaw will be coming back here. Everything else in Saskatoon will be coming back here.

Mr. Speaker, they will centralize because they don't care

about rural Saskatchewan. They only understand the seat of power.

And they're against the bacon plant, and they'll cancel that. North Battleford, look out. You won't have yourself a bacon plant. Prince Albert, you won't get yourself a paper mill and a pulp mill, because they're against that, and they've said so in the legislature. There will be no upgraders, Mr. Speaker, because they will be cancelling those. All they could do for 11 years was talk about them.

Mr. Speaker, they will tax like they used to. They will hurt like they used to. They will cancel like they used to. They will put the damper on this province and send it back 50 years just as soon as they can get a hold of power. They will cancel all those because people don't trust them and they don't trust the people. Do you think small business trust the NDP? Rural Saskatchewan and farmers who deal with rural people, small business — do you think small business trust the NDP? They don't trust them. Because the small-business man says, I believe in free enterprise. And the NDP says, well I don't. The NDP doesn't. They're socialist. They admit it. Fair ball.

But you can't ask the small-business, free enterpriser to believe in a socialist. They won't. And farmers don't trust them, because all across this province, virtually every rural riding went Progressive Conservative. And business doesn't trust them, because what do you do? Well I'll tell you what you do.

They talk about money. They talk about several hundreds of millions of dollars. And this is the best example I can give. This is the classic solution. Land bank was, I suppose, classic number one. And here's classic number two.

If they weren't out buying land from farmers and speculating with it and bragging about it, then they went around and they took the farmers' money. And they took \$600 million from farmers. And they said, we don't like those big multinationals out of New York that are in the potash mines. What we'll do is we'll take all your farm money, and we will give it to the multinationals for their potash mines and send them home to New York, and let them put \$600 million on Wall Street in the banks, and we get the bill in Saskatchewan. Saskatchewan farmers get the bill for \$600 million of debt. And we give it to the guys we've least liked, the multinationals, send them to New York, pay them back in American money, with interest, and farmers get the bill.

Mr. Speaker, they don't like to hear that. But I want to tell you what happened to me when I was campaigning in Saskatoon. This is a man that understood the CCF and a man that understood people and understood the kinds of things that people appreciate in this province. His name was Mr. Gray. He was an old friend of the former premier, Tommy Douglas.

And I knocked on his door and I said, would you support me? I'm seeking the nomination. He says, I can't, son; I'm CCF. And he'd had several heart attacks and I started to visit with him. He was a nice fellow to visit with, and I said, well how's it going? And he was upset. He was terribly upset — with the NDP. And I said, oh what's your

problem? And he says, are we ever silly — talking about the NDP, his party. He says, if we were true socialists, we'd have taken those big guys and said, get out of town; here's a dollar. And then we'd have the mines.

But he says, you know what this other bunch does, now that they call themselves the NDP. Do you know what they did? They borrowed \$600 million of yours and mine and gave it to them and sent them down to New York. And he says, do you know what I got? I got a bill. The people of Saskatchewan got a bill. He says it's the craziest thing he's ever seen. He says they don't know what they are. They don't know whether they're socialist; they don't know whether they're in business; they don't know what they are. And obviously, Mr. Speaker, it was a terrible financial move for farm families, rural families, people all over this province.

Mr. Speaker, you add up the NDP record of land bank, death taxes, paying \$600 million and sending the money out and we're still paying for it, and, Mr. Speaker, you won't find anybody in Saskatchewan who can be proud of the NDP record in agriculture. You won't find them any place, because nobody can defend it.

Well, Mr. Speaker, we have designed in the province of Saskatchewan in the last four years many programs that are, and have been, some of the most effective that you would ever see in the province of Saskatchewan, and, indeed, across Canada.

We have programs to protect people against high interest rates. They go from 8 per cent money to 6 per cent money to zero per cent money. The first-time-ever cash advances for the livestock industry — we've never seen that, Mr. Speaker. Targeted tax incentives, Mr. Speaker, to make sure that farm families can have enough holidays and a break and an incentive to invest in agriculture, processing, and manufacturing. Venture capital corporations to make sure there is investment money in agriculture. And we have designed programs to provide security for farmers. We have provided programs to help them in marketing. We have provided assistance, Mr. Speaker, assistance to people in this province like they have never seen before.

As I said after question period today, I have just returned from the capital, talking to federal counterparts. And we put a package there that's worth hundreds of millions of dollars, Mr. Speaker, and I believe it will be delivered to the people of Saskatchewan. It will be delivered here because they can count on folks like Bill McKnight, and Ray Hnatyshyn, and Len Gustafson, and the Prime Minister, and the co-operation between me, the Minister of Agriculture and the Premier of this province, and the Prime Minister of the country.

And the programs we've delivered to date — when we said we would deliver them, they have been delivered. And they have brought cash and hope and heart and confidence to people who needed it when there were difficult times.

Mr. Speaker, we've designed a package of programs, and more to come, with respect to western grain stabilization, with respect to higher price wheat, with respect to various

kinds of financial packages that we can put together for Saskatchewan families. Mr. Speaker, the record of this administration is, going to the wall for farmers under difficult times. You've never seen so much money, you've never seen so much attention, you've never seen so much co-operation, and you've never seen so much sincerity, Mr. Speaker, in trying to help farm families.

The administration agrees with the hon. member from Assiniboia-Gravelbourg; the agriculture situation is serious, and it does deserve priority, and it deserves sincere respect in fixing the kinds of things that we have to do. I, for one, Mr. Speaker, will stand here and say I agree with the hon. member; this is serious. I will absolutely agree 100 per cent with the kinds of things that we are building today, and, Mr. Speaker, I will challenge the record of the opposition on agriculture any place in this province, any place in the country, any place at all at any time, because it's absolutely pathetic. And my best advice to them, Mr. Speaker, is that I don't believe they're credible in even raising the issue, and neither will the people of Saskatchewan.

Some Hon. Members: — Hear, hear!

(1630)

Mr. Lusney: — Thank you, Mr. Speaker. Mr. Speaker, when I listened to the Premier of this province get up in this House and speak on this Bill, and he gets up and he says, how can we stand up in this House and even bring up this issue? Well, Mr. Speaker, there's one thing that I noted, and I'm sure everyone in Saskatchewan noted, that during that whole time that he spoke in this House he never once mentioned the 80 cent drop in the price of wheat for farmers of this province. Not once! That's not an issue on his part. It is not an issue, Mr. Speaker. He talked about everything else that he could think, of potash mines, and you name it. He talked about everything, but not once did he talk about what is happening to the farmers of this province today. The fact that we're losing 81 cents a bushel; that, Mr. Speaker, he didn't bring up.

Now I see the member from North West would like to get up and say something, I'm sure, but he never does. And I'm sure he'll have the opportunity to do that in this House. But most of them are good at only speaking from their seats, Mr. Speaker. They don't get up in this House and talk to the people of the province and tell them what they think should be happening, or what this government isn't doing. And that's a former Conservative; that's what he is — a former Conservative.

Mr. Speaker: — Order, please. I'm going to ask the members to calm their voices a bit and give the hon. member the opportunity to speak.

Mr. Lusney: — Thank you, Mr. Speaker. Listening to the Premier — and I notice he doesn't even want to hear what I have . . .

Mr. Speaker: — Order, please. I'm going to ask the member for Regina North West to calm down and let the member speak.

Mr. Lusney: — Thank you, Mr. Speaker. The Premier of

this province wouldn't even listen to what anyone else has to say in this House at this point. And I don't blame him, because when I listened to him and when he stood there and talked in his own sanctimonious manner as to how he was doing so much for the people of this — and specifically for the farmers of this province . . . Well, Mr. Speaker, he even talked about a CCF person that he met in Saskatoon and how this person told him that what the NDP did was buy potash mines in this province, and what did he get out of it? All that he got is someone handed him a bill.

Well, Mr. Speaker, I don't think there's any sensible person in this province that would believe one word of that. I didn't receive a bill on the potash, and I don't anybody else has. In fact, the potash did bring us revenue during the term that we owned it. But I know the government doesn't want to hear that. They didn't want to hear that when they were in opposition, and now that they're in government they want to get rid of the potash mines. They want to get rid of all the assets of this province. They're not interested in what is happening to the farmers today.

They say that they did all the good things for farmers during the last four years. And he mentioned some of those things, Mr. Speaker, like the crop insurance. That was supposed to be something that the Tories brought in. Well that was in for years, long before the Premier ever heard of it, I'm sure. Beef stabilization, the hog assistance program, farmstart — all of these programs, Mr. Speaker, were in place long before the Premier even got into politics.

And what is happening now, Mr. Speaker, most of those programs that the farmers had some help from are not as good as they were four years ago.

Some Hon. Members: — Hear, hear!

Mr. Lusney: — As he stands in this House and he says that the people of this province should never let the NDP even get in here again. Well, Mr. Speaker, I think that the people of this province will make that decision. And I know we have a lot of intelligent people in this province. They're not all Conservatives. There are some in there, and a lot of them, that know what's happening. They know what's happened in the past.

They know what's happened in the past. The farmers today, I am sure, would only wish that we could go back to the '70s and make the profits we were making then. If only we can make the profits we made in the '70s, Mr. Speaker. But today we don't see that, and we haven't been making those profits for the past four years. And by the sound of this government, it seems that we won't be making any profits for the next while.

They say we don't believe — the Premier does — he says we don't believe in small business, we don't believe in small business and the private enterprise. Well, Mr. Deputy Speaker, I was in business myself once. That was in the '60s, and I know how tough it got then, and that was under the Liberal government, the Thatcher Liberal government at that time. And I know how tough it got from '64 up to '70 because I was in business then. And I know what it was like after '71 and, Mr. Speaker, I would

wish that things would only get back to the point that they were then, in the '70s. I wish were back to the '70s, under the administration of the NDP.

Mr. Speaker, the Premier also said if the NDP ever got back in that we would set this province back 50 years. Well, Mr. Speaker, I had to admit one thing, that this province has been set back 50 years, and it's been set back by this government over four years. Four years is all it took to set it back 50 years, and it's going to take a long time to rebuilt it again. But, believe me, the people of this province and a New Democratic Party will rebuilt it again.

Some Hon. Members: — Hear, hear!

Mr. Lusney: — Mr. Speaker, what have we seen over the last four years, and what do we see today — which I suppose is more significant than any other year — is the fact that we've got wheat prices in this province lower than they were in the '30s. That is the impact that it will have on this province today and on agriculture today, the lowest prices. And it seems that drought, grasshoppers, and Conservatives all seem to go together, and low wheat prices.

The Premier should have gone to Ottawa this past week and demanded that the government of Ottawa do something for agriculture. But what happened when he went there? The Premier goes to Ottawa and he takes along some of his political people — the president, Ron Barber; and the former president, George Hill; and the executive director, Don Pringle; and the campaign director, Dave Tkachuk — people who also work for the government. And that, Mr. Speaker, are the people he took there, and what did he bring back? Before he even got back from Ottawa, the minister responsible for the Canadian Wheat Board came to Saskatoon and announced an 81 cent drop in the price of wheat. That was what the Premier of this province accomplished when he went to Ottawa.

But he didn't go to get something for the farmers. He went to Ottawa to try and build, as was stated in one of the news articles, that big blue machine. That was the purpose of his trip to Ottawa. He saw he was having some problems in Saskatchewan. So you don't go and try to help the farmers to keep up the price of wheat. But he went there to try and build that big blue machine. That's what the Premier was doing in Ottawa, Mr. Speaker.

What he should have been asking for was deficiency payments for the farmers. He should have been asking for deficiency payments because today we can't even say that parity pricing is going to be any good. Once the price of wheat went down 80 cents, parity pricing is no longer relevant.

A small farmer, Mr. Speaker, who farms only about five quarters of land — and I have many of those in my constituency yet — that small farmer stands to lose, with the price of grain dropping by 81 cents a bushel, some \$16,000. That's what he stands to lose today.

The only thing that the federal government will probably be offering now is parity pricing, bringing it up from \$7

domestic price to \$10, amounting to maybe — if they go on what they been proposing, 2,000 bushel limit at \$10 a bushel, which means only an actual \$3 increase from what we've had before — what's it going to bring us? About \$6,000. So that that same small farmer is going to have \$10,000 less after the parity program even comes into effect. He's lost 16,000 now. He will lose \$10,000 even after the parity pricing comes in.

That, Mr. Speaker, is what's happening in this province today. There is no way that farmers of this province can possibly — no way that they can possibly survive that kind of price decrease in wheat.

We've seen many farmers going bankrupt in the last four years, Mr. Speaker, many of them. Many of them have been going bankrupt. But I can tell you, Mr. Speaker, that there are going to be a lot more going bankrupt if this government doesn't get after Ottawa to bring in a program that's going to do some good for the farmers.

But it's quite obvious that this government is not going to do that. They are not going to do that. They talk about all the things that they can do. The Premier says that all he has to do is phone Ottawa and he gets whatever he wants. Well I wish he would have stayed home and maybe phoned them; maybe we wouldn't have had an 81 cent drop a bushel. But, Mr. Speaker, he talks about the phone calls that he can make and all the good things he can get. He says he can phone Ottawa any time and get help.

Well, Mr. Speaker, I wonder what kind of help he was really talking about? We know one thing that he was really concerned about, was help for the oil companies. He says this Western Accord is a great thing; somehow this is supposed to be good for the farmers. That's going to help the farmers. All he has to do is make a phone call and Ottawa is going to do it.

And it seems that he's still concerned about the oil companies. For the last four years they've been getting royalty tax holidays. They've been making hundreds and hundreds of millions of dollars off the taxpayers and the resources of this province. And now the Premier goes to Ottawa and he says, we've got to give them a little more. That's what he went to see Ottawa for, and he didn't even see the Prime Minister because he was up in Florida. He didn't see the minister responsible for the wheat board; he was in Saskatoon. But he did see the Minister of Energy and he's saying that we've got to bring the price of oil up again.

The farmers can't have cheap fuel. We've got to bring it up, that's what the Premier of this province is saying. When the price of oil was going up, the oil companies were saying, we don't want government involved; we want them to stay out of our business. The Premier of this province was saying the same thing: governments shouldn't get involved; we should let the market-place establish the price.

And the Premier today says, we don't believe in a ceiling price. Well, it's quite obvious they don't; they liked it when it was going up. The oil companies liked it when it was going up. And the farmers were going bankrupt day in and day out because the price of fuel was going higher

and higher.

And now when the price of oil started to drop on the world market, after all those hundreds of millions of dollars of tax holidays that the oil companies had, and the high prices that they enjoyed for a number of years, the Premier of this province goes to Ottawa and he says, we can't let it drop any more; we can't let it drop any more; we have to stop it. Somehow he seems to think that what farmers need right is lower grain prices and higher fuel prices. That's what the Premier of this province thinks.

(1645)

Mr. Speaker, he also talked about the Crown corporations. He talked about Crown corporations and what they did for this province. Well, Mr. Speaker, there is no question that the Crown corporations like SaskTel and SaskPower and Sask potash did a lot for the province — no question about it. It was those Crowns that provided power to every farmer in rural Saskatchewan. It was the Crown, SaskTel, that provided telephone service to every farmers in Saskatchewan, Mr. Speaker, and that will be extended. We said it last fall, that it should be extended to private line service too. And those same Crowns will continue to provide better service for the province of Saskatchewan, but not as long as this government is in, because they want to sell them off. They'd like to get rid of it. They'd like to sell the cable system off, get rid of it to their friends.

Are they concerned about the farmers of this province? No. We've got plenty of money for Peter Pocklington, but we've got no money for the farmers. We've got a lot of money for the Weyerhaeuser — \$248 million of taxpayers' money — but we don't have any money for the farmer. That's what they keep saying. In his whole speech he wouldn't even mention the farmers. He wouldn't mention the drop in the price of grain.

That, Mr. Speaker, is how concerned the Premier of this province was about the decrease in the price of grain. He was so concerned that he wouldn't even mention it once in his whole speech.

Well, Mr. Speaker, I think the people of this province saw him for what he really is. They saw him for what he really is — a Premier, one can't make a decision, one that is not honest with people, one that won't tell the people how it really is and what is happening . . .

Some Hon. Members: — Hear, hear!

Mr. Lusney: — But he tries to deceive them into thinking it's going to be so good, just elect another Conservative government and it's going to be so good in this province. Well, Mr. Speaker, they know how good it's going to be. They've had four years of how good it is. They've had four years of it and they know, they know how they've suffered in those four years and they know after the announcement that we heard yesterday that many of the farmers are not going to be on that land any more.

And the Premier was one of those people that, while he

was still an economist that he likes to talk about, he said that we've got too many farmers out there. We've got to get rid of some of them. We have to weed them out. There's a lot of them that are inefficient; we've got to get rid of those guys. Well, Mr. Speaker, they are doing it. Their programs are doing it. The federal Tory programs are doing it. They are weeding those farmers out, and they are weeding them out very fast. We are not going to have too many farmers left in this province if this government continues to operate the way they have been. And that's part of the program. That seems to be part of their long-term program, Mr. Deputy Speaker.

And the Premier tries to tell this province and the people of this province that he is very concerned about what is happening. Well, Mr. Premier, I know they won't believe you. They won't believe you at all.

He talks about all the programs that he put in — and I'll leave out some of those that I mentioned which were certainly none of which he put in. He did offer the \$25-an-acre loan program. And what did he do with that? There's going to be farmers out there that have to pay it back next spring. And with 81 cents less or \$10,000 less in income, Mr. Deputy Speaker, those farmers are not going to be able to make that payment. They will not be able to make it. Those farmers are going to have some problems. All it did was put them a little further in debt, and you can ask the farmers, or you can ask any business man in this province, and they will tell you that you cannot borrow yourself out of debt. Any of them will tell you that.

But this Premier says, we'll put you further in debt and we'll put you yet further in debt. We won't give you any proper help or assistance. We won't do what other countries are doing for you, but we'll put you further into debt. That, Mr. Speaker, is what this government is saying. And I don't think anybody will believe that that is the solution to what agriculture is facing today. That is not the solution to the problems of agriculture, Mr. Speaker.

He talks about the farm purchase program. It's the same like the loan program — another debt load on the farmer. And farmstart is foreclosing on farmers. I know a number of farmers that have applied for the ACC loan but because they have problems with the Farm Credit Corporation they can't get the ACC loan.

Now, Mr. Speaker, is that \$25 an acre really helping the farmers that are in desperate financial difficulties? No, it certainly isn't helping those farmers. We need a program that will give every farmer of this province a reasonable price for the grain that he produces, a price that he can make a profit on. Then he won't need the loans from this government or any other government. He needs to get a price like General Motors, and Massey-Ferguson, and John Deere, and anyone else that sells anything in this province or produces or manufactures anything. They want to get a price that's going to cover their cost of production, plus a profit. That's all the farmers ask. They don't ask for big profits. They ask to get the cost of production covered, plus a little bit of profit.

Well, Mr. Speaker, does this government tell General Motors or Ford or Massey or John Deere that they

shouldn't be making a profit, that they should take less for what they manufacture? No, he's not telling them that. But from his obvious silence about the price, the drop in the price of grain, he is telling the farmers that they should be prepared to take a drop in the price of their grain.

An Hon. Member: — Tighten their belts is what he's saying.

Mr. Lusney: — And as the member from the North West said, tighten their belts. Well, Mr. Speaker, it seems to me we've had that said once before.

An Hon. Member: — Trudeau said that.

Mr. Lusney: — And it wasn't only Pierre Trudeau that said that. I think if we went back in *Hansard* to the '30s, we'd find that there was another government that said that the farmers have to tighten their belts in the province. And we've got another government here 30 years later that are saying the same thing: tighten your belts. Tighten your belts. That's what they are telling the farmers of this province, Mr. Speaker.

And I don't think that we should allow this government to destroy agriculture, to destroy the production of food. They're prepared to shore up the banks, they're prepared to shore up the oil companies, but they're not prepared to shore up the farmer. Now tell me, Mr. Speaker, how many people in this country could survive on oil and without food? Mr. Speaker, food is the most important commodity in this province, in this country.

But no, to the Conservatives, provincially, federally, food is not an important commodity. The production of food is not a very important industry. They seem to think that oil is more important. And if you've got oil, then somehow you'll live on it. Well I'd like to feed every one of those members across that floor oil for at least a month and see how long they'll survive on it. Because I think the people of this province want food more than they do oil at this point.

Mr. Speaker, we've got oil in this province. We've got the capability of producing all the food we need for ourselves and to export. All we have to do is take advantage of what we have and make sure that it is used for the benefit of everyone in this country.

But that, Mr. Speaker, is not what this government is doing. They are not doing that. They should be talking today about lower input costs for farmers. They've let the price of wheat go down. But did the Premier mention anything about lower input costs, fertilizers, chemicals? He doesn't say anything about that. He didn't mention the farmers at all in his speech.

An Hon. Member: — He mentioned something about fertilizers.

Mr. Lusney: — Well one of the members said he mentioned something about fertilizer. Well he sure did. He mentioned the fact that a few days ago he announced a fertilizer plant that's going to be attached to an upgrader that doesn't even exist. That is what he announced. A fertilizer plant onto an upgrader that doesn't even exist.

Well, Mr. Speaker, how is that going to bring down the price of fertilizer?

Mr. Speaker, farmers are a lot smarter than what this government thinks. Business people of this province are a lot smarter than what this government thinks. They are not that easily fooled. And they haven't been calling an election, and we know why. They know that they may have some problems there, so they won't call it. And maybe their friends haven't got quite what they wanted yet.

They want to sign that Weyerhaeuser deal. They want to get everything on the dotted line. They want to make sure that if they are defeated they are going to leave this province the same way that Marcos left the Philippines. That's what they want to make sure of.

Well, Mr. Speaker, here's an example of just how desperate the situation in farming is today. A nice little heading on a paper that says: "Farm figures frightening and getting worse."

Well, Mr. Speaker, there is no question that that is the truth. And just to read what it says:

Net farm income has dropped sharply in recent years. Statistics Canada report Saskatchewan farmers' net income for 1985 was projected to \$830 million, a drop of 23 per cent from 1984, and it predicts a further drop of 17 per cent in 1986 to 686 million.

Well, Mr. Speaker, statistics seem to show that net farm income now is only about \$5,000 per farmer. That is all the farmer realizes, about \$5,000 net income. And when you look at that same small farmer that was making \$5,000 last year and then when he's going to lose \$10,000 on the grain that he produces this year, what is going to happen to that farmer, Mr. Speaker? What is going to happen to him? That farmer is not going to exist: he is going to have to leave his farm. If that continues, there won't be very many farmers left.

It says that average yield has to be — and these aren't my figures, Mr. Speaker — it says average yield has to be about 48.2 bushels of wheat for a farmer to break even. That's what we have to break even today. And now they drop the price of grain another 81 cents. How much do we have to get, Mr. Speaker, to break even today?

And this government went to Ottawa and all they could discuss was oil prices. Well, Mr. Speaker, I think that the farmers of this province realize exactly what is happening. They realize that this government is not going to support them. We know that the federal government isn't going to do it either because they haven't made many moves to do it. They made a lot of promises, but they haven't done anything that is going to help the farmer.

Mr. Speaker, one could go on and on and on about the problems and what this government has failed to do; what the federal government has failed to do. But, Mr. Speaker, I know there are many other of my colleagues that would like to say something in this debate, and I will therefore be supporting the motion put forward before us.

And we would like to certainly see this government take some positive steps to try and save the agricultural industry in this province.

Some Hon. Members: — Hear, hear!

Mr. Petersen: — Thank you, Mr. Speaker. I'm very pleased to enter into this debate today, because there's a few facts that I want to make sure the opposition has straight. They've been distorting them and twisting them, turning them around all afternoon, and I just want to set the record straight on a few items.

First of all, on grain prices. Mr. Speaker, I came home farming in 1975. And in 1975, Mr. Speaker, I was quite shocked to find that the initial price offered for wheat was \$2.25 a bushel. Today we have initial price announced of 3.54. And members opposite were going on all afternoon saying we've never had an initial price this low ever before, not since the '30s. That's hog-wash. That's hog-wash, Mr. Speaker. When they were in power we had an initial price on wheat of 2.25. So here they are, Mr. Speaker, dooming and glooming again, and distorting the facts once more time.

Later on that fall — October the 9th, I believe it was — we had interim payment of \$1.50. And if the sanctimonious simpletons in the opposition knew anything about farming or about the wheat board or how grain is priced, they'd realize that you receive an initial price — which can be changed part way through the year with an interim payment — which is followed up at the end of the year with a final payment.

But they don't seem to understand that, because not too many of them are farmers. And the guys who are farmers there tend to drive Lincolns and fly planes and don't really worry too much about the price of grain, except, Mr. Speaker, when it suits their own purposes to stand up in his House and go on and on and on and say, I'm worried about agriculture now. For 11 I wasn't, but I'm worried about it now, Mr. Speaker — and sanctimoniously stand here and try to peddle that garbage to the people out there.

Well the people out there won't believe that, Mr. Speaker. Not now, not in 1982, and not in the future — ever.

Another point, Mr. Speaker, that I'd like to straighten out for the members opposite, especially for the member . . .

Mr. Speaker: — Order, please. It's my duty to advise the Assembly that the time for this debate has elapsed, and being 5 o'clock this House now stands adjourned until 2 p.m. tomorrow.

The Assembly adjourned at 5 p.m.