

The Assembly met at 2 p.m.

Prayers

### INTRODUCTION OF GUESTS

**Mr. Muller:** — Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you, and through you, a group of students from Wild Rose Elementary School, 13 grade 7 students, accompanied by their teacher, Mr. MacKenzie, who has been down here, I think, every year since I've been in this House. I've had many occasions to meet with him and his students. Their chaperons, Mrs. Schutte and Mrs. Anderson.

I certainly want to greet them here to this legislature. They come from a very pretty and unique part of the province of Saskatchewan. I certainly enjoy their part of the world; I live not too far from there.

I would ask all members to wish them a good time in Regina, a pleasant journey home, and I will be meeting with them for pictures and drinks at 2:30.

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

**Mr. Gerich:** — Thank you, Mr. Speaker, through you and to you, I'd like to introduce some guests in the Speaker's gallery. They're from Hafford Elementary School. There's 27 students, grade 4 and 5, and they're accompanied by their teachers, Mrs. Mary Linnell, and Mr. Dennis Taylor. The bus driver is Mr. Peter Prebushewski. The accompanying chaperons are Mrs. Mary Bogar, Mrs. Elaine Brunet, Mrs. Ruth Marchewka, and Mr. Andy Prebushewski.

I will be meeting with them at 2:35 p.m. in the members' lounge for refreshments and any questions they have to ask me. I hope that their stay here this afternoon will be interesting and educational, and I ask the members to welcome them to the legislature.

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

**Mr. Shillington:** — Thank you very much, Mr. Speaker. It's with distinct pleasure that I introduce to you, and through you to the Legislative Assembly, a grade 4 and 5 class from Connaught Elementary School, accompanied by their teacher Gloria Roman. Connaught is a community school. The provision was made for these community schools in The Education Act in the mid-70s. Not many were set up, and even fewer survived. This is one that does, and it is a real success story. And it is in many ways a tragedy that there were not more community schools that got started as it has worked very well in an area with vastly different income and racial backgrounds.

I look forward to meeting with the students. I hope that they enjoy the proceedings today as much as I'll enjoy meeting with them at 2:30 and answering their questions. I invite all members to welcome these students.

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

**Hon. Mrs. Smith:** — Thank you, Mr. Speaker. Today I have the honour of introducing and meeting on behalf of my hon. colleague, the member from Morse, a group of students seated in the west gallery. They are from Success, Saskatchewan, which is just slightly north-west of Swift Current off the Trans-Canada Highway, and they are in grade 7 and 8. Mr. Speaker, they are about 15 in number, and they have with them, Mr. Friesen, and also three chaperons, Sharon Reimer, Judy Anderson, and Bev Anderson.

Mr. Speaker, I will be meeting with this group at 3 o'clock, and I look forward to their questions. If the name of their town, Success, Saskatchewan is any indication of their achievements in school, I'm sure that they will do well indeed. And I would ask that everyone welcome them here today.

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

### ORAL QUESTIONS

#### Introduction of Proposed Amendments to The Forest Act

**Mr. Thompson:** — Thank you, Mr. Speaker. I direct my question to the Minister of Parks and Renewable Resources.

Your government has introduced amendments to The Forest Act which allow the forest companies and the provincial government to totally ignore local governments and local zoning by-laws or development plans with respect to the harvesting of timber and all related activities.

Can the minister inform the Assembly how many local governments you consulted with prior to the introduction of these outrageous amendments?

**Hon. Mr. Maxwell:** — Mr. Speaker, these outrageous amendments, as my hon. friend refers to them as, can be debated in committee of the whole, and we'll find out how outrageous they are when we get there.

But when he's talking about consultation, the consultation that took place prior to this Bill coming into the Assembly took place with the people who are most directly affected by any proposed amendments.

Now let's just get something clear, Mr. Speaker. The section to which my hon. colleague across the way has referred merely confirms that the authority for the regulation of forest-related activities on Crown land in provincial forests lies with the provincial government through The Forest Act.

**Mr. Thompson:** — Supplementary, Mr. Speaker. Mr. Minister, a number of local governments which could be affected by these amendments claimed they found out about them only by accident, and claim that you never once consulted with them about the changes.

In light of their comments, can you provide the Assembly with a full list of who you did consult with and when, with

respect to these amendments?

**Hon. Mr. Maxwell:** — Well, Mr. Speaker, once again, when we get to committee of the whole I'll be giving much more information, in fact a lot of information that you people over there won't want to hear about. And you're going to be very embarrassed that you brought this up.

Let me point something out, Mr. Speaker, municipalities do not have the right to regulate timber companies in the province now. They don't have that right at all. Regulation of logging and other forestry activities on provincial forest lands has always been under the jurisdiction of The Forest Act.

And, Mr. Speaker, one other point I want to make, and I want to make it in the very strongest possible terms: the Forest Act of Saskatchewan is not going to be written by the reeve of one R.M. who lives in Saskatoon and doesn't even live in the municipality.

**Mr. Thompson:** — Supplementary, Mr. Speaker. Mr. Minister, can you explain why your government has decided to run roughshod over the rights and opinions of Saskatchewan's local governments in this way. These changes centralize decision-making power in the hands of the minister and his officials in Regina and remove any say in forestry development, as you have just admitted, from the local governments it affected. Why this decision to reduce local autonomy?

**Hon. Mr. Maxwell:** — Mr. Speaker, the member needs a new speech writer. He should have done a little more homework of his own, a little more research, before he got up here. Again, when we get to committee of the whole, I'll be delighted to get into those specific arguments with you.

But for now let me point out, Mr. Speaker, we are currently negotiating forest management license agreements with various forest companies in this province. Part of the FMLA process is that the companies must produce a forest management plan. At that point we consult with the R.M.s who are involved, and we show them the forest management plan which is for 20 years, five years renewable.

And if those people over there want to get into any kind of debate at all about consultation, we'll talk about the lack of consultation they put in in 1973 when they introduced amendments to The Forest Act to squeeze all the small operators out of business. In fact, I'd be pleased to quote the Leader of the Opposition who met with several members at that time, among them constituents of mine, when we get into committee of the whole. You, sir, will probably choose to be absent during that period.

**Hon. Mr. Blakeney:** — Mr. Speaker ... (inaudible interjection) ... Delighted. Would the minister concede that under the minister's proposals: no local development plan, no zoning by-law, no interim development control by-law, no municipal development plan, no district development plan, no district zoning by-law will have any effect and the minister will have total control over how forests are developed in and around many

communities and many built-up areas, resort and otherwise, in this province?

**Hon. Mr. Maxwell:** — Well I'm kind of surprised at the lack of research coming from the Leader of the Opposition, particularly a man of his stature and supposed intelligence. So I would like to set the record straight for him. I know he has to get to bed early at nights, and he probably didn't get his homework done.

Currently there no approved municipal or district zoning by-laws or development plans which prohibit or restrict the use of provincial forest lands for timber harvesting or other forestry activities outside — I stress outside — recognized recreational business or residential reserves. If the Leader of the Opposition takes a look at the rest of the Bill, he'll find that in actual fact the minister is giving away some authority and not gathering all total authority under my jurisdiction whereby I will have total unilateral control over the lives of the people of Saskatchewan, in complete and stark contrast to what that gentleman did when he sat in this chair over here.

**Hon. Mr. Blakeney:** — Mr. Speaker, would the minister make clear what he is talking about? He, on one occasion, said that the arrangements applied to provincial forests; on another occasion to provincial forest lands. Will he admit that those are totally different areas, and will he concede that it is provincial forest lands that he's talking about, which is virtually every piece of land in this province that has commercial timber on it.

**Hon. Mr. Maxwell:** — Mr. Speaker, we'll get into this in committee of the whole, but let me just make one absolute, clear, unequivocal statement. As long as I live I'll concede nothing to that gentleman.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. I have no doubt that the minister is right. He would not concede that today was Thursday because it would be as a matter of principle that he wouldn't concede the truth.

Now, Mr. Minister, I ask you a supplementary. Could you explain why citizens who have relied upon existing zoning regulations and invested their money on the basis of those zoning regulations should have their rights totally taken away by the Act of the legislature without any consultation?

**Hon. Mr. Maxwell:** — Mr. Speaker, the hon. member made some reference to truth. I would remind him, he's the leader of the party of which one member stood up here on May the 16th and made these blatantly false comments:

Camp fees have doubled, swimming pools are only open on weekends — that for twice the money — park fees have gone up, they're open for a shorter period of time, people are paying for fire wood . . .

I could go on and on, Mr. Speaker. If we're going to discuss credibility and truth, sir, I'll put my reputation against your actions, since you became Leader of the Opposition, on the table any day of the week.

### Restoration of Piwei Camp Ground

**Mr. Lusney:** — Thank you, Mr. Speaker. My question is to the Minister of Parks. Mr. Minister, this has to do with your government's destruction of the Piwei camp ground and picnic site in north-east Saskatchewan.

Mr. Minister, when we informed you in May of your department staff going out there and bulldozing this facility to the ground and burning what was left, you had claimed at that time that the whole issue was a terrible mistake and that the facilities would be fully restored.

Mr. Minister, can you tell us if that restoration work has begun, and if not, when do you expect that it will begin? Will the people have an opportunity to use that facility this fall or this summer? And, Mr. Minister, can you tell the people of Saskatchewan what that big mistake that you made at that point is going to cost the taxpayers of this province?

**Hon. Mr. Maxwell:** — Yes, Mr. Speaker, I'm delighted to respond to the question from the member for Pelly in reference to the Piwei camp ground, picnic ground, which he said was bulldozed. I personally checked into that, and what happened was one small John Deere, little green tractor, went in and knocked down one old picnic shelter which was in need of replacement and repair.

Giving a little history on this, Mr. Speaker, I was a little disappointed, and indeed surprised, by the alacrity and indeed the zeal with which certain officials went about their work in that particular ground. Since then, the officials have been told to replace the things they withdrew from the camp ground so that the folks who have been enjoying it can go ahead and enjoy it.

**Mr. Lusney:** — Mr. Minister, have you checked with your department to see if there was any similar destruction done in any other picnic sites in the province, and can you supply us with an updated list of what camp grounds and picnic sites you have closed around the province or handed over to local communities. Can you tell us what the cost of restoring the Piwei camp ground is?

**Hon. Mr. Maxwell:** — Mr. Speaker, there has been no bulldozing. And if they want to come in with some evidence that there were bulldozers and cats went in to picnic grounds and campsites and bulldozed them, I'd certainly be pleased to see it.

**Mr. Lusney:** — Well, Mr. Minister, you completely avoided the question. Could you inform this Assembly, or can you inform us, of how many other facilities in the province you have either closed down, bulldozed, or used a green tractor on — or any other colour tractor, Mr. Minister, on them to knock them down. How many other sites have you closed up in that manner, or turned over to local communities?

**Hon. Mr. Maxwell:** — Mr. Speaker, the total which was scheduled to be closed was 10. Of that 10 I believe three have been closed. I could be wrong; I'll find out for sure and bring the answer back to the hon. member.

**Mr. Engel:** — I have a question to the Minister of Agriculture, and it deals with the severe outbreak of grasshoppers which are threatening the crops in many parts of Saskatchewan. Can you give us the latest status report from your officials as to how many acres you expect are going to be affected, and how many acres of crop are going to be threatened by this outbreak of grasshoppers, and the potential dollar value loss? Last year it was over \$100 million due to grasshoppers. Is it correct that this summer's outbreak has the potential of being even more serious?

**Hon. Mr. Devine:** — Well, Mr. Speaker, I don't have the stats with me right now in question period, but my estimates are up today and I'll have my officials here, and the information that I have with respect to the estimates of how widespread it is will be at my fingertips. So I will respond a little later today. I don't have the numbers.

I can say that there's been up to a 90 per cent hatch across a great deal of southern Saskatchewan. Some areas are 95; some are 55 per cent. We're spraying. There's ample supplies. And farmers in some areas have it under control; in some areas it's much worse. And the hon. member is aware of that.

**Mr. Engel:** — Mr. Minister, the crop damage that is expected to be affected by the grasshoppers this year could be a very substantial loss to both the farmers and particularly to crop insurance. In spite of that, do you still refuse to introduce a program that would encourage farmers to spray extensively for grasshoppers by refunding them, like your colleagues in Alberta do, up to 50 per cent of their costs of spraying. By helping farmers to spray now you would save later on crop insurance claims. Will you consider now your position to introduce such a program as soon as possible?

**Hon. Mr. Devine:** — Mr. Speaker, the logic of the member is not quite sound because he's making the assumption that farmers are not going to spray. And I, from my understanding and from all information I got, farmers are spraying.

Now compared to the Alberta program, they're putting \$3 million out; we're putting \$8.5 million up to the R.M.'s to start with, and we've got \$1 billion out at 6 per cent money that certainly is cash. I mean, if you compare a \$3 million program in Alberta to 8.5 here, we cover 100 per cent of the costs of the rural municipalities plus \$1 billion in operating money.

I mean, your logic that there isn't enough money to spray is not sound. And I have not heard of farmers not spraying. They have access to credit, and they've received a great deal of money, and they can use that on spray chemicals for weeds, seeds, insecticides, and anything else. So the logic that they're not spraying is just not there. They are spraying, and they have substantial amounts of operating capital because we've made sure they have.

**Mr. Engel:** — Well, Mr. Premier, you're missing the mark completely. Farmers can't afford to spray repeatedly. I know many, many farmers have sprayed at least three times and they are running out of extended cash, their

### Grasshopper Outbreak in Saskatchewan

own cash or whatever working capital they can lay their hands on. It's a serious problem. If they can control grasshoppers, both you and the federal people will save money on crop insurance. Now can you tell us today whether the Mulroney government in Ottawa has agreed to help finance such a program? The federal Minister of Agriculture. I heard him myself on CBC radio in an interview, and he's been on other stations. And I understand he's made it clear that he would consider federal financial assistance to deal with the grasshopper situation if he gets an official request from the province – if he gets an official request.

Has a formal request for help from Ottawa been made to control grasshoppers and to pay 50 per cent of the farmers' costs like Alberta does? I don't think Alberta has a limit on their amount. They say 50 per cent of what a farmer spends, right across the board.

**Hon. Mr. Devine:** — Mr. Speaker, I don't think the hon. member is accurate there with respect to . . . It's \$3 million that they've allocated. And, Mr. Speaker, in my conversations with the Minister of Agriculture, federally, he said that he'd be prepared to look at any requests that come from the provinces with respect to disaster and so forth, and he's prepared to consider. He didn't say that he had money, but he said, "I would look at any reasonable proposal." Well that's understanding for him, so I don't think it's fair for you to put words in his mouth.

I know that in Saskatchewan – not in Alberta and not in Manitoba – that we have provided over a billion dollars at 6 per cent money so farmers can have access to cash so that they can do the kinds of things that they want to do. I'm also advised, as I travel around Saskatchewan, that indeed they're spraying for grasshoppers. And if you're telling me that they're not spraying, well the information that I'm getting is certainly inconsistent with that.

They have operating money to spend. I mean, it's called a production loan program for 1986. That's what we set it up for — \$1 billion — \$1 billion, which is a great deal of money, Mr. Speaker. And the farmers can use that for fertilizers or chemicals or anything else.

If I had made it \$2 billion or \$5 billion, the member opposite would say, will you still help me spray for midge, or will you help me spray for grasshoppers. I mean, he has to be harping about something. We put billions of dollars out there in terms of cash – billions – and you're still saying, well, can I have 3 million more, or can I have 2 million more for this.

I mean, he knows very well the problems you get associated when if you start spraying for one insect and then you're going to be asked to spray for another insect, and then you're going to be asked to spray for weeds which help control crop insurance, and you're going to ask to do other cultivated techniques which will help your crop, and then you won't have to have crop insurance.

I mean, your logic takes you that we should pay for every single solitary thing that would add any impact on crop insurance. You didn't do your homework when you said the people weren't spraying. They are spraying.

And with respect to your logic that you're going to save money on crop insurance, well we could pay for virtually everything a farmer does so that we'd save money at the other end because he would have a crop. Well obviously, if you get into that, you're drawing boundaries. You pay for one insect, then another insect, then another insect. You pay for weeds. You pay for weed sprays. You pay for everything.

Now what next would you want money for? All right; I've said when we put \$3 billion out and no other province has done it; well, Mr. Speaker, that's a fair amount of money. Compared to Alberta, or compared to Manitoba, it's head and shoulders above either one of them.

**Mr. Engel:** — Mr. Speaker, I have a new question. I appreciate the Premier practicing his lecturing, because you'll need that after the next election. You'll maybe get a job back at a university where you can lecture. I don't need a lecture. The farmers are . . .

Mr. Speaker: — Order. The member is . . . Order! The member rose on a question, and if you have a question I'd be glad to take it, but the member is giving information not relevant to any question.

**Mr. Engel:** — Mr. Speaker, my new question deals with the fact that farmers have been contacting me on the business of grasshoppers and how many times they have to respray, and on collecting crop insurance for reseeding, and when is it available?

My question to you is this: in some areas of the province, farmers have already decided to reseed crops damaged by grasshoppers, and one of the key problems holding them up is getting a crop adjuster out to look at their crops. Will you tell me why farmers are being made to wait for adjusters when many of the adjusters have called me and said they haven't been asked to go back?

The adjusters themselves have called and said, look, I'm there, I'm available. My neighbor next door wants to reseed. Three or four days or five days after he's asked, after three or four calls, there's still no adjuster there. Will you instruct your crop adjusters to get out and respond to claims? Because it's very, very important when you're reseeding. If you're going to have to reseed, it's good to get it in early, especially when it's getting this late in the month.

**Hon. Mr. Devine:** — Again, Mr. Speaker, the hon. member is not accurate in his statement.

**An Hon. Member:** — Are you calling me a liar? Do you want their names?

**Hon. Mr. Devine:** — You can call yourself whatever you like. If you want to call yourself that, you call yourself that.

The facts are, Mr. Speaker, that the turn-around time, the turn-around time now for those people that are calling is, on average, three days across Saskatchewan – three days and you can have an inspector there. We have increased inspectors.

Second observation. If you can't get an inspector with that time, you're told to go ahead and seed it and leave a test strip and we'll look at it again. And that's standard knowledge out there. So for you to say that they have to wait a week or 10 days or there's no inspectors, it's just not the case. It's not the case.

And you may find one isolated case here or one some place else, but on average it's three days in the province of Saskatchewan. If they call, they'll have the inspector there within three days. And if they're not, they're informed: go ahead and reseed the whole outfit, leave a test strip, and we'll go and inspect it later.

### **Cost of Advertising in the Saskatchewan Report**

**Mr. Tchorzewski:** — I have a question to the Deputy Premier, Mr. Speaker. Mr. Minister, last week I asked you a question about advertising placed by departments of government agencies and Crown corporations in the Saskatchewan Report magazine. You indicated last week you would have that information for me last Friday. It is now a week later and I'm wondering, Mr. Minister, whether you're now able to provide that information.

**Hon. Mr. Berntson:** — I apologize to the hon. member, Mr. Speaker. As the hon. member knows, I wasn't here last Friday and I wasn't here last Monday and I wasn't here last Tuesday, but I do invite all members to once again join with me in offering congratulations to that publication on its first anniversary in Saskatchewan. And I will tell the hon. member I'll bring the information. I know it's on my desk in my office. I'll bring it down tomorrow.

**Mr. Tchorzewski:** — Supplementary. Mr. Minister, can you also assure me, when you bring that, you will bring comparative figures to show how much advertising for the same period of time was done in the Saskatoon *Star-Phoenix* and the Saskatchewan Business magazine which you also undertook to provide? And if you can do that tomorrow, I would be quite satisfied.

**Hon. Mr. Berntson:** — Mr. Speaker, I will be absolutely thrilled to provide the information that the hon. member asked for last week, and I had inadvertently forgotten to bring it down to the House, Mr. Speaker . . . (inaudible interjection) . . . Well I only forgot today because previously I wasn't here, so I couldn't very well forget to do something that I couldn't do when I wasn't here.

### **Power Line from Uranium City**

**Mr. Thompson:** — Thank you, Mr. Speaker. My question is to the minister responsible for the Saskatchewan Power Corporation, and it has to do with his admission last week that not all power users to be served by a new power line in the Uranium City region will see their power bills drop immediately, as he had claimed when he announced the project in March.

Can the minister tell us which specific categories of power users will see their power rates remain high until after the \$48 million line has been paid for, and can you tell us how long their power rates will remain at this high

level? Would it be five years or 10 years, Mr. Minister?

**Hon. Mr. Berntson:** — Okay. Eldorado at Rabbit Lake will be paying a significantly . . . well they'll be paying the diesel rate, I think, for 10 years at a particular consumption level. And it's estimated that after 10 years the project will be paid for out of that. There are certain categories that won't feel the immediate impact of the reduced cost because of the hydro.

This question falls in the same category as the question from the member for Regina North East. I believe you asked me this question last Thursday, a week ago, and I have been absent from the House in that period. I'm sure it's in the same . . .

**An Hon. Member:** — It's the whole session you've been absent.

**Hon. Mr. Berntson:** — I've been absent from the House for a large part of the session, as the hon. member just pointed out. And, Mr. Speaker, I will be prepared to bring that information, along with the other information that I bring down for the member for Regina North East, hopefully, Mr. Speaker, tomorrow. I will try very, very hard not to forget this time.

**An Hon. Member:** — Will you be here?

**Hon. Mr. Berntson:** — I hope so.

## **MINISTERIAL STATEMENTS**

### **Saskatchewan Commercial Bingo Inquiry**

**Hon. Mrs. Duncan:** — Thank you, Mr. Speaker. It is my pleasure today to release the Report of the Saskatchewan Commercial Bingo Inquiry and the Department of Consumer and Commercial Affairs draft response on the commercial bingo operations for public comment.

I wish to take this opportunity to publicly express my thanks and appreciation to the three members of the inquiry — to Chairman Norman McConnachie, of Swift Current, Margaret Cuddington, of Regina, and Anne Matthews, of Saskatoon. The report is thorough, thoughtful, and reflects the many hours of hard work which went into this public inquiry.

As you know, Mr. Speaker, gambling in Canada is prohibited under the Criminal Code. However the federal government does allow the provinces to license charities to conduct bingos, lotteries, and raffles for charitable purposes. Hon. members will recall that the bingo inquiry was established because of public concern about the rapid growth of commercial bingo operations and their ultimate impact in Saskatchewan.

Commercial bingo operations over the past five years have grown dramatically, and with this dramatic growth problems began to emerge. The public and the government became concerned that the charitable organizations were not getting a fair share of bingo revenues as prize boards and operating expenses soared. The government established a commercial bingo inquiry to receive public input into this controversial subject.

The report, which I am releasing today, and the department's draft response, outline a comprehensive set of recommended actions and guide-lines which I believe address the problems associated with bingo operations by protecting players and placing greater responsibility and control in the hands of the charities.

The bingo inquiry travelled to 11 communities throughout Saskatchewan. The inquiry went to Prince Albert, La Ronge, Meadow Lake, North Battleford, Lloydminster, Yorkton, Weyburn, Moose Jaw, Swift Current, Saskatoon, and Regina. Public response, Mr. Speaker, was overwhelming, with over 500 written submissions and 214 groups or individuals making presentations to the panel. Service clubs, church sponsors, individual bingo players, senior citizens, native groups, commercial bingo operators, and a whole host of other individuals and organizations made submissions to the inquiry.

Input from the public was varied, with some strongly held, diverging points of view. Consequently the report of the inquiry is complex and the response required careful consideration. The Department of Consumer and Commercial Affairs worked intensively to carefully analyze the report and to prepare our response. The issues and concerns raised by the inquiry are complex. I wish to emphasize as strongly as I can today that this is not government policy, but proposals for further discussion. I want public comment now on the best way to go about implementing the inquiry's recommendations. The department response provides this opportunity.

The primary recommendation is the establishment of a gaming authority to control bingos, break-open tickets, casinos, and raffles; to receive public comment on gaming issues, to recommend gaming policy, and to oversee the administration of gaming in Saskatchewan. As well, the need for a stronger enforcement agency was identified. The enforcement agency could be attached to the proposed authority, or be placed in Consumer and Commercial Affairs.

In addition to the establishment of the authority, a number of other actions and guide-lines are being considered. The department has put forward a series of proposed actions for public discussion. I would like to enunciate some of them, Mr. Speaker.

The establishment of a limit on prizes and restricting the number of sessions to be licensed at any one location in a 24-hour period.

Provision to allow organizations to allow for a once-a-year special event license to conduct a major bingo with a prize maximum of \$100,000. This, Mr. Speaker, would allow for the continuation of large, special event fund-raisers such as those conducted by service clubs in so many Saskatchewan communities.

All organizations receiving a bingo license being required to register as a charitable organization under The Non-profit Corporations Act. This recommendation, Mr. Speaker, means that organizations raising funds will be answerable to the public as the Act requires. It also

ensures that a democratic process will prevail in the operation of any organization operating a bingo. Accountability to the general public is critical.

The inquiry's report recommended that some groups such as individual sports teams be prohibited from sponsoring bingos. Mr. Speaker, traditionally, these groups have been permitted to sponsor bingos, and we believe it unfair to cut them off completely. The government is now asking the parties involved to give us direction on how this problem which was identified by the inquiry can be fairly resolved to the satisfaction of all.

The inquiry recommended the establishment of mandatory bingo hall user associations. The department agrees that there is a significant merit in setting up bingo associations. However, we prefer to encourage the establishment of city-wide, voluntary associations, rather than forcing hall users to establish an association for a particular hall.

The primary goal outlined by the department's draft response is to return control of bingo operations to the sponsoring charity.

The inquiry recommended the removal of break-open tickets from bingo halls. This, as you can imagine, Mr. Speaker, would have a very dramatic effect on fund-raising capabilities in Saskatchewan.

The results of the inquiry's own questionnaire indicated that 94 per cent of respondents wanted break-open tickets sold in bingo halls. We believe that with proper controls, break-open tickets should be continued to be sold in bingo halls. Break-open tickets are available in many other outlets and should be available in bingo halls as people go there for that purpose.

Hon. members will appreciate that this is a matter which the proposed gaming authority will probably wish to examine further. At this time, the government will be governed by public response.

Whatever provisions we institute after public comment is received, I want to make a commitment to the charitable organizations in Saskatchewan. The new provisions that will be introduced in keeping with the Criminal code amendment will specify the role and the responsibilities of charitable groups when sponsoring bingos. These responsibilities are significant and are not unlike those required to run a small business. My department will be developing a self-help kit for charitable groups to familiarize themselves with the provisions and to assist them in acquiring, where necessary, the management and administrative procedures required. Instituting a series of provide-wide training programs may also prove helpful.

Mr. Speaker, I believe I have just outlined a comprehensive approach to public concerns regarding bingo and gaming in our province. This has been a difficult issue for the government to deal with because of the controversial nature of the broad questions of gaming. Everyone recognizes the potential for negative social consequence if gaming is not properly controlled, but banning gaming altogether is not the answer. Public

education so that individuals can make wise decisions about their own involvement, coupled with proper controls, is essential.

We believe that the above approach can provide the necessary balance to most effectively protect the public interest. More specifically, it will ensure that the original purpose of licensing bingo is realized and, of course, that is to raise money for charitable objectives.

I look forward to the comments of the public on both the report of the commercial inquiry and the Department of Consumer and Commercial Affairs' draft response.

Thank you, Mr. Speaker.

**Mr. Shillington:** — I want to thank the minister, Mr. Speaker. Presumably that was the report word for word, and she saved us the necessity of ever reading it. I can't imagine the report is any more verbose than the statement.

Madam Minister, there is a number . . . I wish to point out to Madam Minister, that there's a limit to the number of times you can spin the wheel, and I want to remind you of the process. You had a public inquiry so that you might get public input. You got the report almost six months ago. It took you six months to table it. In those six months you've not taken the position, not expressed any opinion on the recommendations. All you did in six months apparently was read the report. You've now tabled it, and you want public input.

Madam Minister, what the charities and the public of Saskatchewan want is not an opportunity for input, they want some action from you. There are some very serious problems with bingos, everything from charities who can no longer enjoy the revenue they used to, to RCMP officers reporting illegal activities involved in bingos.

Madam Minister, none of that apparently is worthy of any action. What we would have expected after six months of inaction was not a request for further input but for some action. It is really regrettable, Madam Minister, that apparently another year is going to go by without any action being taken since action almost certainly involves legislation in this area.

I take it, Madam Minister, that we are going to go through another one of these processes of paralysis by analysis. I wished I knew what was causing the minister so much difficulty, and I might try to help her with it. I don't know what on earth is taking Madam Minister so long to make up her mind on a problem which cries out — shrieks in the loudest possible terms — for action.

So I ask you, Madam Minister, if you won't reconsider your inactivity and take some concrete action at the earliest possible moment. Thank you.

## INTRODUCTION OF BILLS

**Bill NO. 56 – An Act respecting the Sale of Assets of Prince Albert Pulp Company Ltd. And Saskatchewan Forest Products Corporation and the Establishment of a Paper Mill in Saskatchewan**

**Hon. Mr. McLeod:** — Mr. Speaker, I move first reading of a Bill respecting the Sale of Assets of Prince Albert Pulp company Ltd. And Saskatchewan Forest Products corporation and the Establishment of a Paper Mill in Saskatchewan.

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

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### SECOND READINGS

#### **Bill No. 52 – An Act respecting Labour-sponsored Venture Capital Corporations**

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. I am pleased to rise today and move second reading of the Bill creating the Labour-sponsored Venture Capital Corporations.

As members are aware, I have previously brought forward a Bill to create the stock savings credit Act, and the Premier, the Minister of Agriculture, has introduced a Bill to create the livestock facilities tax credit. This Bill introduces the third and final new tax credit initiative announced in the budget.

These measures, combined with the extension and enhancement of the livestock investment tax credit and the venture capital tax credit, create an extremely effective strategy in promoting job creation and economic development in the province. They promote activity in targeted sectors of our economy, sectors which have demonstrated perseverance and dedication in the pursuit of expansion and development.

(1445)

The labour-sponsored venture capital program fits well into this strategy. It opens another opportunity for small- and medium-sized business to raise equity financing for expansion and job creation.

However, this new incentive does much more. This program will also provide an opportunity for employees to become actively involved in the ownership of Saskatchewan businesses. This will have the effect of increasing the employees' commitment to the work place in instances where his or her investment in a labour-sponsored venture capital corporation is channeled through to his or her place of employment.

Finally, this program will create a Saskatchewan-based investment alternative for employees who would normally be attracted to investments which result in a capital outflow to other parts of Canada.

In presenting this Bill today, I would like to make some specific comments regarding the contents of the legislation as it defines the proposed structure of the labour venture capital program.

This legislation presents a number of considerations

which have never been introduced in Canada previously. We have attempted to introduce a program which will maximize an employee's interest in investing in small- and medium-sized business through a consolidation of tax incentives being offered by the federal and Saskatchewan governments.

We've also attempted to design this program so that it will be of interest to a wide variety of labour groups, ranging from major labour unions to smaller employment co-operatives.

The essential design parameters are as follows:

The labour groups will be permitted to organize and manage labour-sponsored venture capital corporations. Labour-sponsored venture capital corporations will take one of two basic structures: type A corporations, which will be broadly based investment funds that invest in a variety of eligible investment; and type B corporations, which will be formed by employees wishing to invest in their employers' business.

Eligible investors will be employees who reside in Saskatchewan. And in the case of type B corporations, only employees of the related business will be eligible.

Eligible investments include small- and medium-sized businesses resident in Saskatchewan. Permitted investments must have as their primary objective the maintenance, creation, or protection of Saskatchewan jobs. And finally, employees who invest will earn a provincial tax credit equal to 20 per cent of their investment, to a maximum of \$700 per year.

It is possible that investors will also be eligible to receive a 20 per cent federal tax credit with an annual maximum of \$700. The employee could also consider part or all of the investment as a contribution to a registered retirement savings plan.

These design parameters have been developed through a process of consultation with interested parties, including labour organizations and the Government of Canada. These discussions have provided a great deal of insight into the conditions under which this program must operate. However, we have not finished the consultative process.

There are still a number of considerations which we are currently reviewing in the interest of finalizing a design which will effectively promote labour venture capital in Saskatchewan. As a result, while this Bill presents most of the primary design components of the labour-sponsored venture capital tax credit, it does provide an opportunity for future input and negotiation by labour in tailoring the program to meet Saskatchewan's unique requirements.

The Bill also defers the definition of certain terms and conditions which are important in ensuring a proper fit between our program and the recently announced federal labour venture tax credit program. This is a critical element in program design, since the attractiveness of the labour venture capital initiative depends on the application of both programs.

The Bill is an important step in the achievement of a strong business community. It represents an innovative concept, where labour is able to invest funds in a business, in addition to the important contribution that is made through an individual's labour. It is our belief that labour will react positively to the labour venture capital concept and will continue to work with us in the maintenance and creation and protection of jobs in Saskatchewan.

It therefore gives me great pleasure to move second reading of Bill No. 52, An Act respecting Labour-sponsored Venture Capital Corporations, that the Bill now be read a second time.

**Hon. Mr. Blakeney:** — Mr. Speaker, the Bill is interesting. It is technical in nature. I would want to have an opportunity to study the remarks of the minister before expressing a firm point of view on the Bill; accordingly, I beg leave to adjourn the debate.

Debate adjourned.

## ADJOURNED DEBATES

### SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Dutchak that Bill No. 51 — **An Act to amend The Legal Profession Act** be now read a second time.

**Mr. Koskie:** — Thank you, Mr. Speaker. I want only to make a few brief comments in respect to Bill 51, the Legal Professions Act.

One of the amendments to The Legal Profession Act provides, as is indicated by the minister in his comments, a recommendation from the national law society body that it will be necessary for persons who wish to be admitted to the practice of law in the province to be Canadian citizens.

This is an interesting provision, and I want to pursue it more with the minister in respect to that provision. Because previously under The Legal Profession Act, if you were a British subject, you were entitled to practice law here in the province of Saskatchewan. This is a departure — and I don't know to what extent. There has been no indication, and we can get into that in the committee of the whole, of course, as to what discussion has taken place.

I suggest there are problems in respect to the implementation of this here particular recommendation or limitation on allowing people other than Canadian citizens to practice law. And in fact I draw to the attention of the House a recent case where this very matter was tried in British Columbia; keeping non-Canadians out of the B.C. bar violates the Charter. And in this law case . . . Section 15 of the Charter provides certain rights that you won't have discrimination on the basis of race, colour, creed, and so on. And in this particular case it went to the Court of Appeal, and the Court of Appeal held in this instance, and they gave their decisions, their reasons, that in fact there could not be a discrimination — that on the



basis of having to be a Canadian citizen.

Every individual is equal before and under the law and has the right to equal protection and equal benefit of the law without discrimination and, in particular, without discrimination based on race, national or ethnic origin, colour, religion, sex, age, mental or physical disability.

And that particular section in the B.C. case, the Court of Appeal in British Columbia indicated that the B.C. bar enactment violates the Charter of Rights.

This may be the problem here, and I will be asking the minister whether or not he has turned his mind to it, and whether or not he has had any input from the Saskatchewan bar.

I'm a little concerned also in the direction that it may take, and that is closing off the opportunity of some very talented people coming and joining our profession. I think it's a concern, and I would hope that we may take a look at it because I would have thought, as the world became smaller and the interchange of societies – we are talking about free trade and so on – and the interaction of various cultures and countries, that rather than closing the society to people that we would welcome qualified people.

We're not dealing strictly here with the qualifications, that is the educational competence or whether they're properly trained. We're dealing primarily just on the basis of not being a Canadian citizen and they have to qualify for that before being entitled to practise law.

I'm concerned in the direction – other direction, if I might mention – and that has to do with other foreign students, for instance at the Regina campus, not being able . . . or being somewhat discriminated against by a massive increase in the amount of the tuition fees. And surely I hope that Saskatchewan will, in fact, always welcome to inside its borders competent people. So I would like to know whether there is a particular problem here, whether we have, in the view, documented problems with foreign lawyers practising; whether there are deemed to be too many, or what is the reason for precipitating it.

I want to pursue that, Mr. Speaker. The other amendments are more technical in nature, and some just make it more convenient for the process of the hearing committee and the appointment to the various committees – discipline and the hearing committee. I think we are in agreement with those. There's a particular new section that I'll want to deal with in detail. But I raise that particular concern, and we'll be discussing that in committee of the whole.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that Bill No. 53 – **An Act to amend The Forest Act** be now read a second time.

**Mr. Thompson:** — Thank you, Mr. Speaker. This Bill proposes a number of amendments to The Forest Act, and several of these amendments will have a significant impact on parts of our province. So I think we should examine them with care, Mr. Speaker.

It was the Minister of Energy who got up in the House on June 10 and moved this Bill to second reading stage. Some of what he said at that time was of considerable interest. The minister said that the forest companies had, and I quote:

. . . expressed some discomfort with the present forest Act.

The minister went on to say that, in making the changes asked for by the company to provincial law and regulations, the provincial government has two key objectives, and again I quote:

(1) to provide forest companies with a secure fibre base and security of tenure within the limitation of the resource base; and (2) to conduct relations with the forest industry in general on a more business-like basis through contractual arrangements that specify the terms and conditions of operations.

In other words, Mr. Speaker, the government's apparent sole interest is to grease the wheels for the timber companies, especially the Weyerhaeuser corporation. You will notice that the minister is stating the key objectives of the government, makes absolutely no mention of conservation or environment protection, or multiple use of forest land for protecting the livelihood of small-business people involved in resort operations, or the role of local governments in deciding the amount of logging to be permitted for local input to decisions.

Note: none of those are mentioned. Apparently they are not important enough for the Devine government, or to even mention its objectives. What is important are the two key objectives. One of these objectives is:

. . . to provide forest companies with a secure fibre base and security of tenure within the limitation of the resource base.

Which is to say go ahead and cut until the trees run out.

Mr. Speaker, I think this Act is going to – it erodes the autonomy of many of our local governments. And I want to give you an example of how control is today on a small northern community, and I'm going to use Buffalo Narrows as an example, which has a 3-mile radius that they have control over. And in that 3-mile radius, the community of Buffalo Narrows, they have the say as to who will go in and cut the timber. And they have real beautiful timber stands within their 3-mile jurisdiction.

(1500)

If somebody wants to go in there and cut 10,000 board feet of timber or lumber, what they do, the contractor would go to the local Parks and Renewable Resources office to get a permit to go in there and cut. But before Parks and Renewable Resources would give them that permit or permission to go in and cut, they would first go to the village office, and they would ask the mayor and council if they wanted that contractor to come in and cut this timber out. Now that is local autonomy that our municipalities have.

Under this legislation, I say that if a contractor goes into Buffalo Narrows and he wants to cut the timber in there, he has the right to go over the heads of the mayor and the council and go directly to the minister, and the minister, with his authority under these amendments, will be able to give that contractor the right to go into that forested areas which is under the control, in the town limits, and take out the timber; and also, not only to take the timber, but to construct roads into that timber.

Right now the community has the right to say, the roads shall go into that bluff of timber in a certain area, not necessarily the shortest route in, but they have some say as to where the road will go and the timber. And I think that this is going to erode a lot of our local governments in this province who have a right to say who is going to harvest this timber and how it's going to be harvested. And we all know that timber around our communities, some of that timber should be cut today, and some of it should be cut 10, 15, 20 years down the road.

So I think that we have to make sure that that control is not taken away from the local communities and that the R.M.s, that they have that control, and if the timber is going to be taken out of there, that it is cruised by Parks and Renewable Resources. They have the timber cruisers to go in there and cruise it and only take the mature timber. The rest will be left until it matures.

And I will continue with my remarks, Mr. Speaker, which is to say, go ahead and cut until the trees run out.

The other key objective is to conduct relations with the forest industry in general on a more business-like basis to contract an arrangement that specify the terms and conditions of the operation. And, Mr. Speaker, Bill 53 certainly does that.

This Bill, if passed, will make useless any regulations of the forestry Act, and any municipal development plan, and any zoning by-law and basic planning statement; any interim development control by-law; any district development planned, and any district zoning by-law. I have just spoken on that, that it takes away the local autonomy.

Section 3 and section 8 of this Bill do exactly what I have just said. And if you don't believe me, look at the explanatory notes handed out with Bill 53.

Section 3 of the Bill is described as follows, and I quote:

This amendment will allow specific provisions in a management licence to prevail where they are in

conflict with the regulations.

What that means, Mr. Speaker, is this. The regulations attached to The Forest Act are available to the public and can be used by any group or individual to have the government and the timber companies conform to certain standards. But the regulations are to be discarded under section 3 of this Bill and replaced by the back room deals worked out between you and the timber companies.

It is changing the system from one which is open, straightforward and honest to a system that is open to abuse, political patronage, kick-backs, and it's conducted behind closed doors.

I mentioned earlier, section 8 of this Bill, and again I want to read the explanatory note produced by the Department of Parks and Renewable Resources, and it reads as follows:

This section will clarify that the authority for the use of forest lands for forest-related purposes lies with the provincial government through The Forest Act, and not with other municipal jurisdictions.

And I alluded to that also, what it would do to the local autonomy. That, Mr. Speaker, is a real slap in the face to municipal governments who have a direct interest in the logging activities inside their boundaries. I use as an example the Rural Municipality of Lakeland in north-central Saskatchewan. Lakeland included communities and resorts like Christopher Lake, Anglin Lake, and Emma Lake.

The R.M. of Lakeland has a very extensive municipal development plan, which was passed by the R.M. council as a by-law on July 13 of 1982. The R.M. then negotiated the agreement of the Department of Parks and Renewable Resources and Rural Affairs.

On October 14, 1982, the Lakeland municipal development plan was approved by the Department of Rural Affairs with the deputy minister signing the agreement for the minister. Under the municipal development plan agreed to between the province and Lakeland R.M., timber cutting is permitted in the municipality, but in a managed and sensible way.

The R.M. of Lakeland has never tried to eliminate the timber companies from the municipality. The local government has simply tried to have some say over such things as protecting resort areas from logging, and keeping hauling roads out of populated areas, and preserving the natural surroundings near settlements.

If someone objected to these restrictions, they could take their case to the development appeal board, and if dissatisfied there, they could appeal the matter in court. The province had always considered itself bound by municipal development plans which had been approved by the provincial government. But that all will change now, Mr. Speaker, if this Bill passes. If the legislature passes Bill 53, municipal governments will be completely unable to regulate or control logging that goes on within

their boundaries.

R.M.s like the one I mentioned, Lakeland, which has done an excellent job of designing a by-law to cope with multiple use of land, are now being told by the Devine government: get lost, you are not going to have a word to say about timber cutting in your own backyard – and that's really what the Bill says.

This is really an example of big brother at work. The Conservative government has decided to grease the wheels for their pals who head up the big timber companies; and municipal governments, conservationists, resort operators, cabin owners, trappers, environmentalists, northern residents in general can be damned.

Well I tell you, Mr. Minister, we in the New Democratic Party are not going to stand idly by and permit those people to be trampled by the Conservative government. We are going to fight hard to have satisfactory answers to the legitimate questions brought to us. Questions like: why is it necessary to suspend the regulations of The Forest Act, and in their place put the terms of a private deal worked out behind closed doors with the owners of timber companies? Why are all the rights and powers of municipal governments being stripped away by a big brother provincial conservative government? Why is that necessary? Why are you scrapping the requirements for a forest management plan which is in The Forest Act now? Why abandon this sound management procedure which helps us work towards long-term, reliable yields from our own forests?

And why is it necessary for this Bill to repeal section 22 of the present Act? The existing section 22 permitted the provincial government to change a timber agreement when the company refused or neglected to comply with the licence. Now that right has been removed and more power put in the hands of the timber companies – and we want to know why.

We want these important questions answered, Mr. Minister, before we ever consider support for this proposed legislation. Thank you, Mr. Speaker.

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

**Hon. Mr. Blakeney:** — Mr. Speaker, I want to add some words to those of my colleagues with respect to this Bill. This Bill contains a number of principles. I will touch on three or four.

The first one, really, is set out in section 3 of the Bill, and it is repeated in a number of other sections. And what it says is that the previous provisions of The Forest Act – which made forest management licences and other dispositions of Crown timber, made them subject to the Act and subsequent Acts and to the regulations – is to be repealed. And hereafter the provisions of a forest management licence, which will go on for 20 or 25 years, will not be subject to the Act and the regulations.

I think that's the fair reading of this section and the other sections which follow it.

There's a further provision which seeks to change the legal status of the Crown and removes the exemption which the Crown may have from certain legal actions which might have been mounted. That is contained, Mr. Speaker, in section 58 of the existing Act and is dealt with in section 7 of the Bill.

Now with respect to that provision, I am not now quarrelling. I have long been in favour of provisions which limit the exemptions which the Crown may have from being haled into court if they are in breach of certain arrangements which they may have made.

The third point I want to touch upon is the one which my colleague, the member for Athabasca, has touched on in some detail, and that is the excluding of any application to forest lands – and we should understand . . . If I understand the Bill correctly, we're not talking about provincial forests. We're talking about all the forested land in the province, excluding from all of this land, and from others which may be transferred into that category by order in council – which can be done every day; any Crown land that is in the hands of the Department of Agriculture can be made forest land by a simple order in council – again if I understand the provisions of the Act correctly.

All of this land is to be excluded from any application of The Planning and Development Act, and any of the zoning by-laws, and any of the many, many other provisions of a similar kind which we have developed in order to give land owners, householders, farmers, cabin owners, resort operators, and others, some security of tenure in knowing what sort of an activity will take place in their immediate neighbourhood.

That's what zoning is all about, and in effect zoning is being abolished by this Act in so far as it might relate to any land on which trees grow. That overstates it only mildly, Mr. Speaker, and certainly doesn't overstate it with respect to any land on which commercial timber grows.

Now, Mr. Speaker, I want to come back to the first point. I have not heard the arguments which say that somehow we must make a forest management licence entered into by the minister, paramount, superior, having greater force and authority than orders in council passed by the Premier and his cabinet, and than Acts passed by this legislature. And that's what this Bill does. And I know of no demonstrated reason for it.

These are not the first forest management licences we have had in this province. Forest management licences have operated in the past. Simpson Timber Company Ltd., for example, has operated with a forest management licence or equivalent for 20 years. Simpson Timber, a U.S. timber company, has operated successfully in so far as I am aware, without molestation under Liberal governments, New Democratic Party governments, Progressive conservative governments. The current rules work and so far as we are aware, we have never heard people like Simpson Timber Company say that they feel particularly at risk.

MacMillan Bloedel, which is perhaps Canada's largest

timber company, has operated for close to 20 years; it may be over 20 years now. With a timber disposition, under the existing Forest Act, I believe a forest management licence – but I'm subject to correction on that, and it doesn't matter for the argument; it doesn't matter what the title on the top of the document is – they have been subject to the existing Forest Act. And so far as I'm aware, they have never expressed any view that their source of fibre was at risk.

(1515)

Certainly when our party was in office, I recall no submissions on behalf of Simpson Timber, no submissions on behalf of MacMillan Bloedel saying they felt insecure as to their fibre supply because of the existing provisions of The Forest Act.

And the same, Mr. Speaker, is true with respect to the Parsons and Whittemore organization which operated under the name of Prince Albert Pulp Company Limited and some other subsidiary, the names of subsidiary companies. And Parsons and Whittemore, if anybody, would have perhaps felt insecure since it is common knowledge, I think, that when the government changed in 1971 there was a difference of view between the new government and Parsons and Whittemore with respect to some proposed operations in the north-west area of Saskatchewan.

Notwithstanding that, notwithstanding the fact that there was some pretty hard bargaining, notwithstanding the fact that a settlement was arrived at, I can recall no occasion on which Parsons and Whittemore suggested that their fibre supply was at risk under the provisions of the existing act.

And I am very puzzled, Mr. Speaker, to know why members opposite suggest that we must now change the whole structure of the forest legislation to make forest management licences supersede the regulations, and apparently – and that is the way the Bill is written – apparently supersede legislative provisions that might be enacted by this legislature.

Now, Mr. Speaker, this is put forward on the basis that it is business-like. Mr. Speaker, it is not business-like, at least with respect to legislation, for this very good reason. Nothing that we pass in this legislature can stop the next legislature from abrogating what we may pass here today or next week.

None the less, Mr. Speaker, to put these provisions in an Act, saying that the forest management licence supersedes legislation when we know it isn't true – we know that the next legislature can legislate that all away – creates in the minds of people who may not be familiar with our system a belief that the forest management licence rests on a different footing than in fact it will. And that's not good business. Not good business.

Mr. Speaker, members opposite are shouting about buying things back for a dollar. The dealings with the timber companies of this province, U.S. and Canadian, during all the years under three governments, have not suggested any arbitrary action on the part of any

government, and I don't expect any.

Therefore I don't, Mr. Speaker, think that we should legislate in a manner which would suggest that a person entering into, or a corporation entering into, a forest management licence had somehow some protection against acts of this legislature 10 years hence. We all know that isn't true. We all know that that cannot be done, and it is simply bad business to suggest to someone it can be done. If it was sought to say that the forest management licence should supersede the provisions of an order in council, that could be done. The wisdom of it might be debatable.

But this Bill, if I understand it, — and it's very confusing in its language – seems to suggest that the forest management licence will somehow have paramouncy over any Act of a special or general nature. I'm reading section 3 of the Bill, and I admit it to be confusing as to its legal effect.

What it seeks to convey, however, is not confusing. It seeks to convey the impression that these forest management licences somehow will be paramount, will take precedence over any regulations which are passed in the future, and any legislation which is passed in the future. And we know, at least with respect to legislation, that is not true.

I don't want to get into an argument about regulations, but with respect to legislation, we know it isn't true and we're not dealing straight up with anyone if we try to suggest to them that it is true. And again, Mr. Speaker, nothing in what has happened in the last 20 years, I suggest, with Simpson or MacMillan Bloedel or Parsons and Whittemore, has laid any groundwork for believing it is necessary.

I therefore find this type of legislation unfortunate and unwise. Unwise because I think we are suggesting to timber companies that the forest management licences will stand on some different footing than in fact they will. I understand, I believe, what is being done to attempt to suggest to companies that the forest management licences will be treated with great seriousness and will not be frivolously or arbitrarily interfered with. And I think that's fair.

That's fair because people are investing substantial sums of money on the basis of a source of fibre, and understandably they would like to know that if their investment is for a 20-year term, their source of fibre is for a 20-year term. And that is understandable.

I wish however, Mr. Speaker, to reiterate the point that in the type of government we have, nobody – this legislature acting in 1986 – nobody can bind a legislature of 1996, and we shouldn't suggest that we can. We can't, and we know we can't, and it's bad business to suggest that we can. And it's particularly bad business if it's being read by any corporation from the United States, because I have found in the past a certain misunderstanding as to how our system works and as to whether or not the Crown can be bound without any possible recourse by the Crown to abrogate a contract which already exists. So I don't think we should do that,

and, as I say, we don't need to.

I therefore find this legislation unwise on at least two counts: the one dealing with this, as I say, admittedly confusing provision in section 3 of the Bill, which is designed, I believe, to state that forest management licences shall be of more force and effect than regulations and future changes in the Act; and the second provision which, as I say, on all land which has merchantable timber at least seeks to exclude the application of The Planning and Development Act and all similar legislation.

I think that those are unwise provisions. I think the Bill therefore is unbalanced, unwise. I've indicated that I do not quarrel with the thrust of another provision limiting the exemptions of the Crown from legal actions. Other provisions which propose to repeal section 22, I will not deal with at this time, but will deal with it in committee.

I find myself, therefore, Mr. Speaker, in opposition to the proposal in the Bill and will be voting against the Bill.

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

**Hon. Mr. McLeod:** — Mr. Speaker, I wonder if I might have leave of the Assembly to introduce some guests.

#### INTRODUCTION OF GUESTS

**Hon. Mr. McLeod:** — Mr. Speaker, it's a pleasure today to introduce to you, and to all members of the Assembly, a group of 23 grade 7 and 8 students from the community of Glenavon in the Indian Head-Wolseley constituency. I'm doing this on behalf of my colleague, the Minister of Health, who's unable to be with us today. I want to introduce these students and wish them well in their visit to Regina.

They're accompanied here today by their teacher, Robert Fournier, their chaperons, Florence Psiurski, Ray Muchowski, and Jim Scott. I will be meeting with them in a few moments — I believe in about half an hour — and will be willing to answer questions about whatever topics you might like to raise.

The reason I had agreed with the Minister of Health that I would like to introduce this group, Mr. Speaker, is that some number of years ago, I guess before these young people were born, I spent some time in Glenavon working for Interprovincial Pipe Line, whom you will know because it's a company that's a major company in your community. And we can talk a little bit about that and about some of the family names and so on, and I know it at that time was a very, very friendly community. Those people made myself, and others who came there to work, very welcome, and I would say that we'll try to do the same for you here in the legislature today. I would ask all member to join with me in welcoming the group from Glenavon this afternoon.

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

**Hon. Mr. Maxwell:** — Thank you, Mr. Speaker. If I may, Mr. Speaker, prior to getting into my remarks, I too would like to pass a word of welcome to the students from

Glenavon and Mr. Fournier, whom I had the pleasure of meeting a year or two ago when I was guest speaker at graduation there. Nice to see you; welcome to Regina; have a safe trip home.

#### ADJOURNED DEBATES

#### SECOND READINGS

#### Bill No. 53 (continued)

**Hon. Mr. Maxwell:** — Mr. Speaker, it's rather difficult in rising to close debate to address, obviously, all of the questions which were raised by the opposition. Naturally I don't agree with all of the points put forward by the member from Athabasca or the Leader of the Opposition.

However, I will concede that indeed there were one or two good points made, and some points that will need addressing specifically in committee of the whole when we examine it clause by clause. There are some questions that I feel I can more fully address and perhaps allay some of the fears of the members of the opposition as to the precise intent of this Bill. There is certainly no intent to be greasing the wheels of timber industries or any one company in particular.

Mr. Speaker, I did in fact meet with all of the timber companies in the province and have discussions with them prior to the introduction of the Bill in the legislature. I will say, Mr. Speaker, I also had several meetings with members of the Saskatchewan Council of Independent Forest Industries. I met with them many times last year, and I met again with them last week. It was primarily at their instigation that I gave some thought to taking a look at proposed amendments to The Forest Act.

And when I looked at some of the provisions — specifically I believe the Leader of the Opposition referred to section 22 — I realized that in fact I did have some very sweeping powers, powers which may not have been invoked in the past but which are hanging in the background and could in fact preclude business deals with other companies who may be interested in coming into the province.

I believe there's also a clause, a provision in the Act, which took away allocations from some small operators in the 1970s to provide increased or better or more allocation to the current corporations. And I just feel, Mr. Speaker, that any provision which gives me unilateral, sweeping rights not only to alter a forest management licence agreement after it has been signed, not only to alter it but to cancel it altogether, and furthermore pay no compensation to the affected companies, is a somewhat odious clause. And I think it is one that I made no apology for proposing to repeal under these new amendments.

(1530)

The member from Athabasca did bring up some points about consultation, about the forest management plan. Any time a forest management licence agreement is negotiated, Mr. Speaker, there is provision with that for a forest management plan. The forest management plan will be presented to those local jurisdictions to which the

hon. member referred, and they will have a chance to be consulted. In fact, this morning, when I was going through some of the provisions of this Act, I specifically directed my officials that under no circumstances will the forest management plan be approved prior to consultation taking place with local jurisdictions. So that will be happening.

Mr. Speaker, governments currently could make forestry agreements one day and then unilaterally and arbitrarily break them the next day without any redress whatsoever to the injured party. I don't believe that that is a good basis for attracting multi-million dollar investments which are required to put the Saskatchewan wood industry on a profitable footing and to elicit industrial investments and proper forest management and utilization.

Another major thrust of this Bill, Mr. Speaker, is to remove any uncertainty as to which Act governs the harvesting of timber and other related forest activities on provincial forest lands. Industry cannot be expected to feel secure and confident in an environment in which it is not clear as to who they must work with to pursue their corporate interests regarding wood supply and forest management.

Mr. Speaker, I feel that these amendments reflect current government thinking and will provide an increased level of security of fibre base in tenure to the forest industry. I'm also very hopeful, Mr. Speaker, that those small operators who were forced out of the industry in the 1970s will find a warm welcome back into the forest industry.

And, Mr. Speaker, obviously I will be supporting the amendment as proposed in its entirety. And I'll be pleased to get into further discussion in a question-and-answer nature in committee of the whole. Thank you.

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

### INTRODUCTION OF GUESTS

**Mr. Muller:** — Thank you, Mr. Speaker. On behalf of my colleague, the Attorney General, the member from P.A.-Duck Lake, there's 70 grade 7 students in the west gallery; the teacher, Miss Thorpe — hi Betty; chaperons, Mrs. Kaufenberg, Miss Davis, Miss Isbiester, and Carl Folvik — the printing isn't very good on this.

But anyway, I would ask all members to . . . I'm sorry. They're from Queen Mary elementary school, Prince Albert, Saskatchewan, which is part of the Prince Albert-Duck Lake constituency within the city of Prince Albert.

I would like all members to greet the students here. And I wish them an enjoyable time in Regina and a safe trip home, and I'll be meeting with them at 4 o'clock for pictures and drinks.

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

### COMMITTEE OF THE WHOLE

#### Bill No. 30 — An Act respecting a Livestock Facilities Tax Credit

Mr. Chairman: — Perhaps the minister in charge would like to introduce his officials.

**Hon. Mr. Devine:** — Mr. Speaker, I have the deputy minister of Agriculture, Mr. Wayne Holt, who is an economist with the department.

### Clause 1

**Mr. Engel:** — Thank you, Mr. Chairman. Mr. Minister, the livestock facilities tax credit — I suppose the purpose of the Bill is to encourage livestock numbers in the cattle industry in general in Saskatchewan. Could you tell me about what the cow population was in Saskatchewan when you took office and what that is today? Have you numbers like that with you?

**Hon. Mr. Devine:** — I don't have the exact numbers, Mr. Chairman, but, ballpark, it's moved from 850,000 to about 780,000 head, give or take a thousand.

**Mr. Engel:** — I don't have the precise numbers either, and you never ask a question unless you know the answer — I suppose is a good rule — but press reports and statements I've heard around is that the cattle population, the cow production population, is the lowest in close to a 20-year history.

And I'm wondering if you still feel like you did yesterday that the thrust you have in your department — and I'm not going to take a long time with this Bill because the general principles can be discussed later today when we get into your department's estimates. But I've been criticizing you for your philosophy of shoring up the wealthy and the rich rather than putting some money into building livestock facilities and helping young people and farmers getting started, expanding, or even buying an existing facility. That, I think, would encourage livestock numbers more than giving tax benefits to wealthy people that are building livestock facilities and that don't necessarily have to be bona fide farmers.

I read by your remarks you made when you introduced the Bill that you were hoping that that would even encourage people from outside of Saskatchewan, and I'm wondering if the tax credit would just apply to people that pay a Saskatchewan income tax. I presume that was part of the aspect. So I'm not sure how that relates to the words you used, that this was going to be such a great Bill to encourage others to come into Saskatchewan, to outside corporations — Safeways or something like that — to build a big facility to have a factory to go into a commercial production of cattle.

So I think, number one, what I'm saying is that your programs have been ineffective as far as encouraging the cattle industry, as far as encouraging new people to get into it; and number two, that the drain on the purse is going to affect us more than it does you, because it'll be close to three years down the road before they have to provide that they're in the industry, or something, that the tax credits apply . . .

You're spending the next government's money, is basically what you're doing, not your own, by allowing a

tax credit that doesn't encourage somebody today. You're making us pick up the heavy tab of this aspect.

So I'm kind of worried about what kind of load you're leaving us and how tough an assignment we'll have there. But basically a comment on how you feel this is going to encourage the cattle populations by allowing a tax credit, rather than putting the same amount of dollars up front like the old farmstart program did – and you didn't like it when I referred some of Ross Thatcher's programs before, but he was one of the originators of the farmstart that I can remember when I had relatives get into cattle production.

If the legislation was in place, if they were in so long, they got help with their interest and recoveries on their interest. And we carried on and expanded on that program even further . . . that up to the first eight years in business. And during those first eight years in business, the person actually got a reduction in his payments from the farmstart, which is now the Saskatchewan credit corporation's money that they are paying back.

This one here kicks in after that. The business that's making money and a business that's in there from a good, well-heeled financial operation will then get a tax credit for building a facility on the income tax he pays. And to me that sounds like you're trying to do a favour for a friend rather than encourage a business. You're creating another tax loophole.

I'm wondering what the position is of the cattlemen, the official positions. I understand in Carlyle you got beat up just slightly from your good friends, an association that basically has been supporters of your party and, in general terms, should have been a comfortable setting for you to speak at, rather than coming out with newspaper stories and resolutions questioning you.

But I'm wondering why you chose this route to try and encourage the cattle industry when the numbers are the lowest they've been in 20 years.

**Hon. Mr. Devine:** — Mr. Speaker, first of all, the cattle numbers across western Canada are down. They're down for a couple of reason. They're down in Alberta, down in Manitoba, and down in Saskatchewan, in terms of the cow population. They're down because prices were down and farmers responded, so that they marketed more cows than they normally would.

Secondly, they're down in Saskatchewan as a result of drought, and you know that, and because of the difficulties with respect to feed in southern Saskatchewan. And so, rather than keep as many cows, they culled more cows during times when there was a shortage of feed.

With respect to our incentives and if they worked, we have approximately 100,000 more head on feed than we previously did. So our incentives to encourage the livestock feeding business has worked significantly. In fact, it's gone against the grain across Canada. Where others were going down, Saskatchewan has gone up because of the incentives that we've provided.

With respect to the tax break, as I pointed out yesterday, the livestock investment tax credit, where you write off \$25 a head and so forth, the majority of that goes to very small operators – 70 per cent of it went to people who sold less than 50 head, and 49 per cent went to those that sold 20 head or less. So it was precisely targeted at those individuals that were getting into the livestock business or had small operations and small incomes.

So I'm not sure whether you're going to vote for or against this, but it is an incentive, an encouragement, to build new facilities by people who are starting or people who want to expand, or both. So if you're against it, I mean, we might as well get right at it and say, all right, you'll vote one way and I'll vote another.

But it's something that the industry has recommended to me. The livestock producers would like to see a tax credit for new facilities. And because they can run 15 per cent credit over a number of years, it encourages the expansion of facilities. And like I said, we have 100,000 more cattle on feed than we previously did, we we've not only gone against the grain nationally but even against the trend in Saskatchewan because of the drought.

So it's working. People are investing. We're in fact short of feeder cattle because of the incentives and the venture capital corporations and the other packages we put together to feed livestock. So it's moving in the right direction.

It's value-added; it's processing. It's the kind of thing that we should have been doing so we're not just haulers . . . or hewers of wood and drawers of water. We want to process as much as possible. It increases jobs in other sectors. As a result we're going to be packing more meat, processing it, and so forth, whether it's in pork or in beef.

(1545)

So it's a livestock tax investment credit to encourage young people, new people, expansions of others. And as I pointed out with our tax credit previously, it applied primarily – primarily – to the smaller producer, which is excellent.

Clause 1 agreed to.

Clauses 2 to 10 inclusive agreed to.

#### Clause 11

**Mr. Yew:** — Thank you, Mr. Deputy Chairman. Mr. Minister, I was particularly concerned about the training farms in Green Lake, Cumberland House, Ile-a-la-Crosse. We have the farms that have been established in those communities. I was wanting to raise a question with respect to the status of the farming community in the training aspects, and their hiring and employment aspects of those farms. Would you have information related to the status of those farms that I've mentioned, the one in Cumberland House, the Silver Lake farm in Green Lake, the Central farm in Green Lake, the Ile-a-la-Crosse farm in Ile-a-la-Crosse?

**Hon. Mr. Devine:** — Mr. Speaker, the farms are doing

well in a general sense. I would be glad to get a little more detail when I get into my general estimates. It really has nothing to do with this Bill, but generally they're doing well and the training programs are working.

**Mr. Yew:** — Okay. That's very good.

**Mr. Engel:** — There's only one other question I've had . . . I see that in the last four or five issues that "as prescribed by regulations." Can you give us some copy or something in writing so we know what you expect the regulations might be, or have you the regulations already? "As prescribed in the regulations," or "pursuant to regulations," and so on. The Bill really gives you the right to go ahead with offering a facilities tax credit, but how are you going to do it? Who is determining what the regulations include? We don't have that information. I was wondering if you could make some material available as to what the regulations will be.

**Hon. Mr. Devine:** — Of course, we'll provide . . . The regulations haven't been through the Regulations Committee, but when they are, we'll certainly make them available to you or anybody.

**Mr. Engel:** — When do you expect that? Have you a time limit?

**Hon. Mr. Devine:** — In the near future — shortly.

Clause 11 agreed to.

#### Clause 12

**Mr. Chairman:** — Clause 12 then has an amendment, a house amendment which reads as follows:

To amend section 12 of the printed Bill by renumbering it as subsection (1) and by adding the following subsection:

(2) Notwithstanding any other Act or law, any regulations made pursuant to this Act may be made retroactive to a day not earlier than January 1, 1986.

Amendment agreed to.

Clause 12 as amended agreed to.

#### Clause 13

**Mr. Lingenfelter:** — If I could just ask one question on the coming into force on section 13. At this time do you know how many projects will fall into that category for the first months of the year up till now? Have you got a list, or do you know how many there will be that will fall into that category?

**Hon. Mr. Devine:** — No, I don't. Individuals will have to apply and when they apply, if they've started some new facilities, then they can make the application once the legislation is passed, and this allows us to be retroactive until the beginning of the year. So I don't know until the applications come in.

**Mr. Lingenfelter:** — Any magic about January 1st of '86 as opposed to November of '85? Are there some projects that you want to fit into that time period, or what is the reasoning? The other point that I wanted to raise too is on your amendment to section 12 — I didn't quite get clear — but it would make the regulations retroactive as well to January 1st of '86?

**Hon. Mr. Devine:** — January 1st is usually the beginning of a tax year for most people and that's why we make it retroactive for 1986. So for everything in 1986, if they're starting a new hog barn or a new cattle feeding facility in 1986, which covers most of their tax year, they can apply. And the regulations will be applicable to the beginning of the year as well, so that everything is in gear for 1986.

Clause 13 agreed to.

The committee agreed to report the Bill as amended.

### Bill No. 39 — An Act to amend The Livestock Investment Tax Credit Act

#### Clause 1

**Mr. Engel:** — Well, I made my point on this one in that here you are quite strikingly infringing on the next government's term by extending it beyond when you have a mandate to '87, '88, and '89. And I'm wondering, if you are that confident that you're going to be administering the Department of Agriculture, why you didn't call an election in June, you know, or in April, or something like that when your term was up because . . .

**Mr. Chairman:** — Order, order. Well you know the date of any possible election really has nothing to do with the Bill. It has nothing to do with the Bill, so please confine your comments to the Bill itself.

**Mr. Engel:** — If you would have listened to the rest of the sentence, my comment just says: The Livestock Investment Tax Credit Act extends the time period in which an animal must be marketed or slaughtered to obtain a tax credit. And that time period is 1987, 1988, 1989. That is our turn; that's our term in office as much as it is yours. And so if you don't call that time break between when the four years is up when you should be governing to when the other one should be governing, let's not use the word "election," but let's just say you're infringing on the next government's time frame. And I think there's no real reason to move with this Bill now. That can be done next year after the election.

**Hon. Mr. Devine:** — Well the member may not think it's a good idea to extend the livestock investment tax credit, but it is very popular, and the livestock industry wants us to do it. With respect to projects that are going on now, obviously a project like a paper-mill or an upgrader or a power project or others, are for years. And when we agree to do them in this legislature, we know that.

So, I mean, your argument with respect to the administration of the time, or the administration three years from now or five years — I mean, it doesn't make any sense at all. I mean, I don't really understand the argument. We do all kinds of things here and agree in the



legislature that we'll build projects that go for 25 years. And what you're doing 25 years from now, and I am – I mean, you may know but I don't know what you'll be doing or what I'll be doing.

So we make decisions all the time that last a long time. So if the livestock industry wants the continuity, and they believe it will encourage investment, and it has so far, so it's something that's in response to the livestock industry.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

### THIRD READINGS

#### **Bill No. 30 – An Act respecting a Livestock Facilities Tax Credit**

**Hon. Mr. Devine:** — Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

**Hon. Mr. Devine:** — By leave, I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

#### **Bill No. 39 – An Act to amend The Livestock Investment Tax Credit Act**

**Hon. Mr. Devine:** — Mr. Speaker, I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

(1600)

### COMMITTEE OF FINANCE

#### **Consolidated Fund Budgetary Expenditure Agriculture Ordinary Expenditure — Vote 1**

##### **Item 1 (continued)**

**Hon. Mr. Devine:** — I have the same officials that I had yesterday. And if I could begin the discussions, the member from Quill Lakes had raised several concerns with respect to the production loan that was made available here in the province of Saskatchewan. And I don't need to reiterate what the gentleman said but he was against it because he said that there were some people who would not need it and could apply.

When he makes his position that he's against this type of loan, I will have to remind him of three or four facts. One is, the Canadian Wheat Board has a cash advance and they've had it for years, and I suspect most people in Saskatchewan support it. And it is not income tested; it is a universal program. When farmers want to get access to cash, they can get it at zero per cent interest rate, whether

they are farming a great deal of land or whether they have money in the bank or whether they don't have money in the bank, and that's been the case.

Similarly, Mr. Chairman, we introduced a livestock cash advance, and it is universal. So people in the livestock industry, whether they have two cows or whether they have 10 cows or 150 cows, or whether they have money in the bank or not, can apply for the livestock cash advance, and it's universal. And I'm surprised the members opposite are against universal programs that you can have access to credit to plant your crop or to go to the wheat board or to go to the livestock industry or so forth.

Third point that I would like to make, Mr. Chairman, is that the Saskatchewan Wheat Pool recommended and passed resolutions that the farmers in this province have access to 7 per cent money and credit. And they didn't say for three or for four or for others; they just said that everybody should have access. That was supported by the National Farmers Union. And I haven't heard a commodity group any place in Saskatchewan who didn't think we should have access to long-term, low interest rate money to allow people to put in their crops or otherwise.

Similarly, Mr. Chairman, we have universal health care. You can be a millionaire and you have access to those programs. So if you go through to the wheat board, if you go through to the livestock cash advance which is supported by both sides of the House, if you look at the recommendations of farm organizations, they wanted people to have access, everybody to have access to that kind of money, pay it back – as you do the wheat board and as you do the agricultural credit corporation, as you have been, universal health care, universal education.

So not only is the opposition clearly stating that they're against the production loan program . . . (inaudible interjection) . . . They said it. I mean, the member from Quill Lakes said that he found it offensive and he found it unfair. Well, I just point out that what he's saying is that he's not only against that program but he's against the very same program that applies to the cash advance for the wheat board, the cash advance for the livestock, the recommendations by the Saskatchewan Wheat Pool and the farmers' union and every other commodity group that I know. Or elevator company, who said we should have access – universal access – to credit at reasonable, long-term interest rates to put in the crop.

So, one, he's against that: two, he's against the universal concept. Universality is here. I guess what he would like to see is income testing. Or he would like to see boundaries – some people can receive it but in this area they can't; and some people can receive this and some people can't. We went through that several times. So I just raise the point that if he is against 6 per cent money for agriculture, then he's against all the programs that we've had in this province for years, and the new ones we've introduced.

He also raised the point that not everybody had access to the 6 per cent money and he said that we misled the public. I want to make it very, very clear – 99.62 per cent

of everybody that applied for the 6 per cent money got it. Less than one-half of 1 per cent, 0.38 per cent did not get it; 99.62 per cent of the people, the applicants, received their loan.

So if you're in the ballpark of 99.62 per cent of those that applied, I think that's reasonably everybody, for all intents and purposes. For some who owe a great deal of money to the government, we've written off their expenses and said it's a loss we'll accept. They still owe us, but we've written it off and said, fine, you go see if you can farm, and so forth. It's an amount of 0.38 per cent. We have said, If you can make your payments, if you can get back in and resolve those kinds of problems, we'll look at the other 0.38 per cent. So I just make the point that 99.62 per cent of those that applied have received it; the applicants have received their money.

So I put the concept out there that, if you're against universal credit for farmers, then I want to make sure it's very clear. I know that you're very much in favour of the land bank system over low interest money, and you made that clear; the member from Assiniboia-Gravelbourg did the other day. If you're also against universal programs – fair enough. And I'll understand that and let it be well-known that in agriculture, you are much more in favour of the land bank, and you're in favour of income testing and only helping regions or helping certain kinds of people, against the concepts of universality that's in the wheat board, in the livestock cash advance system, and the recommendations of every agriculture group I know. That's a position that was clearly stated by the member from Quills – fair enough.

And there is a difference in philosophy, and I point out: the member from Assiniboia-Gravelbourg said that they were not going to reintroduce, necessarily, the land bank system, and he wasn't going to support it. Last Friday in Langenburg, the former minister of Agriculture, president of the Saltcoats NDP Association, introduced a resolution:

Members resolved that (the) NDP government institute a land transfer mechanism whereby a beginning farmer could obtain a land (lease) by means of . . . long term guaranteed lease with the option to purchase.

He said that it was an excellent . . . went on to say:

(Mr.) Kaeding said the resolution stems from a problem with the old Land Bank (system) set up under the NDP . . . in power. He said it was an excellent program except (this) not enough land was available for distribution and that the land had to be leased for five years before it could be purchased.

Well, Mr. Speaker, that clearly says it all. There's a former minister of Agriculture who says the only problem with land bank is, they didn't have enough of it; and that they are going to reintroduce it, and it's passed as a resolution. And here is a former member of Executive council, former cabinet minister. And as I said the other day, I know in the heart of hearts that a democratic socialist wants to own the farm. And that was the land bank

program, and I understand that – fair enough.

And what the people are saying: you keep going around and say, we have changed our ways; oh, we've learned and we'll introduce something else. But in your heart of hearts, they know that you want to do this. It passes at resolutions with the former minister of Agriculture. That's the policy that you like. And all you want to be able to do is get back in – and we will own the land for the government, and we can lease it to people – and it's brought up time and time again.

And you . . . I mean, your heart of heart and your soul and the things that you believe philosophically come right out to the fore. And it was documented Friday in a resolution passed by the NDP, chaired by the former minister of Agriculture.

So I know the policies; I understand them; I understand why people threw them out. And they know also that it's not a hidden agenda. You can't even disguise it. It is there, that you want to introduce the land bank, only you want more land in it so you can control more. And there's only one way to do that – that means you've got to buy more land. You've got to buy more land for agriculture so the government can own it and then you can lease it out. It's not only passed in a resolution; it was raised by the hon. member from Assiniboia-Gravelbourg in his discussion of his philosophy versus mine.

Well I go back to the 6 per cent money. I would much rather provide low interest loans for people to buy land or operate their farm, on a universal basis, then I would where the government owns the land and the people are into a lease position. And whether it's this resolution or whether it's your agenda, just as long as the public knows the difference. And you raised it. There's a difference in philosophy; you're absolutely correct, and it's nice to have it clear.

So, Mr. Chairman, with respect to 6 per cent money, I believe in universal programs as they apply, like the Canadian Wheat Board, the livestock cash advance. I support the resolutions by the major farm organizations that asked for it. And if . . . The hon. member from Quill Lakes said the following: that farmers cannot be trusted and they won't pay it back. That's an attitude and a difference in philosophy.

I trust farmers. I trust them to take a cash advance in the wheat board system; I trust them to take a cash advance in the livestock system; and I trust them to get 6 per cent money to put in their crop. And when he said that there's going to be large numbers of farmers who will not pay it back, what he is saying is that he doesn't trust the farmers.

He wants to pick and choose the farmers that he wants to give the money to, which is the same old philosophy, the same old system that was universally rejected across rural Saskatchewan. So back to philosophy. I trust them. I will lend them the money, and I will help them and I will protect them against low interest rates. And I have no intention, no intention at all, to buying farm land.

In fact, the land sales have set records from the government to the people during difficult times. During

difficult times we have sold millions and millions and millions of dollars of Crown land to young people all across this province, and we've helped them with low interest loans to own their own farm.

Now that's a difference in philosophy, and it's important. And It's important politically, economically, socially, and for the history of the province and the future of the province. And we might as well get right into it and find out that it's a clear distinction between the kinds of things that we will do and have done in agriculture versus what the member from Quill talked about and the member from Assiniboia-Gravelbourg was defending and in terms of what the former minister of Agriculture has passed as a resolution that the NDP do if they ever got back into power.

**Hon. Mr. Blakeney:** — Mr. Chairman, I would like to ask the Premier this question. Prior to the meeting of western premiers in Manitoba, did you at any time formally request from the federal government deficiency payments for Saskatchewan farmers?

**Hon. Mr. Devine:** — I met prior to the western premiers' conference, as Minister of Agriculture, with my counterparts across Canada and with the federal minister, John Wise. I also met with other cabinet ministers in Ottawa. And I said to them directly, and I said at the agriculture ministers' meeting, that we have to be able to bargain with the same kinds of ammunition that the United States is using with respect to the farm Bill.

I raised it with my colleagues there and said . . . And it was raised by, I believe, the Minister of Agriculture. Certainly we talked about it, the new Minister of Agriculture in P.E.I., the Minister of Agriculture from Manitoba, other ministers of Agriculture, and said, we have to look at money that we can place in the hands of farmers here — call it deficiency payments, call it an export grain subsidy, corresponding tool for bargaining, if you will.

So I raised it in advance of the western premiers' conference, and obviously I raised it there. I was the one that initiated it at the western premiers' conference. And I got unanimity, saying that we should have a billion dollars up to the table, on the table, because that's about what we need to compare to the export subsidy — not just the farm Bill, but the export subsidies the United States is into.

And if they continue to go more, if they subsidize others, then we've got to be in a position where we are prepared to put up comparable amounts of money so that we bargain with the same kind of ammunition to defend farmers here.

**Hon. Mr. Blakeney:** — Mr. Premier, we heard that long statement, and nowhere was there a statement that you formally asked the federal government for deficiency payments, and you didn't say that because you never have.

Farm organizations all across this province have been saying, we need deficiency payments. The wheat pool has said it. Have you supported the wheat pool's statement? You have not. The old Palliser, your old

organization, the Palliser, even they are saying we need deficiency payments. And are you saying, I agree with them? You're not — not a single public statement in support of what our farm organizations have been saying about deficiency payments.

Now it is very, very clear, Mr. Premier, that western Canada needs deficiency payments. It is very clear that the existing payments for crop insurance and for western grain stabilization and the other federal-provincial and federal programs moving money to farmers are moving far, far less to Canadian farmers and prairie farmers than American federal government payments are moving to U.S. farmers, than the European governments are moving to their farmers. And yet we hear nothing from you saying we need deficiency payments. We don't hear it.

In the last few weeks we've heard some suggestion — some suggestion — that we might come up with something less than a billion dollars for all of western Canada for export subsidies, but, Mr. Premier, you know that that's a far cry, even when coupled with all the other payments, it's a far cry from what American farmers are getting and the European farmers are getting.

And I say to you that it's time you stood up and said to the federal government, we need for Canadian farmers as many dollars per bushel, the same amount of money — calculated U.S. dollars, Canadian dollars; I don't care how you calculate it — but the same amount of money as U.S. farmers are getting. We know we still won't be getting as much as the European farmers are getting, but we need that kind of money, and we need it from our federal government.

(1615)

And I say to you that you haven't asked for that. I say to you that no public statement you have made amounts to that. And if you can refer me to the public statement — don't tell me what you've said to Wise in the back room or what you've said to Mulroney in the back room. Tell me what public statement you have made which backs up the wheat pool, which backs up the western wheat growers, which backs up the UGG (United Grain growers), which backs up the NFU (National Farmers Union), and says, we need deficiency payments — we need deficiency payments — which, possible when coupled with other payments, will equal \$2 billion.

We haven't heard that from you. We haven't heard that from you because you are unwilling to stand up to the Mulroney government. You are unwilling to take them on. You haven't done it. You haven't done it like other political leaders have done. You haven't done it in support of our farm movements — and it's all of them, right from the western Canada wheat growers on the one hand of the political spectrum to the NFU on the other. They're all saying the same thing. And you still can't find yourself in agreement with what they are saying that we need deficiency payments. And we need deficiency payments to bring up the income of western wheat growers, western grain growers, up to the level which they would get from the United States. You haven't said that.

And as I say, if you can refer me . . . I've been looking through the clippings. I just cannot find the clippings which says, the Premier of Saskatchewan is calling for deficiency payments to bring the income of Canadian farmers up to the level of the income of U.S. farmers. I haven't seen that. And if you can, just give me the date and the paper.

I don't need a big, long speech. You can correct me very easily, but if you can't refer me to the clipping, don't bother telling me what you said to John Wise in the back room because it's high time, it seems to me, Mr. Premier, that you stood up for Saskatchewan farmers and said, we stand four-square beside Saskatchewan farm organizations in their call for deficiency payments, and deficiency payments which will bring their position in the export market up to the position of U.S. farmers in the export market. Will you give me the date on which this statement is supposed to have been made?

**Hon. Mr. Devine:** — Well I find that the Leader of the Opposition is trying very hard to impress somebody that he is going to defend the farmers.

I will give him the date. At the western premiers' conference we just finished in Swan River, all four western premiers are on record — and it's published and it's all over Canada — that we asked for a billion dollar deficiency payment to compete with the export subsidies in the United States, and we recommended that if more money is needed, because of the United States farm Bill and others, that the federal government is going to have to bargain that way.

I will get you the communiqué, and you can read the communiqué and it says that. I am the Premier of Saskatchewan and I signed that, and all four premiers have said that. So it's on the record; so let there be no doubt about it.

And with respect to the back rooms in Ottawa, this was not a back room. All ministers of Canada were there — ministers of Agriculture — and we had officials and we had everybody else. We had all political parties, as I mentioned, and the new Minister of Agriculture from P.E.I. and every place else. And they heard the discussion, and they heard me lead the discussion with respect to money for farmers here as we bargained with respect to the United States.

If you want to say — and you can try — that we have not been able to get sufficient funds or funds or assistance for Saskatchewan agriculture out of the federal government, I can go back through the record, and I can show you the hundreds of millions and billions of dollars that have been delivered into the province of Saskatchewan as a result of the negotiations that have taken place. And it will absolutely put to shame anything that you or your party ever got out of the federal government — ever, ever, ever — for agriculture, in terms of grasshopper assistance or drought assistance or farm fuel assistance or tax breaks or incentives or cash or interest rate protection or the whole combination that you want to go back. No comparison. Absolutely none whatsoever.

So you can stand and you can holler a little bit and say,

well boy, you're really on the side of the farmers, but they don't believe it. They didn't believe it in '82; you had a difficult time before that with respect to farmers and they didn't believe it. They don't believe it now. They believe that the co-operation with the feds in getting the kind of money we have with respect to fuel prices and what prices.

When did you ever see an agreement to get higher domestic prices and have it jump that high? Or for even the western premiers to agree when you were involved to see that we're going to have a billion dollars come out here? Or with respect to freezing of freight rates or elevator tariffs? Or a western grain stabilization payment that was the highest interim payment ever? — and we never did have interim payments until we started to request them. So we're looking at billions of dollars coming out here, on the record, in the public, in the news, that I've been involved in, and that this province has been involved in as a result of the homework we've done in agriculture.

I mean, you can holler and make some noise. But I'll go back to the 6 per cent money. I think it would be fair you could at least acknowledge that we adopted the recommendations of the wheat pool and others, to say we should have 6 per cent money. And we did it. In fact they asked for 7 and we provided 6, because we felt it was in line with what a reasonable rate should be.

And we have put together a request for \$1 billion, signed and sealed it, and convinced the other premiers that we should do it. We did it in Ottawa in front of the premiers, and the first minister, with the Prime Minister, saying you've got to put money on the table. I said it in front of every premier that was there: you've got to have \$1 billion there now to at least compete with that export money. I said it there. I said it to the ministers of Agriculture. I signed and sealed with the western premiers. So it's no secret. You may not know about it, but it's no secret in public. It's no secret across Canada and to the farmers of this province.

I spoke to the member from Assiniboia-Gravelbourg. He said that I did not get a very good reception in Carlyle. Well if three standing ovations is not a good reception, then I'll take that any time.

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

**Hon. Mr. Devine:** — I said the same thing to the dairy producers when I met them in Prince Albert. They received that information the very same way. I've spoken to agriculture groups right across this province, and commodity groups, and they are excited about the kinds of things that we're doing in agriculture despite the difficult times. And if you put it together and look at just the livestock industry — the livestock on feed is going up as a result of these programs; wheat prices are increasing domestically as a result of them.

So we will be staying the course, and listening to farmers. Not trying to buy their farm, but listening to farmers and responding to their calls, and responding significantly and quickly to make sure that agriculture stays strong in western Canada.

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

**Hon. Mr. Blakeney:** — Well, Mr. Chairman, and Mr. Premier, I thank you for that statement. I thank you for the statement that you are anchoring your call for deficiency payments on what came out of the western premiers' conference at Swan River. I heard it; I know that the figure talked about when you came back was \$900,000. That's what you talked about when you were here. If you've raised it to a million at Swan River, fine. I won't quibble about the difference between \$900 million and a billion.

I do say this, Mr. Premier: if you believe that a payment of \$900 million or \$1 billion is going to bring Saskatchewan farmers income up to what U.S. farmers are getting, then I want to see those calculations — I want to see those calculations.

It seems to me that if you're talking about 30 million tonnes a year at 38 bushels a tonne, whatever . . . 36 bushels a tonne. We are talking about 1 billion bushels of grain. Mr. Premier, you will know that the world price of grain has dropped about \$1 a bushel, and the initial payment has dropped 80 cents a bushel. Now you're telling me that a payment of \$1 a bushel is somehow going to bring Saskatchewan farmers up to the level of U.S. farmers. Well I'll tell you that your calculations are different than mine.

It seems to me that my figures indicate that U.S. farmers are getting about \$6.25 Canadian per bushel. You can argue as a nickel or a dime, but it's over \$6. I say to you that a deficiency payment of 900 million or \$1 billion will bring Saskatchewan farmers nowhere near that figure. And we know now that that's what you're calling for. We know now that that's the deficiency payment that you're calling for. And I say, Mr. Premier, that that's not going to do it.

I say, Mr. Premier, that what you are now admitting you're calling for, a deficiency payment of \$1 billion for all western agriculture, is not going to bring Saskatchewan farmers or prairie farmers up to the level of U.S. farmers or within a dollar of it; it's going to be a good deal less.

And I say that you are misleading Saskatchewan farmers if you are saying to them that you are calling — and in the same breath — I am calling for deficiency payments which will bring Saskatchewan farmers' income up to the level of U.S. farmers, and I am calling for deficiency payments of \$1 billion. Because it won't do it. And you know, Mr. Premier, it won't do it. You know it won't do it.

**An Hon. Member:** — Come back to reality.

**Hon. Mr. Blakeney:** — And members are saying, come back to reality. I say, come back to the reality that Saskatchewan farmers are competing with U.S. farmers who are getting massive subsidies. And the reality is that our federal government has got to step up and back our farmers the way the U.S. federal government is stepping up and backing their farmers. That's the reality.

And I say to members opposite that we probably will not

be able to induce the federal government to stand up for our farmers the way the European governments are standing up for their farmers. And perhaps it's not reasonable to say so. Perhaps that's not reasonable. But I say that to ask our government to assist our farmers to the same extent that the U.S. government is assisting their farmers is not unreasonable.

Now I want to say to the Premier at the outset that I'm not saying it all should necessarily be called deficiency payments. It could be called western grain stabilization. But once you stack them all up, it has got to be at the level that U.S. farmers are getting, or within that range. And it's not there now and it won't be there with a deficiency payment of a billion dollars.

And I ask you flat, Mr. Premier: are you saying that a deficiency payment of \$1 billion for western farmers will bring their income per bushel up to the level that U.S. farmers are getting per bushel?

**Hon. Mr. Devine:** — Well, Mr. Speaker, I go back and I'm reading from the Saskatoon *Star-Phoenix*, May 30th. And it says, the headlines, "\$1-billion aid program for farmers sought by Premier Devine." It quotes, it says:

We're into an international poker game and we've got to show that we're quite prepared to play with the same high stakes.

It's been in the media that I've asked for that. It was well-reported.

When you look at the combinations of things, as the hon. member was talking about; when you add up the packages and that you look at higher domestic-priced wheat — and it can run anywhere from 60 cents to 90 cents a bushel, depending on how much we sell here. If you look at \$800 million or, say, \$580 million interim payment, another 150 to 250 final payment with respect to the western grains stabilization program — \$800 million — you're looking at another dollar a bushel.

If you're looking at a deficiency payment of another billion dollars, you're looking at a neighbourhood of another dollar a bushel. If you add up the rest of the package with respect to the hundreds of millions of dollars put together, you can come up to \$3.2 billion. If you look at a billion dollars out in credit at 6 per cent money — I mean, you want to stack them all up; that's something that we can look at and you can add it up any way you like.

What I said and what this newspaper article says is, that whatever is necessary to compete with the United States, the federal government should be prepared to put the money up so that we can compete with them. And we said, on the export basis it was at least a billion dollars; and that's what the headline says. Plus your grains stabilization payments, plus your higher domestic-price wheat, plus freezing the elevator tariffs and lowering the cost, providing 6 per cent money and so on and so forth — now you can add them up and add them up and add them up. We said, whatever is necessary at the end of the day, the federal should be prepared to put it up.

(1630)

I've said that clearly. It says so in the newspaper, and we have come at it several ways, and you agree to that. You come at it from every way you can to cut the cost and raise the prices. So we've got the domestic price up to \$10, at least the recommendation. We've got an export equivalent there in terms of the subsidies down there of a billion dollars on the table. We are looking at western grains stabilization payments that could run anywhere from \$600 million to a billion, and that's worth anywhere from 50 cents to \$1 a bushel. I mean, so you're looking at 1, 2, \$3 a bushel; well on the interim payment is \$3 and 70-some cents – what is it, \$3.50? Now you add a dollar for this and a dollar for that and a dollar for this . . .

In Canada on the equivalent basis . . . Now when you get into the United States, you're into an operation LIFT. I'm sure that you don't want to recommend that, where farmers are setting aside acreage to reseed, this fancy little package in the United States.

Now LIFT and deficiency payment mechanisms that go hand in hand are very unpopular in Saskatchewan; and Otto Lang and others that supported it, or thought they did, found out that. "Set Aside" may work in the United States, and you may con the farmer there by saying, you take your acres out of production and we'll pay you \$6 a bushel. What we've got here is close to that without taking a single acre out of production, and that's very, very important. And if your party is saying that you believe that we should be encouraging Saskatchewan people or Canadian farmers to start taking grain out of production or land out of production and get into a U.S. system, that is a very, very slippery slope, not only economically but politically and socially and everything else.

So I believe that the western grains stabilization mechanism – the stabilization mechanism – has many more economic advantages over the U.S. farm Bill. And I wouldn't recommend the U.S. farm Bill to any country. In fact next week I'm going to a governors' meeting in Ohio and I will be recommending and describing, at their request, the stabilization mechanisms we have in Canada versus the farm Bill they have there. Our mechanisms do not wreck the prices but they can protect the farmers.

Their system, there's two things wrong with it: one, you force people to cut back on the acreage they use; and secondly, it wrecks the world price – it wrecks it. And the European system and the American system need to be changed, and they need to follow more on the lines of the kinds of things that we do.

So I have no problem; if you like, I'll agree with you. We should compete as we go through this trade war and farm Bill war and so forth, have the same kind of money on this side of the table as there is on that side of the table. And we have asked that; it says so clearly in the papers.

Our system adds up differently than theirs because we have grain stabilization and others that they don't have. I believe our system is much better and sounder. It doesn't wreck the price. People can allocate their resources, based on their best decisions to grow this grain or that

grain or this oil seed or whatever it is. So it has many advantages over the U.S.

So I would not recommend LIFT. If you're recommending that, I certainly wouldn't agree with you. I would not recommend the kind of system in the United States. I will say, as I said with the western premiers and the first ministers as well as the agriculture ministers: the approach we are taking in Canada makes more sense than the United States; we have to have the same amount of money on the table and we have to be prepared to compete.

We have made a good start, Mr. Chairman, with respect to the money that is coming forward. I can add up here in the neighbourhood of \$1.1 billion in the recent changes by the federal government; a billion dollars out in terms of 6 per cent money; a higher-priced domestic wheat, which is going to be 3, 4, \$500 million; a billion dollars on the table with respect to the export negotiations that are going on, a deficiency payment, if you'd like to put that there; and whatever else is necessary to allow us to compete. So you've got several billion, at least \$3 billion on the table with more to come, on a competitive basis, with complete unanimity across the country. So I don't know . . . I mean, every premier has said this.

The first minister agreed with the Prime Minister, and we're all on record. So the position is quite clear. And it cut across political lines. It said we should bargain with the same strength as any American farmer, and we have to be prepared to do that. That's what we have done; the record will show that. And I will just say that I endorsed it.

I agreed in the legislature – maybe this would help. When it was raised here, I believe the member for Assiniboia-Gravelbourg raised it, and he said, would I consider a deficiency payment. And I said unequivocally, yes, right here in the legislature, and that was weeks ago or months ago, as any sort of cash. And I said, I don't like the U.S. system, but you can call it anything you like, but if we've got to get cash out here, then I would endorse it, and I did, and I'm sure that you'll find it in the record.

**Hon. Mr. Blakeney:** — A couple of comments, Mr. Premier. First, it may be that you endorse it; I don't know, we may find something which suggests that somehow you endorse deficiency payments. Your colleagues certainly don't. On May 2nd, their recorded vote – that's the unfortunate thing about recorded votes is that they're here to haunt you . . . (inaudible interjection) . . . Sure. That's right . . . (inaudible interjection) . . . Yes, I will indeed read the whole resolution, and I will read:

That this Assembly . . .

And I will read . . .

**An Hon. Member:** — All of it.

**Hon. Mr. Blakeney:** — All right. All of it, they're shouting. I will read all of it then:

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.

And to which an amendment was moved, and this is what it says:

That this Assembly 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.

On that last one, we had a vote – we had a vote. And do you know how they voted? Well, the following voted against the deficiency payment portion of that resolution, and they are here listed: Messrs – and I will read from the record – Messrs. Tusa and McLeod and Taylor and Schoenhals and Duncan and Pickering and Myers and Hepworth and Dirks and Klein and Currie and Martens and Maxwell and Mr. Smith from Moose Jaw South and Hodgins and Morin and McLaren and Rousseau and Parker and Rybchuk and Caswell and Domotor and Meagher and Muller and Sauder and Zazelenchuk and Gerich and Petersen and Swenson. Now those people voted against the proposition that we regretted that Mr. Mulroney had not agreed to deficiency payments.

Now it may well be that somewhere else you're in favour of deficiency payments, but that list of people is not in favour of it, and the record is there on May the 2nd – *Hansard* of May 2nd.

The other point I want to make . . . And the Premier always goes through this long list of figures which he doesn't ever calculate too carefully. I am talking about money for farmers that they don't have to pay back. And I therefore think that loan money and money they get from selling their crop and western grain stabilization money isn't all the same. If you've got to pay it back, it's not quite the same as not paying it back. So therefore I say that if we're talking about what income Saskatchewan farmers are getting, I don't include money they borrowed.

The Premier does. We just heard him go through all this and say, we're going to see that Saskatchewan farmers get \$6.25 a bushel, the same as American farmers. Now some of it of course will be loan money that they have to pay back, but that doesn't matter. I think it does matter. I think it does matter, and therefore I don't include in the list of what the farmer is getting for when he sells his crop, I don't include the money he has to borrow. The Premier does. We just heard him do it. But I don't think that's fair.

I don't think it's fair to claim that an American farmer who gets 6.25 without any strings attached – not loan money but in exchange for his crop – don't think it's the same as the Saskatchewan farmer who has to borrow some money in order to get his yield up to that same figure. I hope that's what the Premier was doing with all that list of figures. I don't know what else it was meant to do, because that's what we were discussing.

One other thing I want to raise with him. We heard him say that the increase in the domestic price from \$7 to \$10 a bushel was worth 60 cents to 90 cents a bushel. I'd like to know what calculations yields that. I'd like to know what calculations yields that.

Mr. Premier, an extra \$3 a bushel for wheat sold into the domestic market will apply on about 10 per cent of wheat – about 10 per cent of wheat and zero per cent of barley and zero per cent of other grains. So if it's true as I say it is, Mr. Premier, and I'd like you to deny it if you will, that about 10 per cent of western wheat moves into the Canadian market, then simple arithmetic tells me that if they're getting an extra \$3 a bushel on 10 per cent of the wheat, then on the average they're getting 30 cents on the rest of it. And that's about right. The increase in domestic prices will yield on the average about 30 cents a bushel on all the wheat grown for human consumption in Canada. That doesn't get us out of the woods because it looks like the Ontario producers of soft wheats may get a much greater proportionate share of that. We don't know that yet. So I'm not going to presume that.

But presume that we get our pro rata share here in Saskatchewan, that's about 30 cents a bushel on wheat and zero cents a bushel on barley and zero cents a bushel on other grains. So it's not hard to see how you get up to \$6 and 6.25 when you're giving to the farmer – you're saying the farmer is going to get 60 or 90 cents a bushel out of that increase in domestic prices of \$3. I say, Mr. Premier, I don't believe it and I don't believe the farmers believe it. We've been through that many times.

Now, Mr. Premier, when your minister appeared before the House of commons committee on the pricing of domestic wheat he did not take the opportunity to urge deficiency payments; he did not take the opportunity to urge any Canadian action with respect to an international grains agreement. And with respect to the narrow subject of domestic wheat he, I believe, acknowledged – and you can check his submission – that an increase of \$3 a bushel in the price of domestic wheat would yield approximately 30 cents a bushel to all farmers if it was distributed evenly to all people who produce wheat in Canada.

There was obviously some possibility of argument with respect to feed wheat and the rest, but by and large 30 cent sit is. I say when you're saying it's going to be 60 cents, or 90 cents, you're misleading the farmers. They are not misled because they know. But you're misleading others who believe that somehow all of this collection of figures is going to put Saskatchewan farmers in the same shape as U.S. farmers. I say it isn't true. And the way you're getting it is this fancy mathematics that you just did with respect to domestic wheat prices, which has no basis in fact. It is just another bit of flimflam that we have come to expect, all too often I fear, from the Premier.

**Hon. Mr. Devine:** — Mr. Chairman, I'm advised that if you look at about a billion dollars payment, any way you want to shake it – whether it's in a western grain stabilization payment or whether it's in a deficiency payment – it's worth about \$1 a bushel. Okay.

So if we are looking at a billion dollars on, say, a deficiency payment that we've recommended, that's \$1. If you look at western grain stabilization payments, \$580 million, and looking forward to perhaps another 100 to \$200 million, you could be up in the neighbourhood of 70 to 80 cents a bushel. Well that's a \$1 or \$1.70, \$1.80. If you're looking at \$400 million on \$10 wheat, at 75 million bushels you're looking at approximately 50 cents a bushel.

So if we're looking at . . . And depending on how we settle on it, if we just look at milling wheat, if we look at domestic wheat, if we look at a pool that includes all wheat, there's quite a bit of variability there. That's why I said there's a range, and there could be a range.

And I'm not sure, nor are you, nor is anybody, where it will exactly end. But you've got in the neighbourhood there of \$2.20, \$2.30, and could be as high as \$2.50 a bushel as a result of western grain stabilization payments, deficiency payments, and higher-priced wheat, depending on how they carve it out.

(1645)

Well, if we're looking at \$3.50 now as an initial payment, not the final but the initial, and \$2 and anything — \$2 and 30, 40, 50 cents — certainly 2.50 would give you \$6 a bushel. Now I'm not sure where those will end up. But as I pointed out earlier, when you add up all the programs, that gets you in the neighbourhood of 5.50, if you will, to \$6 a bushel.

Now that doesn't include \$80 million on farm fuel. It doesn't include \$0 million on freezing freight rates, \$10 million on elevator tariffs. It doesn't include the help with respect to 6 per cent money. It's cash. They get that in their pocket, their net benefit. It doesn't include the capital gains tax removal, which is about 40 to \$50 million. It doesn't include drought payments and flood payments, which never were paid back.

So, I mean, if you add up the things that have been paid out in cash that don't have to be paid back, just straight fuel, freight rates, elevator tariffs, interest rate protection, and flood payments, and drought payments—all net, no pay-back — plus western grain stabilization, which is no pay-back, and you add on dollars a bushel, we can add up — any way you want to look at it — in excess of \$2 a bushel, in a conservative manner — \$2. It could be as high as 2.50. It could even be over that in terms of dollars a bushel.

Now if you want to add up all the benefits that we're looking at, it's a considerable amount of money. When we get money paid out here in terms of western grains stabilization programs, and you add them up, it's worth a considerable amount on an annual basis.

If I could just go back to the hon. member in terms of resolutions here in the House. I mean you're talking a little bit of House politics there, when we have a resolution that says: we regret the Prime Minister did this or that. You may regret the Prime Minister; I happen not to regret the Prime Minister, and we get into the little battles that go on in here in terms of the wording.

Obviously if the Minister of Agriculture and the Premier of the province is in favour of deficiency payments and signs and seals it, that's the policy of the province, and that's the policy of the government. That's exactly what's been the case, so you can squabble about that and this.

**Mr. Engel:** — Thank you, Mr. Chairman. Mr. Premier, I suppose I'd just like a bottom line from you on this whole question of the deficiency payment. I appreciate the fact that you came in in the past few short weeks saying that we don't need a penny for farmers, nothing, to the place where you're now suggesting maybe a dollar, but I want to ask you this, Mr. Premier — if I can have your attention.

**An Hon. Member:** — He's listening, don't worry about it.

**Mr. Engel:** — I'm worrying about it, I'm very concerned. I talked to a mutual friend of both mine and yours on the weekend, Mr. Premier, that's going to a conference in Brussels, and he had the speech he was using at the Brussels food conference that he was going to attend. And the numbers this economist used — and maybe I should give you his name — but the numbers he used, Mr. Premier, was this: that taken all in, taking the subsidy that he considers is a subsidy on freight, taking all in, the amount that's into the stabilization plan presently — and over the average — this year the total subsidy to Canadians — the total, the total that's there now — with the 7-something domestic price of wheat at \$7, and the subsidy there, his numbers are that's 85 cents total, that Canadians with their fuel, their freight rates, the stabilization subsidies, the total package he put together, had Canada in at 85 cents.

United States was in at \$3.5, and the U.S. Common Market in excess of \$4, but it isn't the same all over. And on that comparison you could throw in the kitchen sink, and you're not going to come anywhere near by raising the domestic price on 8 to 10 per cent of the wheat we consume, from \$7 to \$10, isn't going to add 30 cents. It's going to be less than 30 cents in my numbers.

The stabilization — and the point I want to share with you, Mr. Premier — when I get a stabilization, a third of that is my own money that I've contributed; a third of that is the insurance we bought; and we put in a buck and the federals match it \$2. So when you take in the whole stabilization money and say this is part of a subsidy, that isn't, because a third of it is the farmers' own money, that program he bought into.

And so by feeling that a dollar is good enough for a deficiency payment, that a dollar is good enough, Mr. Premier, how many farmers do you expect, in your analogy, how many farmers do you expect — you're satisfied, as Minister of Agriculture, and you've done your job — how many farmers do you expect will fall by the wayside and aren't going to survive this year with the announcement of 85 cents a bushel or 80 cents a bushel less — 80 cents if it's number 1, but it could go up higher on some of the other grades of grain, the initial price now coming on — how many farmers do you expect will not survive?

As the Department of Agriculture you have some very



good statisticians in the field and sitting right there with you. You must have a clue on those that are in very serious financial difficulty at this time. How many do you expect will have to go?

You know, we're facing a crisis in agriculture – things are serious. And I know the tenacity of most farmers and their ability to hang on, but they've scraped, they've scratched – you said only less than 3 per cent, you were saying, couldn't get your loan. I suppose maybe if you consider that most of them that are having the trouble are in the south-west, and that I've gotten more calls than 3 per cent. I figured that number was higher . . . (inaudible interjection) . . . 0.3, okay. You've written those off.

How many more do you think . . . I could go into some press releases and some statements that have been made by other economists and so on that, how many they think are in very serious financial trouble with this kind of package of saying, let say all things work out just like we expect. You ask for a billion dollars; friend Brian's going to come across with that. We're going to get a balance of our payment under the stabilization fund which will bring it up to a billion dollars. Let's take the maximum on all those premises at \$4.50 wheat, how many farmers do you think are going to fall by the wayside and decide to sell out and get out prematurely? I'm not talking about farmers in their 60s and 65 age group and up that decide to retire. I'm wondering how many of them are going to be selling out and getting out of the industry. Have you a number – a ballpark number – that we can expect?

**Hon. Mr. Devine:** — Well, Mr. Chairman, we are looking at perhaps one of the best crops we've had in years in the province of Saskatchewan. I mean, it's a good catch, good subsoil moisture, better than we've seen any place, and it's generally right across the province. So we're looking at – at least optimistic climatic conditions – climatic conditions that could result in a very good crop in Saskatchewan.

And in terms of the price of grain, I make two observations. One, we said to the federal government that you put up whatever you have to compete with the U.S., but if you look at a billion dollars as a deficiency payment, it's worth \$1 a bushel. And if you look at domestic-price wheat going from \$7 up to \$10 . . . and for all I know it might even be 11. Maybe the Prime Minister will go 11. So let's saw it off and say that it's worth somewhere in the neighbourhood of 50 cents. You take the Crow payment, it's \$650 million. That's worth 65 cents a bushel. All right? You put that together, you've got yourself \$3.15 a bushel. That doesn't include farm fuel. It doesn't include the freight rates or the elevator tariffs or the 6 per cent money, or any of the advantages there with respect to interest rate protection.

So I mean . . . I think, we've got to look at it fairly and say, as your leader did, he says you've got to add them all up. Okay. So we add them all up and that's what we're trying to do to make sure that we can provide a comparable

amount of money for Canadian farmers vis-à-vis Americans when we're into debating and negotiating and trying to get them to change the farm Bill and their export subsidies.

So we've got a combination of some pretty significant moves so far. We've got higher domestic-priced wheat recognized. We've got \$1 billion on the table in a deficiency payment. We've got a very big western grains stabilization payment already in the mill. We know we've got a \$650 million Crow payment that's coming down. And whether it's to producers or railroads or whatever, I mean it's obviously something that's . . . It's a large amount of money. And we know that we got farm fuel taxes removed. We know we've got rebates there.

We know we've got freight rates and elevator tariffs frozen, which is a big help. We know now we've got 6 per cent money out all over western Canada, from the province of Saskatchewan, and now from the Farm Credit Corporation. We know we've had big payments with respect to drought and flood. And, obviously, the capital gains tax removed. If you want to put that in terms of bushels, we can do it on an annual basis, but you've got to add up these things that have changed in the last 12 months and the last 18 months, and they are significant.

And on top of all that, we said to the Prime Minister: when you're negotiating with the United States, make sure we have the equivalent amount of money here in the pockets of farmers as they do down there so that we're not shooting at a moving target, and that we can compete on a favourable basis. So when you add up all these things, I mean, we've never seen the like of it in terms of action and cash and activity – provincially and federally – to make sure that we can compete plus more, because in terms of the ammunition with other people, we believe that we've got to have the same amount of dollars here on the table and to be prepared to spend with them as anybody else.

So, I mean, there's differences in the system. The U.S. system has set aside and they have operation LIFT down there where you have to take land out of production, and then you have to sign up all these things to be able to get access to their money. Here we don't set land aside and I believe that's a good idea. You may support LIFT, but we don't.

We look at these other programs that are along stabilization, and just in terms of those four things, just the four things – the \$10 wheat, the western grains stabilization payments, the deficiency payments, and the Crow – you're looking at something in the neighbourhood of \$3 a bushel.

**Mr. Engel:** — Mr. Minister, you're a super little cheer-leader. I think you're overly optimistic. If you're going to convince farmers that we've never had it so good – we've never had it so good – you're talking to different farmers than I am. You're up there on cloud nine visiting with that small few that spend their winters likely in Florida and are investing their \$100,000 and clippings the coupons and making the money.

But the people I'm rubbing shoulders with said that things

have never been this tough. And they give us the message that Tory times really are tough times, and things have never been so tough as far as scraping and making ends meet, and denying their children things that other children should normally have. Farmers are facing a real crunch.

And the point I was trying to make and the question I wanted you to answer – and I don't need a pep talk and a cheer-leader; I want some numbers and some facts – I asked you how many farmers do you think are not going to survive this year. You must have a notion in mind because when you were a professor, I read some of the articles that you were trying to jam down the throats of my relatives and nephews, and you said that 20 per cent of the farmers can do the job—20 per cent can do it. That was your notion. How soon do you expect to get to that number?

I hope your philosophy will change because I think I'd like to see 120 per cent people out there instead of 20 per cent. I'd like to see more farmers here. I'd like to see that number back up to 80,000 farmers instead of down to 60,000 . . . (inaudible interjection) . . . I think we did. I think you've got to have programs in place . . . (inaudible interjection) . . . You know, if you can't get any order from your goon that's sitting there, Mr. Chairman, this is ridiculous, trying to compete with all the hollering that's going on.

**Mr. Chairman:** — Order, order.

The Assembly recessed until 7 p.m.