

The Assembly met at 10 a.m.

Prayers

## ORAL QUESTIONS

### Distribution of InfoCentre Network Materials

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. I direct a question to the Minister of Supply and Services. Mr. Minister, it deals with your department's latest patronage project, the InfoCentre Network.

Yesterday we learned that the InfoCentre Network is a plan to distribute government brochures and Progressive Conservative propaganda at taxpayers' expense through Saskatchewan grocery stores and shopping malls, and we confirmed that a company owned by a former PC party employee will be paid \$85,000 a year to distribute this propaganda at taxpayers' expense.

Now, Mr. Minister, at a time when Saskatchewan families are struggling to make ends meet, how do you justify this kind of expenditure, and isn't the 12 to \$15 million a year that you're spending on self-serving government advertising enough without having to bombard shoppers with even more of this kind of propaganda?

**Hon. Mr. Schoenhals:** — Mr. Chairman, I would first of all challenge the member to present a piece of self-serving propaganda that is on display in any of those . . . It's not unlike him to stand in this House and suggest that. I made it very clear yesterday that there is definitely a need for distribution of government programs to the public of this province. That became very clear when we toured the province and talked about some of the things that people felt need to improve.

Secondly, I would point out, Mr. Speaker, that this program was piloted a couple of years ago. This is a new concept, I will admit, which may be something that the NDP have trouble relating to. New concepts are not something they are very familiar with. It has been tried in other provinces with a certain amount of success. It is probably — and I repeat, probably — the cheapest method available to get government information to the public. It amounts to something less than 2 cents per pamphlet. It is a response to a need.

Again, Mr. Speaker, it is new; it is a little different, and I can understand the difficulty of the party opposite in coming to grips with something that's new. But I think that we will monitor this very closely. I think we will find that the public accept and appreciate it and that it is, in fact, meeting a need, a very real need that exists out there.

**Mr. Shillington:** — Thank you very much, Mr. Speaker. Mr. Minister, you indicated this was a new idea. The idea is about as new as a wagon wheel. It was attempted a few years ago by the Liberal government with disastrous results. This government seems intent on repeating every single disastrous mistake of every other government, including this one.

Mr. Minister, how was Associated Business Consultants,

which is owned by a former employee of the PC party, chosen for this \$85,000 plum? Was there a public tendering process; or is this just the latest example of friends of the PC party with their snouts firmly in the public trough?

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

**Hon. Mr. Schoenhals:** — Mr. Chairman, once again in reference to the earlier question, I think we will find that the public are very interested in learning the information regarding the programs that have been developed by the various departments under this government.

Secondly, in terms of the method of choosing, two proposals were submitted and we chose the cheaper one. And I would emphasize once again, once again, that this information is being distributed at a cost of less than 2 cents a pamphlet, obviously considerably cheaper than direct mailings or any other method. And the answer is simply that we chose the cheaper of the two proposals.

**Mr. Shillington:** — Supplementary. I wonder, Mr. Speaker, amidst such civilized talk, if I might ask the minister a supplementary. The supplementary is, Mr. Minister: how much will the taxpayers pay in total for this new propaganda project? I would remind the minister that \$85,000 is just the cost of the distribution by a former PC employee. How much will the government and the taxpayers be paying for rental space in grocery stores and shopping malls? How much will the 31 government departments and Crown corporations be spending on new brochures and other material for this province-wide propaganda system?

**Hon. Mr. Schoenhals:** — Mr. Chairman, the member has arrived at the \$85,000 very imaginatively. He's done a calculation on the costs and multiplied it by 31 . . . (inaudible interjection) . . . That's exactly right. That, Mr. Speaker, is the total cost of the program. It includes the purchase of the display cases; it includes the material. There will be no special pamphlets printed for this.

What we have found in fact in the past — and I'm sure that when the members opposite were the administration — was that when material was printed, it was distributed to certain selected client groups and then you always ended up with a lot of material left over. We are making that available to the public. The public have indicated very clearly, certainly on the tour that I was on meeting with business people, that the lack of knowledge of government programs was one very real problem and we have simply responded to that.

But I emphasize once again that the total cost is included — the staff that will keep the various displays neat, the staff that will keep them manner, the staff that will monitor them — and I emphasize once again, that even with the cost covering the entire program, the material will be available at less than 2 cents a pamphlet, Mr. Speaker.

**Mr. Shillington:** — Mr. Speaker, thank you. Mr. Minister, you accused us of arriving at it imaginatively. Mr. Minister, we are reading your deputy minister's memos;

apparently you are not. Let me read the memo which your deputy minister wrote: It says, "We have divided the cost of the service evenly so the annual cost to each agency will be \$2,471," something, I might add, neither the Minister of Social Services nor the Minister of Urban Affairs nor the minister in charge of the Public Service Commission knew yesterday.

So I ask you, Mr. Minister: (a) who's running the government; and (b) what is the total cost? This is just the cost of the agencies. What is the total cost of this little propaganda project? Would you read your deputy minister's memos and give us some answers.

**Hon. Mr. Schoenhals:** — Mr. Speaker, the numbers that the member has in front of him . . . And I realize it's very difficult sitting on that side of the room to hear the answer. I will repeat it again. Possibly his colleagues could remain quiet long enough for him to hear it. The \$85,000 . . . I really think it would save the House's time if you allowed your colleague to hear the answer. The number that is here is the total cost of the program. I emphasize once again that it amounts to less than 2 cents a pamphlet. The number covers staffing, it covers setting up, it covers any costs involved in the space, and it covers monitoring and keeping track of what's happening. In fact we believe, as I indicated, that this program will be accepted, and in fact if it's not, we'll end it. But the need has been identified and it's an attempt to respond.

#### Aid to Oil Companies

**Mr. Lingenfelter:** — Mr. Speaker, I have a new question. Mr. Speaker, the question deals with welfare, and it's directed to the Minister of Energy who just announced a new welfare program for the oil companies of the province this morning. The PC government says that it can't afford to repair our highways, and maintain a fresh food subsidy for remote northern communities, and cut taxes for ordinary people, but it always seems to have a lot of money for the oil companies in the province.

My question is this. Earlier this week the Mulroney government in Ottawa, the PC government, gave 175 million in aid to the oil companies. I wonder if you could indicate — because at your dog and pony show this morning, you didn't outline what the cost would be to the taxpayers of the province — can you inform the Assembly and the taxpayers and where you are going to increase taxes to make up the difference that you're giving to the oil companies. Who's going to pay? Are you going to increase income taxes? Sales taxes? Where will the money come from?

**Hon. Mr. Hepworth:** — Mr. Speaker, the objective this morning of the changes and the initiatives we put in place to deal with the direct and indirect jobs that are at stake in the oil and gas industry in Saskatchewan, were designed with one goal and one goal in mind, and that is to maintain the 10,000 jobs that are in jeopardy out there, Mr. Speaker, because of the fall in world oil prices and because of the nature of the oil patch in Saskatchewan.

The cost, Mr. Speaker, the cost is the term the hon. member would use. I say what we have given up today on

behalf of the province and the public treasury to maintain 10,000 jobs is small, Mr. Speaker, and in fact I look at it as an investment. The number, for the hon. member's information and to answer his question very directly, is that the cost for this program will be \$700,000 per month over three months. And, Mr. Speaker, any time I can spend 700,000 a month and maintain 10,000 jobs in the oil and gas industry in this province, that is a good investment, Mr. Speaker.

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

**Mr. Lingenfelter:** — Mr. Speaker, I fail to understand the noise and the hysteria about giving this kind of money away to the oil companies, but knowing the donations that flow to these people at election time . . . By way of background . . .

**Mr. Speaker:** — Order, please. The member is making statements rather than asking questions. If you have a question I'd like to hear it.

**Mr. Lingenfelter:** — New question to the minister in charge of welfare for oil companies, and it was a very specific question, and I ask you, Mr. Minister: what is the total amount, if this program is used by all of the oil companies in the province, how much money will it cost companies in the province, how much money will it cost the taxpayers of the province? And you're indicating 700,000. And very clearly, by way of background, at the press conference this morning . . . And I want to quote from the documents that the minister tabled. On page 6 it says, "To encourage employment in the service . . . sector . . ." It goes on to say that they can deduct "against royalties and taxes payable to a maximum of \$6 million for the three month period."

That's one part of the program. And I say to you, what is the total cost of the program, and what are you trying to hide?

**Hon. Mr. Hepworth:** — Mr. Speaker, once again the hon. member has (a) his facts wrong, and (b) is trying to drive a wedge between those who work in the oil patch and the rest of society. The facts are . . . And you have only presented, as usual, part of the story, and I would have thought the hon. member from Shaunavon, who has some understanding of the oil and gas industry, would have been honourable enough to tell the whole story.

The reality, Mr. Speaker, is that if you provide some encouragement to an oil producer to repair a well that is shut down because it is broken, if you bring that production back on stream you get royalties.

**Mr. Speaker:** — Order, please. The Minister of Energy.

**An Hon. Member:** — He's not on his feet.

**Mr. Speaker:** — Well he was.

**Hon. Mr. Hepworth:** — Mr. Speaker, as I said earlier . . .

**Mr. Speaker:** — Order, please. I called order because of the shouting of the opposition that time, and the minister was not finished speaking.

**Hon. Mr. Hepworth:** — I will outline, Mr. Speaker, the full and entire story of the costs, both direct and indirect, to all members of this legislature and indeed all people in Saskatchewan, of how this program is going to maintain jobs at a cost of 700,000 per month. It is true, it is true that there is \$2 million per month expended — that's capped at that level — to encourage oil producers to do work over; to do repair jobs. To do repair jobs requires that service and supply sector activity in the employment side out there, Mr. Speaker, which is our goal. That is the direct cost.

On the other side, however, and this is the other part of the story the hon. member fails to tell the other members of this House about, is that if you repair those wells that would otherwise have been shut down, or you bring those oil wells on stream that would otherwise have been shut in, you increase the province's revenues . . .

**Mr. Speaker:** — Order, please.

**Hon. Mr. Hepworth:** — . . . by bringing back those oil wells into production . . .

**Mr. Speaker:** — I'm going to ask the opposition to be a little bit patient and to listen to the answer. It's impossible to hear in here.

**Hon. Mr. Hepworth:** — To finish, Mr. Speaker, very quickly, if you maintain and bring those oil wells back into production . . .

**Mr. Speaker:** — I've just asked for order, and I'm going to caution the member from Assiniboia-Gravelbourg that we are not going to put up with this amount of hollering through question period.

**Hon. Mr. Hepworth:** — By bringing the shut-in wells back into production, Mr. Speaker, we in fact will gain revenues for the province that would have been otherwise lost. So if you balance out the direct cost with the recaptured revenue, we end up with a net figure, Mr. Speaker, of \$700,000 a month.

And I would suggest, Mr. Speaker, further, that that number is a good investment when you talk about maintaining 10,000 jobs. And I also will stack that number and the job it will do for Saskatchewan workers in the oil patch against the \$400 million program that Alberta has announced. Our programs will bring results, Mr. Speaker. Jobs will be maintained.

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

**Mr. Lingenfelter:** — After that long answer which took a great deal of time, which didn't deal with the question that was asked, I want to ask you, Mr. Minister: these same oil companies — these same oil companies — a year ago were saying and arguing very loudly that they wanted government out of their lives; they wanted a deregulated industry and they wanted to go it on their own.

I'm wondering how it is that you are now responding to these oil companies who now want to become closest socialists. How is it that, on the one hand, last year they

were wanting deregulation, now they're wanting government hand-outs? When did you decide to change your mind?

**Hon. Mr. Hepworth:** — Mr. Speaker, the objectives of our program has got nothing to do with the oil companies per se. The objective of this program was to maintain employment in the service and supply sector, Mr. Speaker, and to keep those people who on a daily basis go from well to well in this province operating and maintaining those wells. We wanted to maintain those jobs and, Mr. Speaker, with these programs those jobs will be maintained.

**Mr. Lingenfelter:** — Final supplementary to the minister. Mr. Minister, over the past four years we have seen an interesting performance by this government. When oil prices were going up we had to give them a billion dollars to get them to drill oil wells. Now they've over-drilled the number of oil wells in this province; they have to shut some in because there's no sale for it; and they need more taxpayers' money to keep them in business.

Now I would like to say to you, Mr. Minister: does it make any sense to overheat a heated market when world prices are \$35 a barrel, give them a billion dollars of taxpayers' money, and today we give them another group of millions of dollars when prices are down?

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

**Hon. Mr. Hepworth:** — Mr. Speaker, now we're starting to get at the heart of the matter because the classic socialist mentality is now showing through. The hon. member is trying to accuse this government of somehow artificially and maliciously creating jobs out there such as the likes of which this province has never seen. They're accusing us of overheating the jobs out there in the oil patch.

But you see, Mr. Speaker, that makes a lot of sense when you think about their approach in the past. They said that the oil companies and the oil . . .

**Mr. Speaker:** — Order, please.

**Hon. Mr. Hepworth:** — Mr. Speaker, you see, that's quite consistent with their logic of the past. Because in the past they said to the oil companies and the oil workers, both direct and indirect: no, let's leave the oil and the gas in the ground; let's buy all our gas from Alberta and forget about the jobs in Saskatchewan. Let's have all the oil that goes into the refinery here, the Co-op Refinery in Saskatchewan today, let's buy it all from Alberta and leave our oil in the ground. And with it we leave all the jobs gone, all the economic benefits, and most importantly for all the people of Saskatchewan, Mr. Speaker, leave all those foregone revenues in the ground.

That's the socialist approach. This isn't the approach of the Government of Saskatchewan, the government under Grant Devine who understands the oil industry, and more importantly, Mr. Speaker, who has the interests of the oil workers and the oil patch at heart.

#### Appointment of International Marketing Consultants

**Mr. Koskie:** — Thank you, Mr. Speaker. I want to address a question to the Minister of Economic Development and Trade. Some three weeks ago in the Assembly you took notice of a number of questions in respect to the three international marketing consultants of your government had appointed in early 1984 in Minot, North Dakota; London, England; and Hong Kong. And according to the public accounts these three marketing consultants collected about \$300,000, \$283,000 in fees paid for by the Saskatchewan taxpayers.

Can the minister tell the taxpayers today where these three consultants are working, whether they are working as full-time government employees or on a personal services contract or on a retainer basis.

**Hon. Mr. Andrew:** — Well the answer to the question advanced a week or so ago, Mr. Speaker, is one . . . I think the first question was with regard to a Mr. Duffy in England who had a total pay on an all-in cost service contract of \$49,000. That included his salary; that included any secretarial staff that he would have to pay for; that included his travel and I think that's fairly reasonable. Mr. Duffy works out of the London office looking for economic development initiatives. He was instrumental in and worked with the CdF Chimie proposal that brought a very reputable French corporation into Saskatchewan to build an ammonia plant and I certainly don't think we should apologize for that.

With regard to the operation in Minot, North Dakota — the office in Minot, North Dakota, was about \$100,000. That included secretary; that included travel; that included his salary; that included all his costs associated with attending conferences throughout the mid-western United States and northern states of United States. It also included his assisting in a variety of farm machinery manufacturers in attending trade sales, this type of thing — Degelman's, Leon's, many of the farm machinery manufacturers of our province that have in the past and are continuing to look into that market to sell manufactured products produced in Saskatchewan, creating jobs in Saskatchewan.

With regard to the operation of Pacific rim, Mr. Speaker, that particular contract was worked out for the first time with the federal government. The federal government had, I think, some 26 employees in the Hong Kong office. That particular person would be involved (a) his salary; his secretarial help that he had to deal with. That particular person has been very instrumental in working the Pacific rim which is the biggest market that Saskatchewan has, and quite frankly is a growing market for Canada.

Mr. Speaker, this government . . . This government, Mr. Speaker, is very set upon taking product that is produced . . .

Mr. Speaker, the members opposite ask a question and they persist in yapping and crying when they want to hear the answer to it.

What we say in this government, Mr. Speaker, is that we

believe it is important to promote our products, whether it's natural resources or whether it's products manufactured in Saskatchewan, to the rest of the world. We believe that we must go to the rest of the world.

Finally, Mr. Speaker, what we see today with the opening of Expo, Saskatchewan business has an opportunity to again display their wares to the world. We can sell to the world; we can compete in the world, and in so doing we create jobs in the province of Saskatchewan, and we apologize to no one for that.

**Mr. Koskie:** — I have a supplemental. I want to ask the minister . . . I'm specifically interested in the \$124,000 paid out last year to the consultant in Hong Kong. And what I want to ask you is: where does this consultant operate out, and what services did he provide to Saskatchewan that could not have been provided by the 26 full-time staff at the Canadian High Commission in Hong Kong?

**Hon. Mr. Andrew:** — Well he worked out of the Canadian commission. And the people in the commission, if the member is to understand that, of the 26 people working in the Canadian commission in Hong Kong, five of them deal with trade issues. What we have found I think in the past, and what has been found by some of the other provinces, particularly in western Canada, is many of those trade officers tend to have a bias towards eastern and central Canadian manufacturing. And as a result, very often the western Canadian manufacturing, which was a smaller by comparison to eastern Canada, came in second place. This particular person has worked with that particular group to try to promote western Canada. As well, Mr. Speaker, he works with some of the specific questions as it relates to the sale of potash . . .

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

**Mr. Speaker:** — Order, please.

**Hon. Mr. Andrew:** — This particular person has worked with the marketing of some natural resources that we produce in our province and sell to the Pacific Rim whether it be potash or uranium or . . . Mr. Speaker, the members opposite obviously don't want to hear the answer.

**Mr. Sveinson:** — In view of the fact that, with respect with these trade offices, the U.S. states are closing many of them — one example, the state of California recently closed its office in Singapore because it doesn't pay for itself — can you confirm to the people of Saskatchewan, the taxpayers of this province, that your trade office in Hong Kong and other areas of the world do pay for themselves?

**Hon. Mr. Andrew:** — Well a good example, just last week the office in Hong Kong was very instrumental in working with Develcon to land a very large contract in Japan with regards to electronics manufactured right in Saskatoon.

Now that type of thing has worked, many, perhaps United States states, have had a great number of these. And

what's happened in Canadian and Saskatchewan business, in particular, very often don't have the wherewithal to get into the international, as opposed to a large California company. Let's say they can in fact do that. What is in fact happening is the moneys that we have expended to assist in promoting our manufactured goods, our natural resources around the world, is dollars well spent. Those dollars are bringing home jobs and bringing home revenue to the province of Saskatchewan.

## INTRODUCTION OF BILLS

### Bill No. 32 — An Act to amend The Cost of Credit Disclosure Act

**Hon. Mrs. Duncan:** — Mr. Speaker, I move first reading of a Bill to amend The cost of Credit Disclosure Act.

Motion agreed to.

**Hon. Mrs. Duncan:** — Mr. Speaker, I ask leave to refer the said Bill to the Non-Controversial Bills Committee.

**Mr. Speaker:** — I'm sorry, I'm going to ask the minister to repeat what she asked because I could not hear.

**Hon. Mrs. Duncan:** — Mr. Speaker, I ask leave to refer the said Bill to the Non-Controversial Bills Committee.

Leave not granted and the Bill ordered to be read a second time at the next sitting.

### Bill No. 33 — An Act respecting Credit Reporting Agencies

**Hon. Mrs. Duncan:** — Mr. Speaker, I move first reading of a Bill respecting Credit Reporting Agencies.

Motion agreed to.

**Hon. Mrs. Duncan:** — Mr. Speaker, I ask leave to refer the said Bill to the Non-Controversial Bills Committee.

Leave not granted and the Bill ordered to be read a second time at the next sitting.

### Bill No. 34 — An Act to amend The Highways and Transportation Act

**Hon. Mr. Hodgins:** — Mr. Speaker, I move first reading of a Bill to amend The Highways and Transportation Act.

**Mr. Speaker:** — Order, please. Order, please.

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

### Bill No. 35 — An Act to amend The Reciprocal Enforcement of Maintenance Orders Act, 1983

**Hon. Mr. McLeod:** — Mr. Speaker, on behalf of the Hon. Minister of Justice, I move first reading of a Bill to amend The Reciprocal Enforcement of Maintenance Orders Act, 1983.

**Mr. Speaker:** Order, please. When we're going down

the order paper, there's to be silence in the House. And I'm going to ask both sides of the House to obey that.

Motion agreed to.

**Hon. Mr. McLeod:** — Mr. Speaker, I would ask for leave to refer the said Bill to the Non-Controversial Bills Committee.

Leave not granted and the Bill ordered to be read a second time at the next sitting.

### Bill No. 36 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Enforcement of Maintenance Orders Act

**Hon. Mr. McLeod:** — Mr. Speaker, on behalf of the Hon. Minister of Justice, I move first reading of a Bill respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Enforcement of Maintenance Orders Act.

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

## POINT OF ORDER

**Mr. Lingenfelter:** — Point of order, Mr. Speaker, and I would like you to make a ruling on it. And I don't know whether you can make it today or not, but if you would review the record and give us your opinion.

Going down the order paper under Introduction of Bills, a Bill was introduced by — Bill No. 3, actually — the Hon. Mr. McLeod moved first reading of a Bill to amend The Highways and Transportation Act. You called for the vote on it, and you called for those in favour. Not one person in the Assembly said yes. You said, those opposed? There were a number of people who said no. Then you went back and asked for the vote again.

I clearly understand that that's what took place. I find it an unusual, a very unusual way for a vote to take place. Members on this side think it's contrary to the way the vote went. I think the obvious way would have been to call for a standing vote if you weren't clear. But I find it goes against all the rules of the Assembly — and this is only my opinion; in my humble opinion I ask for a ruling on it — that the Speaker recalled the vote. And I'm unclear and would like the authority, if you would quote that to us, whereby the Speaker can recall a vote that is taken and the government loses on it.

**Hon. Mr. McLeod:** — Mr. Speaker, if I could just speak briefly to the point of order raised by the member from Shaunavon and speak on behalf of our side of the House. It's a very difficult thing, I'm sure, for any human being, whether he be a Speaker or a member of the House or anybody else anywhere, whatever forum they might be in, to be able to hear what was going on in the House, considering the noise coming from the opposition benches at the time that we were going down the order paper with these Bills.

So I would say, Mr. Speaker, if you take the noise from the

opposition benches into consideration, we would see very, very well what should have been happening in here.

**Mr. Engel:** — I'd like to speak to that point of order, Mr. Speaker. When the Minister of Highways raised the issue, none of his people were paying attention; none of them voted. And when it was our turn to vote, we voted "no," and the "no's" are the only ones that voted on the issue. And then you called a second vote. And I think that if . . . the best out of three, that's your privilege, but I don't think that's the normal procedure of this House.

**Mr. Sveinsson:** — I'd just like to speak quickly to that motion. I did vote "yes" on the motion. And I don't know whether you heard me or not, Mr. Speaker, but there was a "yes" on the motion.

**Mr. Speaker:** — Order, order. The members are confusing what took place on Bill No. 3. I asked for first reading of the Bill, and there was a "yes" and there were a number of "no's." And then I have to at that point ask for those in favour to say, aye, and those opposed to say, no. And that's exactly what I did. There was no deviation from the normal process of the Bill.

Order, order. That's exactly what happened, and the record will show it.

## ORDERS OF THE DAY

**Hon. Mr. McLeod:** — Mr. Speaker, I wonder if I might ask for leave of the Assembly to revert . . . to move under government orders, first of all, and then revert back to government motions following a second reading on one of the Bills under second reading speeches, please. I also ask for leave of the Assembly for that version.

**Mr. Lingenfelter:** — Mr. Speaker, if the minister would take a question just for clarification. Rather than move to second readings on a number of Bills, if he would clearly indicate which Bill on the record he's moving to, we will then make our decisions.

**Hon. Mr. McLeod:** — Mr. Speaker, I would ask for that leave to move to second reading of Bill No. 16, An Act to amend The Venture Capital Tax Credit Act.

Leave granted.

## GOVERNMENT ORDERS

### SECOND READINGS

#### Bill No. 16 — An Act to amend The Venture Capital Tax Credit Act

**Hon. Mr. Schoenhals:** — Thank you, Mr. Speaker. It's certainly a pleasure to have the opportunity to move second reading of an Act to amend The Venture Capital Tax Credit Act. I would remind the House Leader, the opposition House Leader, that I sent the detailed notes on the changes in this Act to him yesterday or the day before. I hope he has been able to distribute those to the appropriate critic.

Mr. Speaker, these amendments are designed to

strengthen what is already a strong venture capital program and come about as a result of discussions with business men and business women across the province, business people who have been strongly supportive of the initiatives that we have taken in the area of venture capital.

I'll deal with the amendments shortly, but I'd like to take just a few moments and review the venture capital program which we feel has contributed a new attitude towards investment in this province.

The objectives of the program are twofold: firstly, to provide small business throughout the province with access to equity capital that needed fuel for economic growth and expansion; and secondly, to develop and promote a strong provincial infrastructure for investment, an infrastructure which will get our CAs, our lawyers, our business consultants working even more closely with small businesses and assisting them in raising equity and expanding their operations.

Equity capital is vitally important to our province's small businesses. It's important because it helps those businesses build our economy and create much needed jobs. But venture capital is also important in a psychological way. It helps create an anti-recession mentality which states there are opportunities out there despite hard times. Let's go out and find them and invest in them.

We may have a struggling agricultural sector, and we may have low petroleum prices right now, but with equity investment our small businesses can better withstand the ups and downs of our economy. We can also target equity capital for certain businesses, feedlot operations, for instance, and establish a role model for other operators to follow. Hog production, cow-calf operations, are but two examples of enterprises which can benefit greatly from equity investment.

What does venture capital mean to Saskatchewan? It means staying power for our businesses, growing power for them. It means more jobs and more products produced here at home. It means investment, not just of money but of faith and confidence in Saskatchewan's future.

The venture capital story is a success story, Mr. Speaker. Fifty-two venture capital corporations were registered as of the end of December 1985. Those VCCs have raised over \$32 million and have already invested 22 million of that amount in Saskatchewan businesses — businesses, I might add, that are located in every constituency. We expect to exceed these figures during the fiscal year.

The amendments that we've introduced to the Act arise, as I've already mentioned, out of discussions with our small-business community. A number of the amendments are housekeeping changes dealing primarily with clarification of the Act. However, there are two major changes. One of them is to expand the small businesses which are eligible for venture capital investment. We want to make it easier for agricultural and livestock production in facilities to qualify for this mechanism of equity financing.

We've also proposed an amendment, the effect of which will be to expand the number of communities which can register venture capital corporations with minimum capital of \$25,000. In this regard we've raised the population ceiling from centres under 5,000 to those under 20,000. This change will allow equity investment in retail and service industries in most communities in the province of Saskatchewan.

In addition to these amendments, Mr. Speaker, my department officials are doing a thorough review of the venture capital program in concert with leading private sector tax consultants to ensure that the program will indeed continue to be solid.

Mr. Speaker, I will let those remarks suffice for the time, but obviously I'm very pleased to move second reading of An Act to amend The Venture Capital Tax Credit Act.

**Mr. Engel:** — Thank you, Mr. Speaker. I beg leave to adjourn debate on this. If the minister sent those notes over, somewhere they got lost in the shuffle. I'm sorry I didn't get to see them and study them in advance. So we'd like time to look at them and then make our comments in next sitting.

Debate adjourned.

## GOVERNMENT MOTIONS

### Agriculture as Prime Topic at Tokyo Economic Summit

**Hon. Mr. Hepworth:** — Thank you. Mr. Speaker, at the end of my remarks today it is my intention to move the following motion, which will be seconded by the member for Kelvington-Wadena:

That this Assembly endorses the Prime Minister in his successful efforts to bring the agricultural problems facing Canada to the attention of world leaders through his introduction of agriculture to the Tokyo Economic Summit, and further, that this Assembly congratulates the Prime Minister and the federal government on its initiative to provide financial assistance to western farmers.

(1045)

In speaking to this motion, Mr. Speaker, I will address the questions of why does agriculture need to be on the agenda of a meeting of world leaders, and secondly, how did it get there, and what is our hope, Mr. Speaker, our hope in so far as what can come out of this summit meeting.

Mr. Speaker, the question becomes simply this: why is it important that Prime Minister Mulroney initiate discussions on farming and agriculture and the agri-food business at a world summit meeting? Why is it so important, Mr. Speaker, we see in a recent news magazine, that Helmut Kohl, the leader of West Germany; Mr. Nakasone, the leader of Japan; Margaret Thatcher, the leader of Britain; Ronald Reagan, the leader of the United States of America; Mr. Craxi, the leader of Italy; Francois Mitterand, President of France; and of

course our Prime Minister, Brian Mulroney, from Canada meet at this Economic Summit?

Because, Mr. Speaker, the issue facing farmers and agriculture today is no longer just a Saskatchewan issue. It's no longer just a western Canadian issue. It's no longer just a Canadian issue, Mr. Speaker. It's no longer just a North American issue. The farm problem is not just a matter of confrontation between the U.S. and the EEC (European Economic Community) over markets. Mr. Speaker, the issues facing agriculture today are global in nature. Mr. Speaker, it's an international issue today. The issues facing agriculture today are global in nature; hence, Mr. Speaker, it makes the utmost sense that they be dealt with on a global basis.

Mr. Speaker, Prime Minister Mulroney's initiative to have this on the agenda at the Tokyo summit is a significant step forward, one that the Prime Minister deserves our heartiest congratulations for, and one that our Premier deserves our congratulations for as well, Mr. Speaker. It is a significant step, as I've said, Mr. Speaker, an historic step.

The issues today are global in nature because agriculture, farming, is undergoing fundamental structural changes globally. In agriculture, Mr. Speaker, I suppose in really any commodity, one historically can make the observation that we've always had cycles. Prices go up, and they fall, and they come back up again. We've had drought cycles where we've had periods of good moisture and poor moisture. When it comes to agricultural and farming the world over, farmers are used to cycles, Mr. Speaker.

But the reality that appears to be facing us on a global basis today, Mr. Speaker, is that we're headed for a new baseline. The cycles always were up and down, but they were always around a common baseline. Today it appears, Mr. Speaker, we're headed for a new baseline. Where that new baseline is, we know not. Could be here; could be there. The issue then, Mr. Speaker, becomes this for those leaders. How do we get from A to B? How do we deal with the new realities in the world today? How do we deal with the changes that farmers and agriculture are facing? How do we deal and how do we manage change, Mr. Speaker, in a common-sense yet compassionate way?

What do I mean, Mr. Speaker, when I say global agriculture is undergoing fundamental structural changes? Let me give you some examples, Mr. Speaker. Just a few years ago, the European Economic Community used to be customers of ours. They used to buy feed grains from us particularly, and among the feed grains, barley in particular. They were substantial customers of ours. Today, Mr. Speaker, the EEC competes with us in grain markets. They are no longer customers. They are now competitors in a world market-place — through massive subsidization of their farming sector by paying farmers handsomely for their produce, and, of course, a farmer being what he is, he responded and responded in spades. They have some massive surpluses, Mr. Speaker, and albeit that their goal — the goal of the common agricultural policy, initially — no doubt was to reach self-sufficiency when they put these subsidies in place, they have overshot the mark, Mr. Speaker, and they have

overshot it substantially. Now they pump money into the farm sector; they create bizarre distortions inside and outside the country.

We've all heard the reports, Mr. Speaker, of the mountains of butter in the European Economic Communities — caves full of butter, Mr. Speaker. We've heard stories of lakes of surplus milk, lakes of surplus wine — which is a large production sector over there, Mr. Speaker. But have they curbed production? Have they cut back on subsidies, Mr. Speaker, that led to this overproduction? The answer is no.

I have to acknowledge, Mr. Speaker, that Prime Minister Thatcher, a couple of years ago, took a run at that very problem, addressed the common agricultural policy and the inherent problems in it at a European Economic Community's leaders' meeting. But of course what happened, Mr. Speaker, farmers hearing that there were going to be cut-backs in subsidies, hearing that there were going to be cut-backs in production, marched on The Hague — or wherever it is you march in Europe.

And of course, as is an understandable and usual political reaction, the politicians scratched their heads facing these 70,000 farmers marching on The Hague and said, whoa, boys, we'd better re-think this; there's a very large human, and hence political, dimension to this problem.

So the politicians scratched their heads, looked at the crowd of farmers out there, addressed the — and rightly so — the human dimension of the problem, and said no, now is not the time to cut back. So the subsidies and the distortions continue, Mr. Speaker.

And I only have to look back to a clipping . . . And I'll refer to a number of clippings and international journals through my remarks today, Mr. Speaker. I'm not going to give the details of where they are or what date, but I assure all members that if they wish me to provide them with the appropriate references, I can do so, but in the interests of time I will not.

But only a couple of years ago the story line in one of the major newspapers across Canada read this way:

French farmers carrying flags and placards staged a rally protesting against proposed cuts in the common market's agriculture benefits. Nearby an estimated 20,000 farmers from Greece, Ireland and Italy marched towards the conference site hoisting an effigy of farmer hanging from gallows.

And it went on further to say, Mr. Speaker, and I quote again:

Thousands of Italian farmers, mostly from the South, came in chartered planes and ferries over the weekend to protest against possible cuts in subsidies to Italian farmers.

Mr. Speaker, end of quotation.

So, Mr. Speaker, you can see that although the politicians had, perhaps, a laudable goal of trying to rein in the subsidization because it was overshooting

self-sufficiency and they were ending up with these massive surpluses, the human dimension rings loud and clear. And that's not so surprising. And that's why I say, Mr. Speaker, these issues have to be approached on a global basis and acknowledged in a compassionate way.

Another example, Mr. Speaker, before I leave Europe, Mr. Speaker; I think one would acknowledge, using that example, that what's happened in Europe over the past few years is a fundamental structural change. They've gone from a position of from being not self-sufficient in food production to having massive surpluses and competing in our market-places, Mr. Speaker.

In the U.S. we see similar fundamental structural changes. In January of '85, Mr. Speaker, some year and more ago, I said then, Mr. Speaker, that the two most important things facing the Saskatchewan farmer were (a) the weather, and (b) the U.S. farm Bill.

Unfortunately, Mr. Speaker, both statements have turned out to be true. The U.S. farm Bill has been very much in the news the last six, seven, eight months. The U.S. farm Bill, more correctly referred to as the Food Security Act of 1985, does many things, Mr. Speaker.

First, it is forcing down the price of world grains in the world market-place. The U.S. want to regain lost markets. They are particularly upset, as are we, that they have lost markets to the European Economic Community, because the European Economic Community has bought its way into markets with its massive subsidies.

And so the U.S., through its farm security, or Food Security Act associated legislation, has put in place a program that has the acronym, Mr. Speaker, of BICEP (Bonus Incentive Commodity Export Program). It's basically an export subsidy program that says to a buyer of grains or oil seeds that if you buy three bushels from us, we'll give you the fourth one free, which has the effect, Mr. Speaker, of discounting the price out there by 25 to 35 per cent.

It also has the effect, Mr. Speaker, of lowering — and this is the important implication for us in Canada here and in Saskatchewan when it comes to wheat and other oil seeds — of lowering world grain prices that were too low already, and in many ways, Mr. Speaker, was the second volley and the counter-volley to the European Economic Community and what many are calling a trade war.

And although the U.S. is attempting to clear its stocks by pricing its grains very aggressively, it is making up any shortfall to its farmers with subsidies as well, not the least of which has been referred to in this House recently and described as deficiency payments.

Well as our Premier has said, Mr. Speaker, that has to be an option. It has to be an option for us and for our Saskatchewan and Canadian farmers and for our federal government. And it has been raised with them.

But at the same time, Mr. Speaker, it requires more than the simplistic analysis that the NDP have given it. They keep saying to members on this side of the legislature that there should be a payment, a deficiency payment, like the



U.S. farmer gets. And I have said, Mr. Speaker, that that should be an option, and we have raised that as an option.

But the hon. member from his seat cries out, and shouldn't it be? And I say yes, it should be, Mr. Speaker. But once again, they only tell half the story. You see, the half that they failed to tell Saskatchewan farmers, Mr. Speaker, is that certainly the U.S. farmer gets a deficiency payment. But what is the other side of the coin, Mr. Speaker? To get that deficiency payment, Mr. Speaker, he has to take land out of production. So maybe when the hon. member from Assiniboia-Gravelbourg gets up and says, yes, Mr. Speaker, the Saskatchewan farmers need a deficiency payment just like the U.S. farmer gets, what he should be saying, Mr. Speaker, is, yes, the Saskatchewan farmers should get \$6 a bushel just like the U.S. wheat farmer gets, but also you have to take half your land out of production to get that, Mr. Speaker. Now if you tell the other half of the story, Mr. Speaker, I ask: is it as palatable? That's why I say, Mr. Speaker, the simplistic approach to farm problems today will not work. Half-truths will not work, Mr. Speaker. The farmers of Saskatchewan deserve the full story. The farmers of Saskatchewan deserve to have these options explored in depth.

What the farm Bill did, because they were very aggressive and sensitive to the marketing of export grains, but it was not market-driven, Mr. Speaker . . . Sorry, Mr. Speaker. Their export policy is market-driven. They are pricing their grains to sell at what some would call fire sale prices so that they will move through the market-place. And yet at the farm gate, their policies are not market-driven, Mr. Speaker, and for probably some of the same kinds of reasons that the European Economic Community cannot go to a market-driven economy for their farmers. You can't take the legs out from under the farmer overnight, Mr. Speaker, in that heartless kind of fashion. And so just as we saw with Margaret Thatcher, raising with her EEC colleagues a couple of years ago the issue of dealing with oversubsidization and overproduction, when the U.S. farm Bill was first debated, Mr. Speaker, the intent there was to go to a more market-driven economy.

(1100)

But once the debate started, they too found, Mr. Speaker, that there was a human dimension to this. In fact, by every measure, farmers in the U.S. are suffering far more than farmers in Canada. And I would argue, Mr. Speaker, one of the reasons why is they don't have some of the very good programs that we have here in Saskatchewan and in Canada. Once again the human realities — and rightly so, Mr. Speaker — saw the U.S. back off that course. They are still pursuing a very market-driven export policy, but at the farm gate side, Mr. Speaker, they are maintaining their subsidies. Mr. Speaker, in the U.S., this attempt . . . And in some sectors, like I say, on the export side, having met with some success at a more market-oriented farm policy, is another example, Mr. Speaker, of what I would call a fundamental structural change in global agriculture.

They change the complexion of that 50-year old piece of legislation in a way that it initially could have been radically altered, and perhaps not rightly so, Mr. Speaker, to a Bill that has some still very major implications for all of us globally.

A final example, Mr. Speaker, and another major country of the world, China. China — a large population, Mr. Speaker. And for years and years and years we've always viewed China and India the world where the population grew faster than the food supplies. But in seven years, Mr. Speaker, the peasant farmers in China have doubled wheat production — doubled wheat production, Mr. Speaker. Can we say that of even Saskatchewan farmers who, we think, are some of the best in the world with all the technology we have. We certainly can't say that about a lot of other sectors out there in the economy, Mr. Speaker. Who has been more productive than the Chinese peasant over the last seven years.

Well, Mr. Speaker, because of those production gains, partly triggered by injecting a little capitalism into that system — the new responsibility system, Mr. Speaker, as it's called — China is now the world's largest wheat producer. Not only the world's largest wheat producer, Mr. Speaker, they are also the world's largest rice producer, cotton producer and tobacco producer. And, Mr. Speaker, there are other striking examples of what's happened. And I would argue, Mr. Speaker, that China's production and what they are doing today is a fundamental difference to what it was 10 or 15 years ago — another fundamental structural change, Mr. Speaker.

I also should add however, Mr. Speaker, and I quote from an international wire service:

However, (and they're referring to China) problems with the feed production system, grain storage shortages, an inadequate infrastructure and inferior processing technology will make it difficult to sustain the growth rate of agriculture production. Because gains and yields are expected to be limited by seed varieties and fertilizer use . . .

And certainly we've seen the implications of less fertilizer use on the amount of potash that they did not buy from us last year. It goes on to quote, Mr. Speaker:

. . . China could regain its title as one of the world's largest importers.

So even with their great strides and gains to this point in time, Mr. Speaker, there is two sides to that coin as well.

Another point I would like to share with the members of the legislature, Mr. Speaker, and I quote again, to give another example, yet another example of the global changes taking place:

Small subsistence farmers in many Third World countries, helped by new seed varieties, new technology and enlightened government policies aimed at encouraging them to produce more food, are doing just that.

They are feeding themselves and starting to send surpluses to their country cities, reducing the need for grain imports. India, Pakistan, and China, for example, have gone from being big importers to self-sufficiency. This particular analyst, Mr. Speaker, with the U.S.D.A.'s

(United States Department of Agriculture) economic research service went on to say the world is drowning in grain.

Fifteen years ago, Mr. Speaker, would we have ever stood in this House and said India, Pakistan, and China, for example, have gone from big importers to self-sufficiency — I would argue, Mr. Speaker, a fundamental, structural change in global agriculture.

But there is more, Mr. Speaker. India targeted about 2.5 million tonnes of wheat for export last year. Not only are they self-sufficient, Mr. Speaker, but even exporting. And another example: the U.S.S.R., Mr. Speaker, one headline here from a APN news release, “U.S.S.R. plans more private farms.” What are the implications, Mr. Speaker, in Soviet Russia? If the new responsibility system worked in China as it did, what does this mean for one of our largest wheat importers, Soviet Russia?

On a further and more recent story, and this one is *The Globe and Mail* of March 25th of this year, Mr. Speaker. A Mr. Raig, and I quote him here talking about Soviet Russia and what is happening there with food production. And I quote:

Mr. Raig said 42 per cent of vegetables produced in Estonia come from private plots, as well as 32 per cent of the Baltic country's potatoes, 22 per cent of its eggs, 18 per cent of its milk and 19 per cent of its meat.

End of quote, Mr. Speaker. All that is produced from the private plots in Soviet Russia.

As I said, Mr. Speaker, we saw what the new responsibility system has done, at least in part, in China. And with this new policy of First Secretary Gorbachev in Russia, what are the implications for the Canadian wheat farmer, Mr. Speaker?

And I give one further example, Mr. Speaker. Argentina — *Wall Street Journal*, November 15, 1984, headline here: “Argentina's new breed of farmers are paring U.S. growers' markets.” This is what the U.S. BICEP (Bonus Incentive Commodity Export Program), or export subsidy program, is all about, Mr. Speaker. They want to get back their markets that countries like EEC and Argentina has, in their minds, stolen from them. But a quote from this same newspaper article, Mr. Speaker, and I quote:

Argentine farmers have doubled annual grain and oilseed output over the past decade and turned this country into the world's fifth-largest exporter of wheat.

End of Quote, Mr. Speaker. And that's from Argentina, Mr. Speaker. Ten to 15 years ago, I ask, Mr. Speaker, did one ever think that food production in some of these countries would ever come close to meeting their needs?

But I turn, Mr. Speaker, now for a moment to another large continent in this world: Africa. A problem of a totally different dimension here, Mr. Speaker — this continent is the more classic definition of a farm and food crisis.

Most often, when we talk about a food crisis or an agriculture crisis, the word “crisis” in itself implies shortage. In the rest of the examples I've given, Mr. Speaker, we've got a food and agriculture crisis because of over-production and surpluses. Such is not the case in Africa, Mr. Speaker — a crisis, and a crisis because of shortages. They are not drowning in food, Mr. Speaker. For many months this past year, almost nightly, we saw the tales of sorrow, of food shortages and starvation, of the waste of humanity, of the poor transportation systems even for the food they did have, of the drought and of the devastation. And many days, Mr. Speaker, it looked like for those people that there was no hope. They have no money. They have no credit. There were no smiles. They could buy no food.

Fortunately, provinces, and farmers like those in Saskatchewan, have donated food and food aid, and the crisis, to some degree, is under control. But I would suggest, Mr. Speaker, that this diverging view — the very opposite sort of situation that exists in Africa — herein lies the challenge for global leaders. Here is the challenge of the statesmen of the world, assembled in Tokyo this very day, Mr. Speaker, to deal with the paradox of a glut on one hand and shortage of food on the other hand in a very populated part of the world, Africa, and other parts as well, Mr. Speaker.

Just to put that in perspective for you, Mr. Speaker, I want to quote from the Premier's statement at the first ministers' conference November 25, '85 in Halifax, just this last fall, Mr. Speaker, because the Premier put this challenge so very, very well, and he put this challenge to the other premiers from across Canada, and the Prime Minister. I think what was put to those members and those leaders then, Mr. Speaker, is extremely important in the light of what is happening today in Tokyo. And I quote from the Premier's statement:

The third thing I want to touch on, Mr. Prime Minister, is a central irony. We have so much production from our ability to produce, with surpluses in the United States and feeding butter to the livestock industry in Europe. At the same time we look at huge population growth and staggering amounts of starvation in other parts of the world.

He went on to say:

It bothers people to think that you have children and families in Africa or wherever without food while we have the capacity to be so productive and we are falling short.

There is something a little haywire when we have that ability to produce and the wherewithal to put that kind of standard of living on tables of North America; yet at the same time, we have got millions and millions of people without cash, in poverty, and empty stomachs.

It seems to me, Mr. Prime Minister, that Canada . . .

The Premier went on to say, Mr. Speaker . . . And this is very important, Mr. Speaker, in light of what is happening

this very day. The Premier said, and I start again:

It seems to me, Mr. Prime Minister, that Canada is a natural to take a lead in that. We have to address all of these things because they are connected. I go through this exercise because I am not just talking about a farm problem. I am talking about a consumer problem, an industrial problem, a trade problem, a protectionism problem, and a humanitarian opportunity.

Now that, Mr. Speaker, is what sets the great leaders apart from the mundane. And, Mr. Speaker, that comment was made by this very, very great Premier of this province, Premier Grant Devine. Statesmen are made of such stuff, Mr. Premier. Statesmen are made of such stuff.

These many examples that I've given, Mr. Speaker, of the fundamental structural changes taking place in global agriculture that are today coming to the attention of our world leaders — and it doesn't matter whether we talk of Africa or Pakistan or India or Argentina or France — all are examples of this structural change taking place in global agricultural policy.

Part of the problem, Mr. Speaker, is global agriculture policy has become a philosophical jungle. We see, on the one hand, free market risk; at the same time, running into government intervention and protectionism. We see on one hand, capitalist entrepreneurship; on the other hand, socialist central planning. And in countries like China and Russia we see some of both at the same time. And I suppose we could give similar examples of similar conflicts at the same time in other countries.

Now some might say, Mr. Speaker, that what I've laid out in terms of its implication for Canada and western Canadian farmers, in so far as the implications for these global changes, some would say it's very scary, Mr. Speaker; that these are scary implications for Canada, for our farmers. Some may even panic, Mr. Speaker. That would be perhaps an NDP response. It would be a useless response, in my mind. This is not the time for knee-jerk reactions once again. Nor is it the time for despair, Mr. Speaker.

The world leaders, all of us, have a tough task ahead of us. But it can be an exciting one, Mr. Speaker. The world and the world leaders are poised to deal with this issue, Mr. Speaker. And I believe, Mr. Speaker, that a window of opportunity presents itself and that we must seize the moment. We must provide hope for our farmers, not measured doses of despair. We must provide hope for our farmers, not measured doses of despair, Mr. Speaker.

And why, Mr. Speaker? Because we want our farmers to emerge from this period of change, this period of apparent turmoil, their period of apparent changing times, as not merely survivors, Mr. Speaker, but as winners. And I would say to the members of this legislature, Mr. Speaker, and in fact to all of the people of western Canada and Canada, that our Premier, when he took this message to the other premiers in Canada and to the Prime Minister, I would suggest that he was the right man in the right place at the right time with the right message, Mr. Speaker. He was in the right place at the right time with

the right message, and that message was that Canada needed a national agricultural and food strategy, Mr. Speaker.

And I similarly, Mr. Speaker, because of our Premier's initiative, I similarly believe that Prime Minister Mulroney today — and this is why I say we endorse him fully and we congratulate him — is the right man in the right place at the right time in Tokyo because, just as our Premier was fundamental in getting the embryo of an idea into the full born creation, the national agriculture and food strategy, so now is the Prime Minister to develop a new global agriculture and food strategy for this world, Mr. Speaker.

(1115)

I'm not going to get into the options of the future, of what this new policy could look like on a global basis, Mr. Speaker, except to say that there are options, and there are many more options than I could probably ever dream of or work away at.

The important thing, Mr. Speaker, is that we address the issue. But I will say there are some exciting possibilities out there. It is not all doom and gloom; it need not all be despair. For example, Mr. Speaker, if some of what we today call the lesser developed countries have their lot improved; suppose we do address some of these issues I've talked about, Mr. Speaker, in continents like Africa; suppose we have these lesser developed countries have their lots improved, their incomes improved. They become a tremendous, tremendous — simply by the size of their populations, Mr. Speaker — tremendous, tremendous market force that could eat up any of surpluses in a matter of hours.

And what do I mean, Mr. Speaker? Well, for example, let's go back to China with its billion-plus people. A very recent clipping headlined, "China's cattle market offers challenge," and this article, and I quote Robert Watson who is president of Asiatic and Pacific Trading Co. Ltd., and put it as well as anyone could put it, and I quote from the article where they were quoting him:

They don't eat much beef now, but one billion people don't have to eat much of anything to create a huge market.

And that's why the headline was, "China's cattle market offers challenge." They don't eat much beef now, but one billion people don't have to eat much of anything to create a huge market. A tremendous market potential out there, Mr. Speaker.

And I could go on further to give some Chinese examples of the diet changes that are taking place and the implication it has for the type of food product we grow here. And I'm quoting from an international wire story of last year, "While the Chinese still use the phrase, three meals of cooked rice a day to indicate well-being, the reality" . . . I'm sorry, I'll start again.

While the Chinese still use the phrase, three meals of cooked rice a day to indicate well-being, the reality is that the Chinese consumer has altered his diet to include cream cakes, soft drinks and

noodles.

They are changing their diet patterns, Mr. Speaker. And I use that example to show that those who might think that beef, and the Chinese consumer increasing his beef consumption, is a pipe-dream . . . I would suggest to you, such is not the case when you hear stories like that.

Similarly, Mr. Speaker, what else is happening to the Chinese consumer who, as his lot improves and he has some cash, what does he do with it?

Well the same story, Mr. Speaker, went on to say, and I quote again:

The Chinese consumer is spending yuan (y-u-a-n, which is the Chinese currency) at record rates last year. Last year sales of refrigerators rose 240 per cent, electric fans 160 per cent, and sewing machines 73 per cent.

Mr. Speaker, these are changing consumer patterns in countries like China. And what is the potential of the Chinas of the world, the Japans of the world, the Thailands of the world, Mr. Speaker? And those three countries respectively have a billion-plus in population, 120 million in population, and over 50 million in population.

China today, Mr. Speaker, per capita beef consumption — and these were '83 numbers — less than two pounds . . . rather, sorry, Mr. Speaker, I correct that. China's per capita beef consumption, '83 numbers, less than one-half pound per day per person. In Japan, Mr. Speaker, the same number is 11.5 pounds. In Thailand, Mr. Speaker, the same number is six pounds.

Mr. Speaker, in Canada we consume 80 pounds per person, Mr. Speaker, on a yearly basis. What, Mr. Speaker, for example in China, would happen if we took a half pound per capita consumption and more it to even half or a quarter of what Canadian consumption is? the market implications for our ranchers is tremendous. The market implication for our grain producers is tremendous, if you even work on a five-to-one conversion rate.

Mr. Speaker, amongst all this doom and gloom that the structural changes seem to be suggesting, there are some bright spots out there. We may have to change what we sell and where we sell it and how we sell it, but the implications are tremendous.

And to give a final example on the size of the Chinese market and what it could mean, Mr. Speaker, and it has to do with our canola industry. If China were to double its oil consumption to 18 pounds per capita — and to put that in perspective, the same number for Canadians is 50 pounds — we would have to take all of our canola productions for the last three years just to provide them with one year's supply at that consumption level. Well I think these examples, Mr. Speaker, show that trade, new trade, will be to the last half of this decade what the energy crisis was to the decade of the '70s.

I have just talked, Mr. Speaker, about the significance of

just one of the Prime Minister's initiatives — getting agriculture on the Tokyo summit agenda. A giant step forward, Mr. Speaker, not just for farmers, but maybe, in the global sense, for all of mankind.

And I could have talked, Mr. Speaker, about the many other initiatives that the Prime Minister has undertaken and which we congratulate him for. He's put in place assistance to help farmers deal with the short-term realities, to deal with fuel costs. Fuel costs have been driven down, Mr. Speaker, with the removal of all federal taxes on farm fuels. And I think it's worth reminding the members of this legislature, and I'll quote again from the statement the Premier made at the first ministers' conference when he was speaking to the agriculture issue. And I quote, and he was referring to gasoline rebates, fuel rebates. And the Premier said:

I have obviously made a move. (And he was referring there, Mr. Speaker, to the 21-cent a gallon oil royalty passed back to our farmers.) Alberta has made a move presently with respect to farm fuel.

And I remember sitting here that very morning, Mr. Speaker, when the Premier went on to say:

You are hard-pressed, Mr. Prime Minister, to explain to farmers why they pay tax on the fuel for their tractors. You are not on somebody's road, you are not on somebody's parking lot, you are not on somebody's airport. You are on your own land, trying to make a living and make a standard of living for the rest of the country.

And I sat there that morning, Mr. Speaker, at that first ministers' conference when the Premier made perhaps what has been the finest agriculture address ever delivered in this country. And I saw the Premier very directly put that to the Prime Minister, in a very, very direct fashion, standing up for Saskatchewan farmers. And I'll tell you, Mr. Speaker, I saw the Prime Minister's reaction, and the Prime Minister knew the Premier was right. And because our Premier was right, Mr. Speaker, just this week we've seen all of the federal taxes on farm fuel removed.

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

**Hon. Mr. Hepworth:** — Mr. Speaker, that's what I call our Premier standing up on behalf of Saskatchewan farmers. And I say to members of this House, I say to members of this House: what did the farmers of this province ever get when the Leader of the Opposition was premier of this province and he stood up to Prime Minister Trudeau? What did he ever get for the farmers of this province? What did he get for us? I can't think of anything he got for us, Mr. Speaker. Did he get the removal of the federal tax on farm fuel? No. Did he get the removal of the capital gains tax, Mr. Speaker? No. Did he get 6 per cent loans for our Saskatchewan farmers? No, Mr. Speaker. He got nothing for the farmers of this province. He did not get increases in the domestic price of wheat.

Mr. Speaker, when the hon. member who is now Leader of the Opposition was premier, farmers in this province

were a forgotten entity. In fact, Mr. Speaker, every time the Leader of the Opposition attempted to stand up for Saskatchewan farmers, his arches caved in. That's all that they got from him, Mr. Speaker.

Mr. Speaker, the Prime Minister has put in place measures to deal with the short-term realities. Fuel costs, as I've mentioned, have gone down. Wheat prices are going up, Mr. Speaker, as a result of the domestic two-price wheat system. Interest rates are under control. Capital gains tax is removed. In fact, Mr. Speaker, he's done many good things, all of which he deserves our congratulations for. And he will do more, Mr. Speaker. And I think rather than go on, I think there was one member who said and offered our congratulations better than I could ever say it. This is the Hon. Vic Althouse, the member for Humboldt-Lake Centre, when he said in the House of Commons on April 30, 1986 and I quote, Mr. Speaker . . . This NDP member of parliament, Mr. Speaker, on April 30th, after the Prime Minister announced his new initiatives in assisting the farm sector, said — and offered his congratulations perhaps better than I could ever say it — and I quote, Mr. Speaker, and here is what he said:

The farm community and our party applaud the removal of these irritants.

Yes, Mr. Speaker, when our Premier raises issues with the Prime Minister, co-operation does get results, Mr. Speaker.

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

**Hon. Mr. Hepworth:** — But, Mr. Speaker, as I said, I could go on at great length about the results of the co-operation that our Premier has enjoyed with the Prime Minister. And I have no doubt other members in this House will want to do that.

But I say again, perhaps, in assessing the very large picture, the fact that agriculture is going to be raised at this economic summit in Tokyo is the most important.

In closing, Mr. Speaker, I just want to say how very proud I am of our Premier, how very proud I am of our Premier because he's a farmer, and because he's a leader, and because he's a statesman who could look beyond the mere borders of Saskatchewan. I want to commend him, too, and offer my congratulations to him for what he has done on behalf of Saskatchewan farmers. And I go back, Mr. Speaker, a few months ago, when he first embarked on what many said then — the sceptics, the NDP, some of the media — what they said then was an impossible task. And I remember back even in September of this past year, Mr. Speaker, a headline in a local newspaper, a weekly newspaper, or a daily newspaper rather, in this province. It said, "Journey to nation agriculture policy begins." And the first sentence was:

Premier Grant Devine started the process for a national agriculture policy Friday, but indications are he still has a considerable distance to go.

That was the sceptic, Mr. Speaker. That was the sceptic. That was the sceptic, Mr. Speaker. As time passed — and this is a mere eight months ago, Mr. Speaker — the

headlines changed perceptibly every time. We had an October conference with the farm leaders, the cream of the crop if you like out there, in October in Saskatoon, and most important, the farm leaders and the farmers of this province had their input on this national agriculture policy.

Then the Premier, Mr. Speaker, took this idea of his of a national agriculture strategy to the western premiers' conference and they endorsed it. And then he took it to all the premiers' meeting and they endorsed it. And the headlines then, Mr. Speaker, were: "Premiers plant seed for new national agriculture policy: Saskatchewan to draft national plan on agriculture," Mr. Speaker. The sceptics were starting to come around, Mr. Speaker. "Set of principles for a national agriculture policy proposed."

And, Mr. Speaker, the meeting that in my mind has had tremendous national and international implications, where all this came together, Mr. Speaker, was at the first ministers' conference last fall in Halifax, where the Premier tabled and addressed what he called directions for a national agricultural development strategy for Canada.

Mr. Speaker, our Premier got the ball rolling, and because of that today, Mr. Speaker, the Prime Minister is going to — I have every reason to believe, Mr. Speaker — be fundamental in developing a global agriculture and food strategy, Mr. Speaker.

The sceptics continue to bay from their seats, Mr. Speaker. But the Premier and the Prime Minister will continue to progress and proceed on behalf of Saskatchewan, western Canada, and Canadian farmers, Mr. Speaker. That Tokyo Economic Summit is a milestone. It's the first step to a new global agriculture and food strategy, Mr. Speaker. We have come a long way, Mr. Speaker. My congratulations to the Premier, and my congratulations to the Prime Minister.

(1130)

As I said, and we hear them from their seats, Mr. Speaker, there will be sceptics; there will be detractors; there will be those who will say it can't be done. There are those, Mr. Speaker, out there across from us who do not view agriculture as high a priority as we do. And Mr. Speaker, the evidence on that is clear — the evidence on that is clear. An NDP story out of Manitoba, Mr. Speaker, the headline, "Manitoba turns down request for farm aid." And the story went on to say:

The Manitoba government turned down a request Monday from the National Farmers' Union for an \$80 million aid package to help struggling farmers with spring seeding costs.

It goes to show you, Mr. Speaker, there are NDP people who do not place agriculture as high a priority as we do. No 6 per cent production loans in Manitoba, Mr. Speaker, for our farmers to get the seeding done. The NDP, Mr. Speaker, do not believe agriculture is a priority; they do not believe farmers are a priority. When they were in power, farmers were a forgotten entity in this province, Mr. Speaker.

And there's further evidence, Mr. Speaker, and I refer to *The Barley Grower*, a publication of the Western Barley Growers Association. On the front page — and we talk about the importance of the trade issue and the future, Mr. Speaker, I quote from the lead editorial; I quote from the lead editorial, Mr. Speaker:

The message that comes through loud and strong from labour, the CFA (Canadian Federation of Agriculture), the NDP (and I repeat that, Mr. Speaker, the NDP) and others is that Canadians are so unproductive and inefficient that they must be sheltered from the real world.

Balderdash!

And I say balderdash too. The NDP do not believe that Saskatchewan farmers are competitive. They believe the spirit of Saskatchewan and the soul of Saskatchewan should be run by some government Crown corporation. I say, Mr. Speaker, the spirit and the soul of the Saskatchewan farmer is alive and well, and he's prepared to face the future with very much confidence.

Well, Mr. Speaker, in closing I think I can say in all confidence that our party, our Premier, our government, our Prime Minister, believe agriculture and farmers are important. We believe, Mr. Deputy Speaker, that so goes the family farm, so goes the economy. And, Mr. Speaker, so goes the family, so goes civilization.

We don't need the NDP spreading gloom and despondency, Mr. Speaker. We're going to spread opportunity. We're going to seize this window of opportunity and look at future foods, at future fuels, at future technology, at future hope, Mr. Deputy Speaker. Ours is a party and a Premier for the future. Ours is a party and a Premier that believes in building bridges, Mr. Speaker, not walls.

Mr. Speaker, it is with great pleasure that I move:

That this Assembly endorses the Prime Minister in his successful effort to bring the agricultural problems facing Canada to the attention of world leaders through his introduction of agriculture to the Tokyo economic summit, and further, that this Assembly congratulates the Prime Minister and the federal government on its initiative to provide financial assistance to western farmers.

Seconded by the member from Kelvington-Wadena.

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

**Mr. Petersen:** — Thank you, Mr. Deputy Speaker.

**Mr. Deputy Speaker:** — Order. The member for Kelvington-Wadena is on his feet to give his speech.

**Mr. Petersen:** — Thank you, Mr. Deputy Speaker. I'd like to start out by thanking the Minister of Energy for those brief opening comments, and I'd like to get a little deeper into the motion if I may.

When you look at agriculture in the world, as the minister has pointed out in his comments, it's becoming very, very important. It's becoming clearer and clearer to the entire world that we live in a closed system — what happens in one country affects the next and the next, and so on and so forth. And we have to come to terms with that. We can't isolate ourselves, as the NDP would have us do. We have to go out into the world, negotiate, talk, trade, communicate, get to know the people of our world, because it's the only one we've got. Those are the only people we can trade with, and we're going to do that.

The Prime Minister is presently at Tokyo at the summit discussing the very important issue of world agriculture — not agriculture in Canada, and not just agriculture in Africa, not just agriculture in the European Economic Community, but world agriculture and the trade in agricultural commodities.

And why is this necessary, Mr. Speaker? Why? In the past months we've seen increasing protectionism in countries all over the world — not just increases in production, but protectionism. And it's a domino effect. One group of countries get together and put in an economic community situation, subsidize their farmers, increase production, and we end up with tonnes of butter being fed back to cattle, lakes of milk, as the minister, said, going to waste.

Another country said, well we've got to get into the game too. We've got to protect our farmers. Increasing political and economic pressures on leaders in the United States have caused them to put trade barriers against one of their best trading partners, Canada, all in the name of protecting their farmers.

Well I suppose Canada could follow the same course. We could follow the NDP suggestion, like the big union bosses, and close our borders, and close our doors, and try to pay everybody a high wage, and try to make sure that we ate all the wheat we produced, ate all the beef we produced, used all the refrigerators we build. That's the NDP idea. You're supposed to be able to live in a closed system. And I think that probably is indicative of the closed minds that most NDP members have displayed. They don't want to be open. They don't understand that we have to trade. They don't understand that we have to get outside of our own boundaries.

So the Prime Minister of Canada has been criticized by those people for talking about open trade, for talking about more trade — freer trade, if you would. And yet, Mr. Deputy Speaker, of the many world leaders who are attending this Tokyo summit today, he is the only one who has stood up and said, we can't have this protectionism continuing. Canada could join in — yes, they could — and on the backs of our taxpayers we could subsidize agriculture; we could subsidize labour; we could subsidize everything. But there comes an end to subsidization.

The Prime Minister has taken the responsible approach and has said no, let's negotiate; let's work this protectionism problem out. Let's have an orderly return to marketing as we knew it. Let's have markets that are open for all people, and let comparative advantages and

initiatives of the people involved, not some artificial trade barrier decide who buys what and where and when and for how much. And when you say, well that's nice, you know, the Prime Minister's a great guy, but I'm sure this idea didn't just come to him in the night, you're quite correct, Mr. Deputy Speaker. It didn't just suddenly come as a flash out of the blue. It came from people like our Premier in this province, from people like the Conservative members of this Assembly.

We've worked very diligently, Mr. Speaker, over the past four years that we've been government, to try to act upon some of the economic and natural disasters that have fallen on us, and all the time listening to the doom and the gloom of the NDP. It's either too little too late, or it won't work, or they're going to build a better mousetrap on the back of the taxpayers somehow. But, Mr. Speaker, we've started out right at the grass roots level listening to farmers, and farmers are telling us they want to trade. Farmers are telling us that they have a product that they can grow, and they want to be able to market that product, Mr. Speaker.

We take it into the floor of the Assembly; we discuss it. Whenever there's a motion on agriculture, the NDP pooh, pooh it, try to sweep it under the table, and yell and scream about subsidy this and subsidy that. And if we were allowed to go their way, we would end up the same things that happen in the United States, the European Economic Community, and England — subsidization, a closed system, isolating ourselves from the rest of the world. And where would we be in five years or 10 years? You have to take the longer approach, Mr. Deputy Speaker. You have to look 10, 15, 20 years down the road. Where will my children go to sell their cattle and their grain? We can't eat it all here in Saskatchewan.

In keeping with dealing with grass roots people in Saskatchewan, members of this Assembly, at least on the Conservative side, have gone out and talked to farmers. We have listened to them. We've held public meetings. We've gone around the countryside. Just this spring we had an ag input study that was done, Mr. Speaker. Last year many members of this Conservative caucus travelled throughout the province talking with farmers and getting their views and opinions. We've passed those on, in turn, to the Premier, who, in turn, succeeded in getting the views of Saskatchewan farmers on the first ministers' conference in Halifax. It's a simple process. It's negotiation; it's consultation; it's co-operation. It's not confrontation. The NDP would have us stand up and fight with everybody in the world and say, we're going to close our doors, and we're all going to go on strike, and we're going to cut our production in half — to hell with the rest of the world; let them starve.

**Mr. Deputy Speaker:** — Order. I would ask the hon. member in his enthusiasm to stay away from language that might be construed as unparliamentary.

**Mr. Petersen:** — Thank you, Mr. Speaker. I apologize for that slip of the tongue.

When you look at the rest of the world, Mr. Speaker, the NDP don't give a darn. They just don't care. So we have to look to the future.

And at the first ministers' conference, Mr. Speaker, in dealing with consultation and co-operation, in his closing remarks our Premier pointed out three things. And I'd like to read them into the record, if I may.

I will close, Mr. Prime Minister, by making several recommendations. The first is that by April of 1986, this spring, Canada, in co-operation with the provinces and the farm sector, have in place a permanent, long-run, straightforward, agricultural emergency program that will trigger financial protection for farmers that face weather and insect related disasters. You have to have some protection against three or four or five or six years of drought. It's not your fault. You have to maintain the confidence so farmers will hang in there and they will build the irrigation pumps and they will put in the fertilizer and protect the soil, because without that you lose the resource base. Farmers need the confidence that they can cope with cyclical disaster.

Mr. Speaker, I think, when you take a look at that suggestion, it has been acted upon. Just within this past month, Mr. Speaker, a disaster mechanism has been put in place in conjunction with crop insurance to help farmers in times of disaster.

Yes, Mr. Speaker, we have acted quickly in emergency situations. But a knee-jerk reaction to an emergency situation only solves the problem at hand. And the responsible attitude is to put a mechanism in place that will take care of emergencies and disasters that may perhaps come about. Be prepared for them, have it in place, and if it happens, you have a mechanism that will protect our farmers. And that's been done.

(1145)

His second point:

(2) By spring of 1986 Canada, in co-operation with the provinces and private sector, has in place a mechanism to restructure and redesign Canadian farm debt, including both interest rate limits and targeted tax changes to lower input costs. If we want to be competitive, then we have to target our tax changes into those areas that have the ability to produce. Goodness knows, we have to all have taxes to help deal with deficits in our budget and the rest of it, but I believe, when we look at strengths and potential, that is where we have to start looking at tax changes.

Well, Mr. Speaker, that too has come about. That too has come about. Just this week, the Prime Minister announced tax changes on the federal sales and excise taxes on fuels. We had a change in the taxation levels earlier in the year, and now they've removed another 2 cents, bringing the total saving to 5.5 cents per litre.

And capital gains taxes, Mr. Speaker, were removed. Tax changes, targeted to areas where you have production, will help the entire situation. We have to identify those and continue with them.

And the third point the Premier made:

I am going to recommend to you, and I believe that you will get support in Europe and you will get support in the United States, to call an agricultural summit in advance of GATT — I believe that agriculture is too important just to leave with GATT. I am not optimistic that GATT is in a hurry or that a new round is going to be there. The things that are going on in agriculture are so far removed from the kinds of things that you try to talk about in a multilateral trade agreement that I do not think it will work.

And there you have it, Mr. Deputy Speaker. The request by our Premier of the Prime Minister to convene or bring to a summit meeting the concerns of agriculture has been met. And we're seeing that today. We're seeing the fruits of four years of the labour of this Conservative government working in co-operation with the federal government, helping it, consulting with it — not fighting with it.

We try to work together, Mr. Speaker. The NDP in Manitoba stand up and say, no, we're not going to help our farmers in Manitoba. That's the feds' job. That's the feds' job. Let George do it. Let somebody else do it. That's the attitude the NDP here have always had.

In 1980, Mr. Speaker, and in 1981, the former premier of Saskatchewan, now Leader of the Opposition, said he didn't want to interfere with interest rates; it might upset the natural flow of things. So I had to pay 21 per cent interest. And I'm still hurting from that, and so are thousands of other Saskatchewan farmers.

We, on the other hand, Mr. Speaker, look forward, look into the future, and with a little co-operation we get results. And I'd like to go through a few of those.

Now the removal of the federal tax on farm fuels will save farmers \$165 million in the next two years. Furthermore, we had a freeze on freight rates. That should save farmers \$40 million. The higher-priced domestic wheat, at perhaps \$10 or \$11 per bushel, could bring an additional 375 million, or a dollar per bushel, to western farmers.

I mentioned the removal of the capital gains tax. It saves about 50 million a year. The farm debt review panels that the federal government has said they are going to put in place, and indeed said they are going to have in place as early as June if they can get the legislation through, will give some support to an ailing industry.

Again, just bringing international awareness to agriculture gives us a better opportunity to be recognized throughout the world and gives us trade opportunities.

We've had lower interest rates through the Farm Credit Corporation, and we've had a record \$580 million paid out in the western grain stabilization fund. Now, Mr. Speaker, if that's not working together, if that's not co-operation, if that's not getting results, I don't know what is.

And just to show you that there are other people in the world who appreciate it, this morning's news broadcasts quoted Bill Duke of the western wheat growers and Ted Turner of Sask Wheat Pool as being in favour of the Prime Minister's actions this week.

And the Minister of Energy, when he spoke, read into the record commendations of an NDP MP in favour of what the Prime Minister is doing. Now, Mr. Speaker, I ask you: if all the people in Saskatchewan, if farmers in Saskatchewan, if the members of this Assembly are in favour of what the Prime Minister does, don't you think that will lend some more credibility to the Prime Minister in Tokyo? Therefore, Mr. Speaker, I will be supporting the motion and asking all members to do likewise.

**Mr. Engel:** — Thank you, Mr. Speaker. When you talked about our patience this morning, mine has been worn very thin listening to a long, long, boring speech, and now another one from the member that just took his seat. So I am pleased, finally, to present our position on this motion, and I rise to speak in this Assembly this morning on this motion that is before us.

The motion is lengthy and complex but, when you strip it down to the bare essentials, there are three things in the motion that we are talking about this morning. It's the Devine government's way of saying yet again, keep up the good work, Brian. It's their way of saying the Mulroney government has done enough for Saskatchewan farmers. It's their desperate attempt to cling to Mulroney's coat-tails, hoping he will pull them through their sagging political fortunes. That's what this motion is all about, Mr. Speaker.

Saskatchewan farmers are facing a crisis — a severe, severe financial crisis. In real dollar terms the price of wheat is lower than it's been in the '30s. And across Saskatchewan even now, as Saskatchewan farmers are doing their spring work and in some cases seeding, they are deeply, deeply concerned, Mr. Speaker. This is a serious issue that's facing us.

Family farms right across the constituency are concerned by the 20 per cent drop in grain prices, by the unfair, subsidized competition from the U.S. and European treasuries, and by the prospects of a good crop but very, very poor prices. And that is a concern, not only for Saskatchewan farmers, but for all Saskatchewan people. Everybody is concerned about this crisis that's facing farmers.

Mr. Speaker, farmers — and I want to say this very, very seriously — are disappointed in the Devine government. Farmers are disappointed. And they are especially — especially disappointed now when they see wordy and politically motivated motions like the one before us today. They are very disappointed. A motion, I might add, Mr. Speaker, that was not moved by the Premier; it was not moved by the Minister of Agriculture; it was moved by a second-string cabinet minister, the minister of oil companies, the minister of welfare for the oil companies — that's who moved the motion.

When farmers see motions of this sort that are, number



one, empty; number two, they're partisan, they're political, and they're shallow . . . When farmers see moves like this — which are nothing more than the Premier's way of saying, keep up the good work, Brian — these farmers are getting more and more disappointed, for they are not rushing out to congratulate Brian Mulroney.

Last September farmers watched in disbelief when the Mulroney government took just 48 hours to provide a billion dollars to bail out some banks — 48 hours, Mr. Speaker, for the banks. Today farmers, farm lenders, and farm organizations are not congratulating Brian Mulroney; instead all across Saskatchewan they are saying one thing loud and clear — farmers need help. They need real help. They need help from Ottawa. They need a provincial government that will stand up for the interest of Saskatchewan farmers, not a government that is simply a cheer-leader and apologizes for Brian Mulroney in Ottawa. That's what every major farm group has said.

The Wheat Pool, and let me quote, "It is a long way short of what we need," is what Sask Wheat Pool said. The *Western Canadian Wheat Grower* said, and I quote, "The dollars don't represent anything close to what is required." And the same sort of comment from other farm groups such as the UGG (United Grain Growers) and NFU (National Farmers Union).

Mr. Speaker, farmers find it almost unbelievable that both the Devine government and the Mulroney government would demonstrate so clearly their preference for the oil companies over farmers, and I will get into more detail on the summit in just a minute.

The members opposite, Mr. Speaker, may not want to hear this. The minister of the welfare for the oil companies for Weyburn doesn't want to hear this, but the farmers of Saskatchewan have figured out the numbers pretty quickly. The Mulroney government announced it was providing more federal money to oil companies and not a dollar for farmers. More federal money to help oil companies than to help farmer s- \$165 million to the Canadian oil companies from the federal treasury, and what have they got for farmers, Mr. Speaker?

Saskatchewan farmers simply can't understand why the Premier and his PC members want to congratulate Brian Mulroney for giving more federal assistance to oil companies than to farmers. I can understand why the Premier thinks help to the oil companies is good politics in parts of Estevan; I can understand that. But I don't understand how Brian Mulroney giving \$175 million to the oil companies is good politics in Weyburn, or Humboldt, or Melville, or Rosetown, Mr. Speaker.

No, Mr. Speaker, Saskatchewan farmers are not congratulating Brian Mulroney. Saskatchewan farmers are not saying, keep up the good work, Brian. In fact, more and more Saskatchewan people are saying, get to work, Brian, and that is why people all across rural Saskatchewan — farmers, small-business operators and others — have become so deeply disappointed in both the Devine government and the federal government. For they want some solid leadership.

The member for Weyburn talked about real leadership, and I think the words he used — statesman are made of such stuff. Well last night, Mr. Speaker, I quoted from the last page of an article and the article was called, "Election fever (and) Blakeney tonic." This article happens to appear in as good a page as any page . . . as a magazine could be, and it's the *Saskatchewan Report*. And I think the members opposite said that that was a socialist paper — sure, you're quoting from one of your socialist papers.

Well, Mr. Speaker, when the people of Saskatchewan realize that . . . from the publisher's notebook — and here's his picture, the guy that wanted to build the rink in Saskatoon, his signature's there, one Bill Hunter — says that turning from the Riders to our *Saskatchewan Report* . . . And they issued the two people that are going to be winners in Saskatchewan, Mr. Speaker.

The Roughriders haven't done so good in the last four years and our party hasn't either. But I want to make a little prediction. I like the prediction that Blakeney made on "Contact" last Wednesday night, when he said that Calgary was going to win. And I want to make a little prediction that the Roughriders are going to be winners. Hunter picked the Roughriders for the front page. And the back page story . . .

Oh, I just got a note here that Tkachuk is also an owner of this paper. But the back page story, Mr. Speaker, the back page story is one of election fever that says, "Blakeney tonic," who Hunter realizes is the real leader — real leader — the upcoming, new winner in Saskatchewan. So when . . .

This paper isn't only owned by Hunter, but I understand Tkachuk has some interest in the paper as well, and everybody knows who he is.

**An Hon. Member:** Sean Quinlan.

**Mr. Engel:** — Does Quinlan as well? That is very . . . The paper is waking up, and I guess it's time to leave the Tory party like rats leave a ship.

But when the member for Weyburn says that statesmen are made of stuff like this, I want to tell him: the only statesman that Canada recognizes is the statesman that showed you what Blakeney tonic was all about. When Blakeney sat down, or when our leader — I'm sorry, Mr. Speaker — when our leader sat down at the table with Trudeau, everybody in Canada recognized that here is one man that could take him on. Here was one man that could take him on. And we held our own in Saskatchewan. And I'm proud, I am proud of our record of leadership. I am proud of our statesman.

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

(1200)

**Mr. Engel:** — I am proud of our statesman. We need solid leadership, not shallow cheer-leadership — cheer-leadership. They want a provincial government that will fight for Saskatchewan farmers, a provincial government that will stand up for Saskatchewan interests in Ottawa. They want a premier who will fight for

Saskatchewan's interests, a premier who will put Saskatchewan as number one in deed, not in word — in deed and in action — a premier who will stand up for Saskatchewan. And everybody's waiting for the election so we can get that change. They don't want four more years under the leadership of a cheer-leader — or five. They don't want any Mulroney cheer-leaders in Saskatchewan, Mr. Speaker.

Farmers across the country are calling for action from Ottawa on two major issues — two major issues the farmers are saying they want action from Ottawa. And they are calling on the Devine government to fight for Saskatchewan's interests on these two issues.

First, they are calling on Devine and the Mulroney PC governments to repudiate the Nielsen task force proposals that would spell disaster for Saskatchewan agriculture. The true hidden agenda of the PC Mulroney government is not hidden any more. Nielsen has pointed out what's going to happen to farmers. They want to say, that's got to be set aside. They don't want a word from it. Not a word of protest from the cheerleader here in Saskatchewan. Not a word. We don't even hear a protest from our leader here. No, he just says, keep up the good work, Brian.

Second, and this is absolutely critical, Mr. Speaker, Saskatchewan farmers are calling on Devine and the Mulroney governments for a federal deficiency payment. Now the two former speakers have talked, and quite precisely have pointed out the competition Saskatchewan farmers are in. They have made it very clear that the common market agricultural benefits amount to . . . I mean the member for Weyburn didn't give the numbers, but common market agricultural benefits and the Canadian equivalent amount to \$7.50 a bushel — \$7.50 a bushel.

The U.S. farm Bill to farmers . . . And he talks about taking a third of their land out of production, and I agree with that. I have relatives that farm down there. It's great. They put a third of their garbage land aside, and they fertilize like everything on the other land and produce more wheat than they ever did. But they can afford to fertilize because they're getting \$6 Canadian equivalent for every bushel of wheat they grow, and it will market on the world market price at a depressed price that we have to compete with.

And we're saying that deficiency payments . . . the member for Weyburn said has to be an option. Well he said it requires more than the simplistic thing the NDP are asking for. I'll tell what that more is and what is the other half of that option. The other half of that option that he's talking about that we're so simplistic, Mr. Speaker, is that they are putting the money into the oil companies.

Today he made an announcement about how they're guaranteeing a floor price for oil, and how they're guaranteeing their production costs, and how they're guaranteeing a tax credit on money they're spending on improving their oil wells. How much did he do for farmers? What is he doing for you and your depreciation if you want to repair your tractor or you want to replace your combine, Mr. Speaker? What are you getting? Are

you getting a great big 40 per cent tax credit on the new equipment that you need to replace your old farm equipment? I don't think so. He's doing it for the oil companies, and the oil companies have been making record profits in the last three years.

Never have the price of oil been better — 30 and \$35 a barrel. And now within three or four short months of the price of oil dropping, he's got a subsidy in place. That's the other half of the story that he failed to tell this morning. That's the half of the story that's making the farmers so angry that I dare him to come home to Assiniboia with me, because I'll tell you what, he'll need more than me as a bodyguard — he'll need more than a bodyguard. And just as a note from my colleague that knows all about the oil giants and the profits, and the oil giant profits are unhurt. The oil giant profits are unhurt, is the headline in May 1, 1986.

It was interesting to read recently the first quarter profits for 1986 in U.S. dollars of the five large oil companies — Exxon corporation, 1.7 billion; Texaco, 328 million; Shell Oil, 276 million; Standard Oil, 253 million; Sun Oil, 146 million. and these are the guys that are going to get the money. The small oil companies in Saskatchewan aren't going to benefit. These are the ones that are getting more money.

And today we congratulate the Prime Minister on what he's doing for farmers. Mr. Speaker, members of this Assembly know that Saskatchewan farmers are the most efficient and productive in the world. European Common Market farmers, U.S. farmers, can't compete with Canadian farmers as far as being efficient and productive. They can compete head to head with farmers of the world on a fair and even basis.

But, Mr. Speaker, Saskatchewan farmers cannot — and let me repeat — cannot compete with the treasuries of the United States and Europe. And that is why every major farm organization has repeatedly called on the Mulroney government for a federal deficiency payment. Every major farm organization.

But does our little cheer-leader ask his friend Brian Mulroney for a deficiency payment? No. Does the Devine government join with farmers and farm groups in urging that the Mulroney government provide a federal deficiency payment? No. All he can say yet again is, keep up the good work, Brian. Well, Mr. Speaker, that's just not good enough for Saskatchewan farmers.

Mr. Speaker, let me turn now for a moment to some very interesting and significant points about the Mulroney government's plans for the Tokyo summit and the place of agriculture in those discussions.

You know, when I listened to the news last night and again this morning on Canada AM, and I watched Brian Mulroney in Vancouver, I watched Brian Mulroney and a couple of our farm leaders in Vancouver, I was impressed, Mr. Speaker, that he didn't show this book and tell what this book is.

Now I see you're quite interested in looking at this nice

blue book, and it's a Tokyo Economic Summit, May 4 to 6, 1986. And I happen to have gotten this on air express this morning from my friends in Brian Mulroney's office, by the way . . . The little cheer-leader isn't the only one that has friends in Ottawa. Somebody put this on air express to me this morning when we knew there's going to be a motion here.

The Tokyo Economic Summit table of contents. Who's going to the conference, Mr. Speaker? Who's going to the conference? The Right Hon. Prime Minister Mulroney tells us here that he was born in 1939. I thought he was about that age. Joe Clark is going. He was born in '39 as well. Who else is going? Mr. Wilson.

Let's look at who else is going with him. Oh, oh. Only three, Mr. Speaker. It happens to be kind of sad that Charlie Mayer isn't there — I'm talking about Canadian Wheat Board — or Mr. Wise, the Minister of Agriculture. He didn't happen to get to go. Let's look at the economic summit . . .

Mr. Speaker, it's very interesting that in their book that was printed, and that's for the summit starting May 4th to 6th, and it has a little thing here called the Tokyo summit agenda. It has this little agenda in here. Let me go through; it gives you an overview of the economic summit, Mr. Speaker. It talks about, page 1, international monetary issues — international monetary issues, page 1. That's the number one item.

Number two, international debt and financial situations.

Number three, new round of multinational . . . multilateral, I'm sorry . . . new round of multilateral trade negotiations — little section on that. North-south relations. Development in international . . . Oh, oh. Listen to this, Mr. former minister of Energy. The Minister of Energy is not here to listen, so you relay the message to the member for Weyburn. Development in international petroleum markets. Happens to be a topic right in there. The oil companies got their topic up front, Mr. Speaker. I should hold it steady enough so that it can be picked up.

Next page. Political issues.

As is the case of previous economic summits, leaders and foreign ministers will have an opportunity at Tokyo to discuss a number of important political issues, the current state of east-west relations and the slow pace . . .

And so on. Other issues. Now surely — surely — agriculture and grain sales will make it on other issues. At least . . . It didn't make the main topics. Oil came number five. It didn't make . . . It will come under other issues, won't it? The next one is science and technology.

In the 1982 summit in Versailles a working group of technology growth and employment was established.

The next issue, Mr. Speaker — this motion we're having to congratulate Brian Mulroney for what he's taking to the summit and is Canada's position — the next issue is the environment.

During the 1984 London summit leaders included in their final declaration a paragraph initiated by the FRT and supported by Canada, acknowledging the international dimensions of international environment . . .

And I bet you what, Mr. Speaker — the environmental issues will be moved up. The environmental issues . . . I'm talking about what's being discussed at the summit. I'm talking about what's being at the summit, by dear friend.

The final topic — the final topic, Mr. Speaker — that's going to be discussed at the summit is narcotic drug abuse. I know that's a serious problem. But I want to tell you, not one word in the entire submission and preparation of the documents that are going to be taken to the summit talks about agriculture. Now as a last-minute political effort, our Premier convinced Mulroney to make a little press conference and fly Ted Garner and a couple of guys down to Vancouver and say, we've got to get it on the agenda — we've got to get it on the agenda.

But what happened when our friend from Weyburn talked about — our leader went down there and he put the challenge; our Premier put the challenge. Well, Mr. Speaker, when he put the challenge to Ottawa that agriculture should be discussed, he maybe did a good job with the media, and he maybe did a good job convincing his colleagues, but the thing fell on deaf ears. The message fell on deaf ears because there's not one word, not one word on the agenda. He stands up and he says, that's what sets good leaders and great leaders apart. Statesmen are made of such stuff.

Well I'll tell you what, Mr. Member for Weyburn, I'll tell you what statesmen are made of. Statesmen are made of Blakeney tonic. I like that. This article here, written by your friend Bill Hunter, printed in his back page . . . and when Bill Hunter talks about the Roughriders and in the last he talks about his key stories, he says:

Turning from the Riders to our Saskatchewan report, we are pleased to remind our readers that our upcoming June issue will herald our first anniversary . . .

And I'll tell you what. I'll bet you the number one message in the first anniversary will be an election anniversary issue. After one year of publication, they will have Blakeney tonic on here, because everybody is wondering how come you look so good. How come you look so good and so positive? And how come he's doing so well?

And what are the Tories doing in the Tory magazine? They are screaming and hollering, and it says here that:

He listened and has changed. NDP policies are different than four years ago, (although the) Tories will scream at you until they are blue in the face that they haven't changed at all.

Well I want to tell you, Mr. Speaker, some things haven't changed. Some things haven't changed, but some things have. The one thing that's changed is, this group over here has resorted to doing like the former premier Lee did,

and you're tying your little political wagon, you're tying your little political wagon to the wrong guy. You're tying your little political wagon to one Brian Mulroney who, after listening and coming to Regina and saying the right words, didn't do it.

The true acid test of what's going to be on the Tory summit is what's in the book . . . the Tokyo economic summit . . . the true acid test is going to be what's going to be discussed — narcotics, environment, political issues. Everything else is rated and listed, but not one word about agriculture.

If Canada were anxious to put agriculture on the table, if Canada were anxious . . . Mr. Speaker, I've been in this House and I have taken my stand at my chair, and I've challenged members opposite for misleading the House. I've done that before. Well I want to tell you, we have a motion before us today that is grossly misleading the people of Saskatchewan — grossly misleading the people of Saskatchewan — because there's not one word, there's not one word about agriculture, not one word about agriculture in the Tokyo summit conference agenda. And I want to tell you that this smells of political rhetoric.

(1215)

They wasted the day today. We wasted the day today listening to the member for Weyburn go on and on and on and on for an hour and 20 minutes — and didn't tell one word of the truth, because it isn't in the agenda. It's not in the book! It's not in the book, Mr. Speaker. And I want to tell you that the people of Saskatchewan know, and they've got your number. They've got your number, Mr. Members, from north or south. You can sit and laugh, and maybe it sounds funny to you, but it doesn't sound funny to me as a farmer — to try and think that the world is so small that we won't know in Canada what they're discussing.

Well I wish him good luck; so do my colleagues in Ottawa. We've encouraged Brian Mulroney and said, look, you didn't do it because our Premier asked, you didn't put it in the book because you got it last fall, you didn't put it in the book; but we're saying, get it on the emergency debate. I kind of think that when you look at this table of contents and you see environment on here, that likely the environment issues and the recent disaster in Russia will move up. Those discussions will move up.

**An Hon. Member:** What about agriculture, though?

**Mr. Engel:** — But let me talk about agriculture for just a moment, and it talks about the summit countries that are involved. And let me read about them. Japan. Our second largest trading partner since 1973 is Japan. And it talks about Japan. But what happened to our markets with Japan, Mr. Speaker? What's happened to our deficit-of-trade with Japan? We're losing sales to United States.

Canada and United States relationship. They are each other's largest market, it says about Canada and United States. And we know what United States farmers are getting.

What about Canada and the Federal Republic of Germany? Two-way trade and economic co-operation has grown significantly over the last decade to its present level of some 4 billion. In Germany though — the next line, Mr. Speaker — Canada has incurred a trade deficit of 1.5 billion with Germany — trade deficit.

France. France is our ninth largest trading partner. Canada experienced a deficit of more than \$500 million with France. Right in your own book.

What about Canada and the U.K.? Let me read a quote here. The Canada-U.K. trade relationship is regarded as good, and U.K. will remain an important economic and trading partner for Canada. The U.K. is currently Canada's third largest market. Imports from the U.K. amounted to — listen now, listen now, member from Last Mountain-Touchwood — imports from the U.K. amounted to 3.3 billion, whereas Canadian exports totalled only 2.3 billion.

Increase of imports into Canada — are you listening? — an increase of imports into Canada of 42 per cent, as well as a decline of Canadian exports by 5.7 per cent who are registered with the U.K. The U.K. has dumped 42 per cent more products into Canada, and Canada has sold them 5.7 per cent less. Is that growth? Is that doing your job on the international market? Is that saying, keep up the good work Brian. That's the new, open for business strategy.

What about Canada and Italy? It's the conference we're going to. What about Canada and Italy? Canadian exports to Italy are at \$550 million. It declined from 577 million in '84. Imports in Italy rose. Are you listening? Exports to Italy declined from 550 to 577; imports from Italy to Canada rose from 1.1 billion to 1.3 billion. Boy, keep up the good work Brian. Keep up the good work.

Mr. Speaker, I've only one more, and that's Canada and the E.C. relations. The E.C. accounts for almost a fifth of the world trade, whereas Canada accounts for 3.3 per cent. The E.C. has 20 per cent of the world trade; we've got 3 per cent. The European community is our second largest trading partner, however — and listen to this my friend. However, Canadian exports decreased by 5.1 per cent, yielding a trade deficit with the European community of \$3.8 billion. This is the situation that Brian Mulroney is going into, and he hasn't got one dollar — one dollar — to subsidize the Canadian farmers. He's saying to the Canadian farmers, you carry the deficit. You carry the trade deficit and I'll do the cheer-leading. I'll be the good guy.

Well I want to tell you, Mr. Speaker, I want to tell you that farmers will get this story. The farmers will get this story. You can make fun of my voice going, Mr. Speaker. The members opposite can make fun, but I want to tell you, Brian Mulroney is afraid to come to Saskatchewan to listen to Saskatchewan farmers.

And why is he afraid to come to Saskatchewan and make his announcement about the aid to the oil companies and about his pittance to farmers, if he's so proud of it? Why is he afraid to come out and listen to Saskatchewan farmers in Biggar or Assiniboia or Foam Lake or Rosetown — why is he afraid to come? Well I'll tell you, he knows the

position he's really taking and the position he's not taking. He hasn't taken his Minister of Agriculture to Tokyo. He hasn't taken his minister responsible for the Wheat Pool. If agriculture is so very high on his agenda for Tokyo, why isn't it in the book — why isn't it in the book?

And I want to tell you, Mr. Speaker, before the end of the day we're going to have a vote on this motion before us. And while each member of this Assembly is listening to the debate and considering how he is going to vote, I invite the members to ask themselves this question: would the farmers of Saskatchewan, would the people of Saskatchewan have formed this kind of motion if they'd have had their chance to do it?

I ask the member for Morse: would any of your constituents' executives have formed a motion like this in light of the price of grain in your riding? What would Saskatchewan people have wanted to have drafted into a motion like this that in essence says: keep up the good work Brian?

The answer, Mr. Speaker, is a resounding no. They wouldn't write this kind of motion. And therefore, on behalf of all the people of Saskatchewan, and particularly the farmers, I want to move a motion that I believe the people of Saskatchewan would have wanted to have debated today, and that is the amendment:

That all the words after the word "Assembly" be deleted and the following substituted therefor:

Regrets that the Mulroney government has refused to agree to a federal deficiency payment to grain farmers, despite the urging of Saskatchewan farmers and farm organizations, and despite the severe impact of low grain prices on Saskatchewan farmers, small business, and working families.

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

I so moved, seconded by my colleague, the member for Pelly.

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

**Mr. Lusney:** — Thank you, Mr. Speaker. I'm very pleased to get into this debate, Mr. Speaker. Mr. Speaker, we've heard a good number of the members brag about what's going to be happening at the Tokyo conference. And it's not only the members opposite that have been bragging about it. It's also the Prime Minister of Canada. It's been on television and in this House and all over, saying all that's going to happen at that conference that's going to help farmers.

Well, Mr. Speaker, the member for Assiniboia-Gravelbourg told us exactly what's going to happen at that conference. And what's going to happen is that the Prime Minister is going to go there and try to get something on that agenda that's going to help farmers. And he's going to go there and tell them that we've got to

get the price of wheat up. We have to get the price of wheat up because the farmers of Saskatchewan are hurting. But, Mr. Speaker, does the Prime Minister really believe, and do the people of Saskatchewan really believe, that he's going to be able to accomplish what he's going for?

What he's saying is that we want another cartel. And we've talked about cartels in the past. When the oil cartel was put together, everybody complained about it. They said we shouldn't have a cartel, that the market-place should decide what the price is going to be. Well, Mr. Speaker, the oil companies said that that should happen, that the market-place should decide the price, the price of oil, and that the farmers then should have to pay that price. But now they are saying, when the price goes down, that the market-place is no longer relative. It's no good; we should do something different; we've got to set up another cartel to get the price of oil up. And they're supposed to be helping the farmers of this province.

And they virtually mislead the public of Canada and of Saskatchewan into thinking that somehow the Prime Minister of Canada is going there with an item on that agenda and he's going to be able to deal with it. Well, Mr. Speaker, it would be nice if that item was on the agenda, but the Prime Minister really misinformed the people of Canada when he said that that's what he was going to do there, because it's not on the agenda.

And the Government of Saskatchewan is doing the same thing. In their motion they say — and in case they don't remember what their motions says — that they endorse the Prime Minister in his successful efforts to bring the agricultural problems facing Canada to the attention of world leaders through his introduction of agriculture to the Tokyo Economic Summit.

Well we saw, Mr. Speaker, we saw the agenda for that summit, and the agriculture that they are talking about is not on there. And here they stand in this House congratulating the Prime Minister, congratulating the Premier of this province for accomplishing something great and terrific out there. Nothing but words, Mr. Speaker, words, as this government has been doing — issuing press releases, having news conferences. But they never accomplish anything.

We see communications allowances from this government in the millions of dollars for every department to do nothing more than deceive the public into thinking that something is what it really isn't. That's what they're trying to do; deceive the public. And, Mr. Speaker, the people of Saskatchewan are not going to be that easily fooled. They will know what is happening and they will tell this government that they do not approve of those kind of tactics. They will be telling them nice and clear.

We have members saying that they are going to somehow bring forward some solution to that conference; that they are going to stop all the problems that are facing farmers today. They are going to turn it around. Well, Mr. Speaker, as the member from Kelvington-Wadena said, that we should not be professing protectionism at this

point. Why would we want to protect our farmers? If we do that, we're the same as the Americans and Europe. We don't want to protect our farmers. That's not right. So we shouldn't do it. That's what they are saying. We have to get rid of protectionism.

(1230)

It's fine if the States do it and if Europe does it. Somehow the Americans thought that it was going to be good for their farmers to protect the price that they're going to get for their grain. But the members opposite, the government of this province, is saying that that shouldn't apply to Saskatchewan farmers or Canadian farmers. These farmers should be able to compete against the U.S. government and against the European governments. That's what they are saying the farmers of Canada should be doing.

Well, Mr. Speaker, I don't think that the farmers of Canada think that that should be what's happening in this country, that they should be forced to be the ones to compete with governments of other countries. I think what they should be saying is that the farmers of this country can't afford to compete against the U.S. or against Europe, and that what we need is some deficiency payments, the same as what the U.S. is offering their farmers and the same as Europe is offering their farmers. And that's what we should have in place immediately to make sure that our farmers survive.

And then if we want to talk about regulating the price of wheat on the world market with other countries, then they should be going to a conference or to a summit, putting it on the agenda, and discussing what can be done throughout the world to stabilize the price of our wheat.

But, Mr. Speaker, to expect that the farmers should at this point bear the brunt of what is happening and be the ones to lose while other countries subsidize their farmers, well, Mr. Speaker, I think this government is on the wrong track. I think they are on the wrong track because they certainly will not be able to compete against the U.S. or against Europe.

But these members think that it's a lot better to just go and talk and not do anything about it, and try to tell the farmers, that we're going to do something about it eventually. For now we'll talk, and just keep on trying to farm and trying to survive, while we go to Tokyo and while we go everywhere else and do nothing more than talk and put out more press releases. That, Mr. Speaker, is what the members opposite and what this government is telling us to do.

Mr. Speaker, they talk about the freedom for the farmer to produce and to be an individualist. Well, I think, Mr. Speaker, it has been proven in this country that the small, family farm is a very efficient and a very productive type of operation. It's a very efficient type of operation and very productive. It has been producing more food for supply to other countries that need it. That's what the producers of this province can do, and they have certainly proved that, and nobody disputes that fact.

But what is happening to the farmers of this province right now, Mr. Speaker? They are being put in a position where many of those small farmers cannot survive. When they have to pay more to produce that grain than what they get for it, it's going to make it awful difficult for them to survive. It's going to make it difficult for them to survive, Mr. Speaker . . . (inaudible interjection) . . . And the member for Kelvington-Wadena keeps talking about all these programs that they are putting in. He sits there in his seat. He had an opportunity to talk here a little while ago, but now he wants to talk from his seat. And he keeps on yelling and he says, give me an opportunity to get up again. Well, Mr. Speaker, he had the opportunity. He should have used that opportunity to come forward with something constructive.

They talk and they brag about their \$25 an acre, the same as they do about everything else. Well, Mr. Speaker, that helped some farmers, but I know a lot of farmers that are not able to get that \$25 an acre. They are the ones that are really hurting. They are the ones that are on the verge of losing their land and no longer being farmers. That's what they are doing. They are refusing that money to some of those, and what they are actually doing then is saying that there's a good portion of our farmers that are going to be kicked off that land and are no longer going to be farmers.

That is what they're saying, because those farmers can't get that loan. And all it is is a loan, Mr. Speaker. It's a loan. When you're getting less than \$2 a bushel for wheat, like we are in my area right now . . . Not right now, but after August; that's what we'll be getting for wheat that froze last year. With the drop in price that has been announced by Ottawa, we are going to be getting less than \$2 a bushel for Canada feed wheat. That is what we are going to get, Mr. Speaker.

And this government, the arrogance of it, with the numbers that it has, go yelling at us now saying that that is not true — somehow that is not true, Mr. Speaker. Well they should take a load of frozen wheat to the elevator after August and see what they're going to get for it. Because I know what the price of it is right now, and I've got some of that wheat. I know what it is now and I know what I'm going to get for it after August. I know what I'm going to get for no. 1 wheat after August, and it's only about \$3.18 a bushel. But when you talk about Canada feed wheat, and in that northern part of the province we have a lot of that from year to year, Mr. Speaker, those farmers can't survive on wheat that's going to be less than \$2 a bushel.

Mr. Speaker, they also talk about us being able to donate food to countries that need it — third-world countries. Well that's true; we have been able to do that. And they think somehow that's a big joke. They think it's a big joke, Mr. Speaker. Well I'll tell you, it is no longer funny in this province. It's very serious because we can produce food, we can produce food to feed other countries, to feed the starving people of the world. But, Mr. Speaker, we can hardly be expected to do that when we get less than what it costs us to produce that. How long is that farmer that has been efficient, has been productive, how long is he going to be able to survive if he is going to be asked to produce it for less than what it cost him?

Well, Mr. Speaker, the member for Regina North West says that we should be eating more bread. Well, I suppose that would help some; I suppose that would help some. And I wish the member for Regina North West would take some of his own advice and eat more bread and maybe tell the rest of the Tories to do that too. But if you're selling it for \$2 a bushel it doesn't really matter how much bread somebody eats. You've got to get a little more than \$2 a bushel for it.

Mr. Speaker, they brag about all the things that the Premier has been able to do when he goes to Ottawa. Well he talks about what he can do every time that he goes to Ottawa. And we've heard the Premier do that in this House, and we've heard the members that have been up there on their feet in this House talk the same way, saying that when the Premier of Saskatchewan goes to Ottawa he gets anything he wants. Well, the one thing he does get is a lot of press releases. Same like everyone in this administration — they believe in issuing press releases. Maybe not very good ones from time to time, but they will issue them.

And they talk about all the good things that they are doing for farmers. Well they talk about the subsidized freight rates that are frozen. That's what some of the members mentioned. Well we went to Ottawa; now the federal government froze the freight rates for this year. Well, Mr. Speaker, I don't think anyone objects to that.

But we have to think back to a few years when we had a fixed freight rate, when we knew what we were going to pay for freight. And the farmer wasn't asked to pay what somebody else decides. But now they fix it. They are part of the ones that took the Crow rate away from the farmers of this country, of Saskatchewan. They took it away and now they're saying, well, at a given time we'll fix the rates. We'll freeze them so they don't go too much higher.

Well they would have been a lot better off if at the time when the Crow rate was being discussed, that they would have said, no, the farmers of this province should not be told to pay freight for what they produce. General Motors doesn't pay freight on what they manufacture. The implement companies don't pay freight on what they manufacture and sell to the farmers. The consumer pays that freight. I can't see why the farmer of Saskatchewan should be asked to pay the freight on a commodity that he produces and that the federal government sells on the world market.

They use it as a trade commodity and yet the farmer is asked to foot the bill. That is how these members opposite think — that it's good for the oil companies, it's good for the large manufacturers, for someone else to pay the freight on their product. But when it comes to the farmer, he should be paying the freight on his product.

I have yet to see an oil company that would deliver fuel anywhere without charging the freight on it. And if they could convince the oil companies to do that, it would be nice. Let the oil companies pay the freight.

**An Hon. Member:** — Or the fertilizer companies.

**Mr. Lusney:** — Or, like my colleague says, the fertilizer

companies.

Everybody charges you freight when they bring a product to your door.

**Mr. Speaker:** — Order, please. There is so much commotion in the Chamber with members visiting and hollering, that we can't hear the member that's speaking. Order! Order, please. When I'm on my feet I would ask for order.

**Mr. Lusney:** — Thank you, Mr. Speaker. Mr. Speaker, as I mentioned before, they talk about how much help they've given the farmers. But there are a lot of farmers at this point that are not going to survive unless something happens in the price of wheat at all. They are not going to survive.

What we need is for this government and the federal government to take some action and make sure that we have a decent price on our grain. That's all that has to be done. And if they want to talk about something else after that, well they can do it. They can have all the discussions and all the news releases they want, but the first thing that we need is a deficiency payment on our grain.

And that's what they should be saying. But I haven't heard any members on that side of the House mention a deficiency payment. They just say, we don't want to be the same as the U.S. or Europe. Well it's nice for them to talk; they of a salary; they're getting paid. But what is the farmer going to do?

**An Hon. Member:** — Oil companies are looked after — the big ones.

**Mr. Lusney:** — And as my colleague says, you only have to look at who they're really looking after, and there's no question that the oil companies certainly are. When you talk about providing assistance for someone, one only has to look at who's getting the assistance. And there's a good article here, Mr. Speaker, in the Southam News that says:

... the smoke-and-mirrors exercise which will help big oil companies more than the small ones and offers financially strapped farmers mostly optimistic words ...

That, Mr. Speaker, clearly indicates what all the announcements that this government has made and the announcements that the federal government has made really means. It means that we are going to give all the assistance we can for the oil companies.

In the past three years when the oil prices were high, we gave them away a billion dollars. Now the oil price went down some, and again they say we've got to give them more. The oil companies are going to get more than the farmers. That's what this government is saying: it's not the farmers that need it. They're saying that the oil companies need it more. We've been giving it to them and we're going to give them ore. And when it comes to the farmers, well, you know, we don't want to be like the U.S. and Europe. We don't want to give you a deficiency payment and give you a decent price for the wheat you produce. No, we'd be too much like Europe and the U.S.

But we're going to give it to the oil companies because they are more important. That's what this government is saying, Mr. Speaker.

(1245)

What do they do for the small-business people? Nothing. They just talk about more of the tax changes that they have brought in, all the good things that they have done. But one would wish to know just where those tax changes are that have done so much good.

They brag about capital gains, and I find that very interesting, Mr. Speaker. They brag about capital gains. And again you never see this government talking about anything they do. They're totally hanging on to the coat-tails of the federal government. And when they get themselves in trouble, they go to Ottawa and they say, Brian, we need help again, give us something. But does he really give them anything? All he does it give back what the people gave to him in the first place.

They talk about capital gains. Well we eliminated capital gains in this province when we were government, before this government ever became a government, if you want to call them that. We got rid of capital gains then. Finally after years of us complaining and now the people of Saskatchewan complaining, the federal government finally decided that they would remove capital gains. But somehow this government talks as though all the effort on their part, that they're the ones that accomplished it. Well, Mr. Speaker, that certainly is not the case. But like always, this government tries to make something look like what it isn't. And if they can sell themselves, even though it may not be true, this is what they try to do.

All we have to look at is what it's really costing us in taxes. When they removed the property improvement grant from farms, well that wasn't a tax decrease; that was a tax increase. When they put the flat tax on, that wasn't a tax decrease; that was another tax increase.

And all of this going on. The farmer, tax increases year after year and the price of grain going lower and lower. And every member on that side of the House is saying that this is what should be happening. We approve of all of those actions. That's what should happen. Well, Mr. Speaker, that is slowly destroying every farmer in this province. There are some that are still surviving and they are trying to hang on, but they won't be able to hang on for long unless this government takes some action. And it appears very clearly that this government is not going to take action. It has to be a different government that'll take action, and hopefully the people of this province will have the opportunity to elect a different government so that they can have some action taken on their behalf.

Mr. Speaker, while they talk about all the good things that they are going to do for farmers, they are really letting farmers down. They are really letting them down. Because I have talked to many farmers that say that if things don't get better within the next short while, they are going to be off their land. They are going to be off their

land. And yet they brag about all the good things that they are doing.

Well, Mr. Speaker, some of the members opposite are hollering "doom and gloom". Well I think if you talk to many of those farmers out there, it's not doom and gloom. They are optimistic that something will change; they are hoping that it will change. If the Premier will ever come back to this House and call that election, they are hoping that things will change. And it's not doom and gloom. They know what is happening to them; they know the way they have to suffer right now and wonder what's going to happen to them a month from now or a year from now. And that certainly isn't doom and gloom.

No, Mr. Speaker, the farmers of this province are fighters. They go out there and they keep trying year after year and they will continue to do that. They do not give up, Mr. Speaker.

As I mentioned before, Mr. Speaker, and some of the members opposite mentioned, the farmers are competitive but for some reason or other they seem to be saying that we shouldn't be having as many farmers as we have. Because every action that they have taken in the last three years has said to us and to the small farmers of this province, that you don't have a place in Saskatchewan. What we need is the big farmers; those are the only ones that will be able to survive. That is what this government is saying. They are saying the same thing to the small oil companies; if you're not big you're not going to survive. That is what this government is saying. And it's clear, it's clear . . .

**Mr. Speaker:** — Order, please. It's very difficult for the member to be heard in the Chamber and I would ask for order.

**Mr. Lusney:** — Mr. Speaker, thank you.

**Mr. Speaker:** — Order, please. I just asked for order and the member from Assiniboia-Gravelbourg is yelling before I sit down. I would ask him for order.

**Mr. Lusney:** — Thank you, Mr. Speaker.

**Mr. Speaker:** — I called for order in the Chamber and that applies to all people here, but the member from Assiniboia-Gravelbourg was hollering while I was still on my feet.

**Mr. Lusney:** — Thank you, Mr. Speaker. As I said before, it is very clear what this government is doing. They are not really interested in the average person of this province. They are not interested to what happens to the people of this province. Their main concern is trying to help the big oil companies that is stated in the article. Their main concern is also to get big farmers in this province and somehow they think that's going to help, but it won't.

Because what we need is more of the smaller farmers. And it's getting to the point now here it isn't only the farmers that are saying that. When you go out in rural Saskatchewan you see the bankers even saying that; you see the business people saying that . . .



**Mr. Speaker:** — Order, order! The member from Regina North West, I've asked you several times now and I would ask for order.

**Mr. Lusney:** — Mr. Speaker, when you go out in rural Saskatchewan you hear different people — and I've talked to some of them — and I've had a banker tell me that we can't afford to have our small farmers disappear. If we do, there won't be any rural Saskatchewan; all the small towns will disappear with them. That is what they are saying. The bankers are saying it; the small-business people are saying it. That is what is being said in rural Saskatchewan. And yet this government refuses to recognize what is happening.

**Mr. Speaker:** — Order, please.

**Mr. Lusney:** — Thank you, Mr. Speaker. I realize that the members of this House don't like to hear the truth. They don't like to hear it. They don't like to hear . . .

**Mr. Speaker:** — I'm going to ask the member for Regina North West to contain himself. He's continually hollering and it's impossible for the House to operate under these conditions.

**Mr. Lusney:** — Thank you, Mr. Speaker. The members of this House don't want to hear the truth, and that's quite obvious from all the hollering and interruptions. They don't want to know what is really happening. They don't want the people of Saskatchewan to know what is happening in this province. They don't want to know how badly people are suffering at this point. And they don't want to do anything about it.

They think that they can continue to issue their press releases, to spend millions of dollars on advertising, and somehow that is going to keep everybody happy. Well, Mr. Speaker, it isn't going to keep the farmers of this province happy, and it isn't going to get them elected if they continue on the road that they are going now. What they have to do is take some positive action to get Saskatchewan working, to get Saskatchewan's economy to a point where everybody can see some future in whatever business they happen to be in.

And it's not only agriculture. It is the business men of this province too. And what they have to do is take that positive action. Agriculture is a start. It would be one way to get this province going again.

And we have told them time and time again: go to Ottawa and ask for deficiency payments, and we'll get the economy of this province going. Go to Ottawa and get what is necessary. Don't let Ottawa cut back on the payments that they make to Saskatchewan, because if they do, then that means the taxpayer is going to have to pay more here. And the taxpayer of this province can't pay much more. And as some of the members opposite are saying, what do you care?

Well, Mr. Speaker, I think I care. Because I think the farmers can't pay any more in taxes, because they aren't making any money now. The business people can't pay

any more in taxes, because they aren't making that much any more. They are being pushed right to the limit. They are being pushed to the limit.

**Mr. Speaker:** — Order, please. I'm going to ask the member from Regina North West to apologize to the Assembly for refusing to obey the rules of the Chair.

I'm asking the member from Regina North West to apologize to this Assembly for refusing to obey the rules of the Chair.

**Mr. Sveinsson:** — I do apologize, Mr. Speaker, if there have been rules broken. I sit in here daily and I see people more unruly . . .

**Mr. Speaker:** — Order. Order. I have cautioned you three times in the last 10 minutes, and I'm not asking you now to make a speech. I'm asking you to apologize to this Assembly.

**Mr. Sveinsson:** — I apologize to the Assembly, sir. I've just been trying to make a speech today, and I've been unable to get into the debate. Thank you very much.

**Mr. Lusney:** — Thank you, Mr. Speaker. As I mentioned, this government has been doing nothing more than cheer-leading with their Premier and not really bringing forward any positive programs that are going to help anyone in this province.

They've brought forward a motion here that they think is very good. Well, Mr. Speaker, if they think that this motion is that good, we'll let them vote on it. We have an amendment before us that we think is better than their motion, and one that we think is required, and that is deficiency payments for farmers. That would get our economy going. And I think we should have the opportunity to vote on this motion, and on the amendment. And deficiency payments are very important, Mr. Speaker, at this point, and I think what we should be doing is asking the members of this House to vote on it because I would like to see what they think of deficiency payments. Thank you.

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

**Hon. Mr. Dirks:** — Thank you, Mr. Speaker. What we have seen today, Mr. Speaker — and here again the members opposite are acting in their normal fashion, not wanting to listen to the debate — what we have seen today, Mr. Speaker . . .

**Mr. Speaker:** — Order, please. I would ask the House to remain somewhat silent so at least we can hear.

**Hon. Mr. Dirks:** — What we have seen today is an NDP opposition that refuses to support the efforts of the Prime Minister of Canada to bring agriculture to the international summit in Tokyo. I have not heard one word of support from the NDP members opposite supporting the Prime Minister of Canada, supporting the Premier of Saskatchewan, in their efforts to see this matter addressed internationally.

We have heard caustic comments about the actions of the

Prime Minister. We have heard vitriolic criticism of our Premier. But I want you to know, Mr. Speaker, that the citizens of this province understand very clearly that the party that cares about farmers, and the party that cares about the West, is the Progressive Conservative Party of Saskatchewan and the Progressive Conservative Party of Canada. We stand for farmers.

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

Amendment negated on the following recorded division.

**Yeas — 7**

Tchorzewski	Koskie
Thompson	Lusney
Engel	Shillington
Lingenfelter	

**Nays — 29**

Tusa	Morin
McLeod	McLaren
Taylor	Rousseau
Schoenhals	Parker
Duncan	Rybachuk
Pickering	Caswell
Myers	Domotor
Hepworth	Meagher
Dirks	Muller
Klein	Sauder
Currie	Zazelenchuk
Martens	Gerich
Maxwell	Petersen
Smith (Moose Jaw South)	Swenson
Hodgins	

**Mr. Lingenfelter:** — Mr. Speaker, I wonder if I could raise a point of order. The point of order is that before voting on a motion that congratulates the Prime Minister for having agriculture on the agenda at the Tokyo Economic Summit — we have the agenda here and it's not on the . . . Does it make any sense to congratulate . . .

**Mr. Speaker:** — Order, please. Is it the pleasure of the Assembly to adopt the motion?

Motion agreed to.

The Assembly adjourned at 1:04 p.m.