

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

#### Standing Committee on Public Accounts

**Deputy Clerk:** — Mr. Tchorzewski, from the Standing Committee on Public Accounts, presents the first report of the said committee which will appear in today's Votes and Proceedings.

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. I would like to move, seconded by the member from Shellbrook-Torch River, the vice-chairman of the committee:

That the first report of the Standing Committee on Public Accounts be now concurred in.

Motion agreed to.

#### Standing Committee on Non-Controversial Bills

**Ms. Simard:** — Mr. Speaker, as chairman of the Standing Committee on Non-Controversial Bills, I present the second report of the committee, which is as follows:

#### Bill No. 60 - An Act to amend The Forest Act

**Ms. Simard:** — I wish to report Bill No. 60, An Act to amend The Forest Act, as being non-controversial.

**Hon. Mr. Berntson:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

**Mr. Lautermilch:** — I just have a couple of short comments and perhaps a question regarding this Act. I would like to quote from the sale documents of the PAPCO assets to Weyerhaeuser. And under one section regarding the trust fund, I quote:

The Licensee shall establish a Fund to be called the Prince Albert Reforestation Trust Fund by agreement with a trust company.

And I'll move on in that section to section (d) and it says:

At such time . . . as the Licensee, in its sole discretion may determine, the Licensee may draw on the Fund for the sole purpose of paying any and all costs incurred by the Licensee (to fulfil) its obligations under Section 12,04 hereof or in carrying out intensive forest management . . .

And it goes on to say:

. . . any costs incurred in respect of the Licensee's salaried personnel or at the time spent by such

personnel in connection with such activities. No withdrawals may be made from the Fund except by the Licensee.

And I would ask if this is another fund, an extra fund in regards to that or if this is just making this agreement legal under . . . so it's just making this legal? What you did last summer, you're enacting legislation now to cover the agreement you made?

**Hon. Mr. Maxwell:** — Mr. Speaker, if I may respond to the hon. member. Thank you. Yes, it's partly correct in that it is making something legal. But in actual fact this Bill would be consequential to the one passed previously, The Parks, Recreation and Culture Act, which actually establish the forest renewal fund from the 15 per cent export tax that's to be levied against the companies, and that Act was passed in order to have an avenue with which we can spend the money which will be silvicultured in reforestation because we agreed with the companies that we would establish that renewal fund. And The Forest Act, is consequential to that one, just in order to make it all fly. And if you wish, we can sit down and run over the documents later if needs be. I hope that is satisfactory to you, but it is consequential to the previous Bill.

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

#### Bill No. 63 — An Act to amend The Saskatchewan Insurance Act

**Ms. Simard:** — Mr. Speaker, I wish to report Bill No. 63 as non-controversial, which is An Act to amend The Saskatchewan Insurance Act.

**Hon. Mr. Berntson:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

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

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

#### Bill No. 64 - An Act to amend The Partnership Act

Ms. Simard: I wish to report Bill No. 64, An Act to amend The Partnership Act, as being non-controversial.

**Hon. Mr. Berntson:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

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

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

**Bill No. 65 — An Act to amend The Business Names Registration Act**

**Ms. Simard:** — I wish to report Bill No. 65, An Act to amend The Business Names Registration Act, as being non-controversial.

**Hon. Mr. Berntson:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

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

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

**Bill No. 80 — an Act to amend The Members of the Legislative Assembly Superannuation Act, 1979**

**Ms. Simard:** — I wish to report Bill No. 80, An Act to amend The Members of the Legislative Assembly Superannuation Act, 1979, as being non-controversial.

**Hon. Mr. Berntson:** — Mr. Speaker, I move that second reading and consideration in Committee of the Whole on the said Bill be waived.

Motion agreed to.

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

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

**Bill No. 66 — Bill No. 71 (Inclusive)**

**Ms. Simard:** — Mr. Speaker, I wish to report the following bills as controversial: Bill No. 66, An Act to amend The Denturists Act; Bill No. 67, An Act to amend The Ophthalmic Dispensers Act; Bill No. 68, An Act to amend The Dental Profession Act, 1978; Bill No. 69, An Act to amend The Medical Profession Act, 1981; Bill No. 70, An Act to amend The Tax Enforcement Act; Bill No. 71, An Act to amend The Provincial Mediation Board Act.

**Mr. Speaker:** — Second reading next sitting.

**ORAL QUESTIONS**

**Mr. Speaker:** — By special order of this House, question period will be at 2 p.m.

**ORDERS OF THE DAY**

**Hon. Mr. Berntson:** — Mr. Speaker, in accordance with the arrangement that has been worked out between government and opposition House leaders, I wonder if we might have leave to go direct to government orders, Mr. Speaker.

**Mr. Koskie:** — That is the general agreement, Mr.

Speaker. There are a couple . . . I can't deal with them today. There's two motions for return that I wanted to have moved today, but . . . in respect to the Executive Council, but we can deal with it at that time in the Executive Council. But there are two motions that I wanted to move but the member isn't here, and maybe we can work that out. So that's fine.

Leave is granted.

(1015)

**GOVERNMENT ORDERS**

**COMMITTEE OF FINANCE**

**Consolidated Fund Budgetary Expenditure  
Agriculture  
Ordinary Expenditure - Vote 1**

**Item 1 (continued)**

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Chairman, we left off on Saturday with the Agriculture estimates. We were discussing the equity financing proposal and alternatives for . . . within that proposal.

Mr. Minister, I had the great pleasure of hearing your interview on the CBC (Canadian Broadcasting Corporation) radio this morning. Unfortunately, your description of the equity financing proposal would leave many, many people to believe that they would be involved in this program, that they would have something to gain from this program.

And I think we established on Saturday the fact that, with any equity financing proposal to work, those people who are at the bottom end of the scale would not be helped under equity financing.

And I went through a scenario whereby a farmer could sell his land and still be in debt, so he'd be no further ahead. And yet I hear you telling the people of this province that equity financing could be a great scheme to help the farmers of this province. It's one sweeping general term — helping the farmers of the province.

And, Mr. Minister, I think you're not coming clean with these people. I think that you know darn well that they're not . . . that equity financing, for people to invest in it, must have some return, and I think that you know that there's no return on a number of farms in this province, and therefore those people will not be helped.

So I say to you that we have a situation here where you're misleading those people. You're giving them false hope. Instead of addressing their problem of net income for all the farmers of this province, you're pricking on a specific sector and leaving to the wolves those 25 per cent of the people who are in deep financial trouble.

Mr. Minister, we have gone through this whole proposal, and I have yet to hear what your ideas are. We have gone through . . . I've asked you to explain your ideas; I've come up short with any answers. You're talking about picking and choosing people who are going to be in the program, again, as I said, leaving those percentages of

people out. I ask again: who will it help? Who will it help? And I think you don't know, or you're not willing to tell the people that those people in deep trouble are not going to be helped.

We've gone through the scenario of changing The (Sask) Farm Ownership Act, changing the Act and leaving the borders wide open for investment on farm land, putting Saskatchewan farm land on the stock market. If you can believe . . . anyone can believe that you are willing to take Saskatchewan farm land and place it on the stock market. And I believe that farmers of this province should be getting any profits, not the brokers and large investors. So, Mr. Minister, when you don't deny that the land will be on the stock market, when you put forward all your inconsistencies, I think farmers of this province are left very, very short on your idea of what equity financing will accomplish.

I would ask you, Mr. Minister, a couple of questions now. First of all, will the government be using lands branch land as land that will be put into any equity financing body? Will lands branch land be the government's contribution to equity financing?

**Hon. Mr. Devine:** — Mr. Chairman, I'm here today with the copies of the five major presentations of the equity finance symposium that I will forward to the hon. member because he wanted the specifics as soon as he could get a hold of them, and it includes the . . . for the overall economic analysis of the state of farm debt from Mr. Lloyd Quantz, and the Farm Credit Corporation, the Credit Union Central, and the Australian Rural Property Trust, and the Peat, Marwick and Mitchell presentations. So I will forward these to the hon. member so that he can review them and his caucus colleagues can review them.

At the same time, the cabinet committee on farm input costs that travelled across the province and also reported to the parliamentary committee, that the hon. member asked for, is here in summary form. And I'll present that to the hon. member so he can use it.

With respect to what property might be put into an agriculture equity corporation concept or instrument, anything is possible. Several suggestions have been included from some federal, some provincial, financial institutions participating. There are large combinations. And as you look through that report, you will see various alternatives that are suggested in there.

So some of the ways that a provincial government, for example, could contribute is, rather than cash, you could allocate some of your property to an equity corporation. And we have that as assets; we carry it on the books. I mean, it's here. So you could contribute some cash, or you could look at a tax credit to encourage people to invest.

If I could mention to the hon. member just in closing, or this question at least, is that when I suggested that to the Leader of the Opposition, he responded, and I quote:

On this basis, I think it has lots of attractions for farmers and precious few for investors right at this stage of the game.

Well if you provide the appropriate tax incentives, plus a guaranteed return, plus the possibility for capital gain, as you do in any other market, that's why people do invest in it, because you can see a reasonable rate of return, plus you hope your stock goes up like any other mutual fund or people who invest. That's what we do all the time with the teachers' pension fund or mutual funds of any kind.

So if in fact the farmer has the ability to buy back his property, and he can do that at any time, and we've replaced a lot of his debt with equity and cut his interest rates because the banks have to charge full interest because they can't have capital appreciation, then you've got that combination of things that as we've seen in Australia and New Zealand, and perhaps any way we could design it here might be helpful to farmers and ranchers in Saskatchewan.

So, you know, as I said to the Leader of the Opposition, if you have suggestions on how we might want to design this, or you know farmers who have suggestions on how we might want to replace the debt with equity and reduce that cash debt burden, I would be more than happy to receive your suggestions.

**Mr. Upshall:** — Mr. Minister, do you perceive that there will be tax incentives for investors who invest into an equity corporation?

**Hon. Mr. Devine:** — Well as I just mentioned, you could design tax incentives for people to invest in this, as opposed to investing in something else in Saskatchewan, or something else in any particular mutual fund or investment portfolio. You have that possibility. And if you think it's a good idea, we can explore it.

If some think that there are modifications you could make to it, please suggest them. We have not ruled them out, because obviously if you can encourage people to invest in Saskatchewan agriculture and benefit farmers and encourage the investors, maybe people in the legislature will invest their savings, in some part, in an agricultural instrument — a bond — to help farmers. And they've got a guaranteed return for themselves and some appreciations over time, because like any other stock, it may rise. Maybe people would like to do that.

**Mr. Upshall:** — Mr. Minister, what I'm trying to get at was what your idea of this proposal is because I think the farmers of this province have to know. And right now, you know, you've had the proposals, you've commissioned the study; I'm sure that you have some ideas. And if you're going to give a tax incentive to those investors who are investing into the equity finance corporation, then what about the farmer who's not going to invest in his land or sell his land to this corporation? Why should investors get a tax benefit, a taxpayer's benefit, from investing in a corporation. when a farmer who may not wish to go into the corporation receives no advantage to continue him farming?

So I mean, what you're setting up is a double standard here. If somebody puts this land into a corporation and there is tax incentives, and somebody wishes not to, the person who wishes not to is set at a disadvantage. Could

you provide us with some information on your thoughts to that?

**Hon. Mr. Devine:** — Mr. Chairman, we often have tax advantages in various kinds of investments that people can choose to take advantage of. They may not, I mean, when you talk about various kinds of standards, nobody wants to design standards that are any different for a various range of people.

I can remind you of the land bank. People who paid the rent and invariably have paid rent in land bank have paid less than market value in most cases. Would you say that's a double standard? I mean . . . You may or may not. I mean, I think it's been, you know, in the ballpark, but you could have arguments that people who have been on government land have paid lower rent than those that were in the market.

I mean, you try to design a program that would encourage people to invest in agriculture and at the same time benefit people in agriculture who want to take advantage of it. And if we can do that . . . Because the debt burden is real, the banks are going to own a lot more land, the credit unions are going to have an awful lot more land, and they don't want it. And we don't want them to have it. So we'd like to have a way to replace some of that debt, lower interest rates, and allow the farmers to buy it over time and to have that assurance that they can buy it over time.

And all we're doing is giving them a partner who is prepared to take some of that risk with them, provide them lower interest rates. And if they have a guaranteed investment, a secure investment, a good investment, and farmers have some leverage, again. I say in all respect, I don't think for any partisan reasons we should close our eyes to these possibilities. If Prime Minister Hawke in Australia can review it and examine it and explore it for his farmers, I don't think we should be hidebound by any one particular political persuasion.

People around the world are noticing problems in agriculture. We don't have enough money in the country to buy all the farm land, I mean, and there's awful lot of it with a great deal of debt, and perhaps nobody's fault because of the interest rates of international markets and of a lot of other things. But it's there, and we're going to have to deal with it, so let's . . .

As your leader says, the member from Elphinstone, the Leader of the Opposition, said — I can't find it here — but he said, there's lots of capital in the country, lots of money in the country. Now that's true. Now he says this is very good for farmers. So if we can get it interesting for the capital that's out there to replace some of this debt, you've put the two together. And let's at least explore that possibility.

**Mr. Upshall:** — Mr. Minister, the whole scenario . . . You keep repeating this reasonable rate of return to the investors, and I'm not sure where this reasonable rate of return is coming from, because every farmer I talk to now has little or no rate of return. So first of all, that aspect is pretty well eliminated.

You can talk about the land values going up as a

long-term benefit, but I think any farmer who works on that land, for whatever period of time, should receive the return from the appreciated value of that land.

And I think that we're not addressing the problem, and the problem is net income. What we're doing here is we're trying to have a band-aid solution to camouflage the problem, and we can do that, and we can do it in the best manner for farmers. But what's going to happen is, we're still going to lose a number of farmers — a number of farmers that we shouldn't lose.

So I think that the whole thing is, is that we're setting out a situation where the banks won't lose their money. The investors, as you say, are going to get a reasonable rate of return, and they're going to get some portion of the appreciated value of the land. But where does it leave the farmer? When all is said and done, I'm very, very afraid that the farmer is not going to be any better off than he was when he started.

And if your idea is to take farm land and consolidate it in the hands of fewer people, well I don't think that's right because I think we should have to be addressing the debt, the debt the farmers are holding. We have to address the income, the input problem, the high input costs, and in that way work on the net return to the farmer. But I think this solution, from what I see, is simply a band-aid remedy and to camouflage the real problem, because you're not addressing the real problem.

Something that especially concerns me is the whole area of opening up the borders — opening the borders to investment, and that ties in very, very handily with your free trade agreement. And that's what I'd like to concentrate on now for a few minutes.

Mr. Minister, your Mulroney/Reagan trade deal that you've blindly signed, or agreed to in principle, will open the borders to investment in Canada. And I've asked you this question before: what's to stop, Mr. Minister, American investment or European or Japanese investment from coming in and buying up Saskatchewan farm land?

**Hon. Mr. Devine:** — Well, Mr. Chairman, I agree with the hon. member that the income problem is the key in agriculture — net income. There are a couple of things that he, I'm sure he agrees, that would be very helpful, and one is to get, for example, the price of wheat up to 5 or \$6 a bushel and keep it there. And that takes a lot of work internationally. It's not easy to do.

And secondly, is to get your cash payments down on the debt that we have. I mean, most farmers that are in trouble have big debt, and most of their cash is going on these payments. Now if we can help address that side of it, then we directly influence net farm income, because their cash can increase — their cash flow. so if you're paying the bank 12 per cent now on \$100,000 and you could cut that in half so that your payments . . . your cash flow would improve by 50 per cent, it would be a significant difference.

And if somebody's prepared to do that with you because you see it as a long-run investment — he says, I'll take 6

per cent on my money now, lock it in, and I'll run with you over the period of five or 10 or 15 years because there may be capital gain — they'll invest in it. Now the investment specialists tell us that's what they do when they invest in . . . for everything from student credit cards . . . student loans to credit cards to whatever else is on the market. And mutual funds do. Now some have tax bells and whistles on them to encourage them; some don't.

All I'm saying is that if the farmer knows that he can always have control of that land and the option to purchase, and have the liquidity to purchase, then he might like the chance to lower his costs on his interest rates right now — give him a break — and he says, I got a partner that's going to ride with me for a while until I get \$5 wheat and \$6 wheat. Now all I'm saying is that in other parts of the world they're trying it and looking at it.

And if I could . . . There was a research done by Mr. Jim Halford. Mr. Jim Halford did this for the NDP administration, and Mr. Gerry Gartner, deputy minister of Agriculture, back in 1981. And if I could just point out to the hon. member . . . And I just say this to show that all political persuasions can look at this, and look at it fairly, whether they're in Australia, or whether it was the NDP administration, or others. And Jim goes on to say this, on page 64 of his report, and you can get it:

Farmers in Saskatchewan have not raised capital through the sale of land. From a rational, economic view it would appear to be a logical choice, because farming is probably the most capital-intensive industry per individual employed, and . . . (inaudible) . . . such as low output for dollar invested. However, emotional attachment to individual ownership, desire for a particular rural structure, and the settlement history in western Canada, have all encouraged individual owner-operator farm units.

A few alternate systems which would facilitate opportunities for more land to be owned on an equity basis (on an equity basis) and still operated by farmers, are proposed.

Mr. Halford looked at it. Now that's precisely what they've looked at in Australia, which means, rather than just have the bank own it and charge you full interest and they hold the titles until you pay for it, you get a partner, an equity partner like your mom, like your dad, like a neighbour, like an investor, who says: I'll be a partner with you, and you can buy it back over time; I will have a fixed rate of interest, and I will run the risk that maybe we'll both make some money at the end of the day, like you do any other investment. Now people have been doing this kind of research for some time, so I just point that out.

Now with respect to people who can buy farm land, whether you're in Prince Edward Island or whether you're in Saskatchewan, you can designate who can own farm land. In the province of Saskatchewan right now, only Saskatchewan people can own farm land — period. In most of Canada, Canadians can own farm land. In P.E.I. they just passed a law that said Maritimers or P.E.I. people will own property resort around the ocean because there

isn't much of it there and they want it to be held for Canadians, or people who live on the island. We have that right.

So with respect to farm land, with respect to energy, potash — this House just passed a Bill with respect to potash — we have the sovereign right to control that any way we like. And we can turn the tap off or open it up; that has not changed.

But to encourage people to invest, we could say, yes, Canadians can invest in Saskoil, for example, and we've passed that here in this legislature. so they have now the ability to invest in Saskoil as a national company here, and that stock is traded on the Toronto Stock Exchange. Now with respect to farm land, that's a possibility, that we could allow other Canadians to invest here, as we have in other things, as do other provinces.

**Mr. Upshall:** — Yes, Mr. Minister, you failed to mention the Mulroney trade agreement as it relates to American investment in Canadian farm land. I think that that's a very, very dangerous way to go — having a trade agreement, opening investment, having you changing the farm ownership Act to allow investment ties hand in hand with this free trade agreement, so I don't think Saskatchewan farmers want large American corporations or anybody else coming in here and owning their farm land. And besides that the investors that are coming in . . . if, like you say, the grain price goes up to \$5 a bushel, you think they're going to let that investment go? I mean, let's be realistic about this.

Again I'd say the farmers are the guy who are still at the bottom of the totem-pole. He's working for somebody else, and the reason is, he's going to have this partner; he's going to have this partner to help him through tough times.

Well I tell you, Mr. Minister, and it scares me to hear you keep referring to the Australian model, because in the Australian model they've picked the cream of the crop to go into their corporation. They have criteria of rainfall — you have to have over 15 inches of rainfall and you have to have a three- or five-year ledger showing that you've made money.

Well, I mean, what is that going to do for the 30 or 25 per cent of the people who are in trouble? Again I say, the farmer that is being put into a severe financial situation, because of no fault of his own, is not . . . I can't see him being helped by this situation.

And you keep giving us the rhetoric about your mother and your brother and your grandfather investing in the land. Well that sounds all well and good but, Mr. Minister, I say to you, that's not your motive. Your motive is to entice investment in this farm land to try to get you off the hook and at the same time leaving those people who are in severe financial shape, leaving them to the wolves.

So do you envision the possibility of American investment, through the combination of a trade agreement and relaxing ownership laws, you envision American investment in Saskatchewan farm land, and what can we do to stop that?

**Hon. Mr. Devine:** — Mr. Chairman, I'd say to the hon. member that I assume that you are sincere in your wish to help farmers, and I will assume that. And if that's the case, I think that you have at least a moral obligation to review alternatives to help farmers. And I don't think that if, for example, as your leader has pointed out — the Leader of the Opposition has said, this has some very attractive features for farmers. He says he doesn't know yet whether investors would go for it, but at least as it's designed conceptually, as we've talked about — very attractive for farmers. That's what he said.

Now if that's the case, if that's the case, why would you want to say, oh, it's all tied to the Prime Minister's free trade agreement? I mean, why would you want to say that? I mean, if you're sincere in helping the farmers, if you're sincere in helping the farmers, then at least look at the possibilities. And I give your leader credit. He has looked at the possibilities.

Speaking of that — and the reason I say this is, for the very reason that I think that your new leader is doing what he's doing today. And I just look at the paper — and I'm being very sincere here.

The member from Riversdale . . . (inaudible interjection) . . . No, the member from Riversdale says this:

If the NDP is to win the next election in Saskatchewan, it must break out of its 'comfortable pew.'

Romanow says the NDP has rested on (all) policy positions of a previous era for (far) too long and the time has come for it to reclaim its role as a source of . . .

**An Hon. Member:** — Point of order.

**Mr. Chairman:** — Order. Order. Order. State your point of order.

**Mr. Van Mulligen:** — My point of order is this, Mr. Chairman. The other day I read from a newspaper article. You said that it was wrong, even though I was quoting from the article, to name one of the members of the House. Now the Premier is doing the same thing. I expect you to call him to order on it.

**Mr. Chairman:** — The point of order is well taken. I would ask the members to refer to members by their position or their constituency.

**Hon. Mr. Devine:** — I apologize for that, Mr. Chairman, thank you very much. The member from Riversdale says:

. . . the NDP has rested on the policy positions of a previous era for too long and the time has come for it to reclaim its role as the source of progressive policy innovation.

And they go on and say:

There is always room for more discussion (but Mr. Durst says that the member from Riversdale) . . .

does a good job of opening it up.

But there seems to be a lot of apathy at the lower levels. I don't know what it is. Maybe it's because people just feel disheartened by their situation . . .

(and while the member from Riversdale) admits it has been difficult trying to spark policy debates during his leadership tour . . . he expressed some disappointment at the slow response and a lack of new ideas (on the tour).

Now all I'm suggesting to the hon. member is, I'm sure that the arguments you're making about change are as old as the NDP is. I mean, what I'm asking you is that, for Heaven's sake, the people that even wrote the Regina Manifesto in 1933 had some imagination. They were going to go try to do something better.

But I hear the same arguments from the members opposite: we can't do this, we can't do that, we can't do this. Why don't you give your imagination a chance? I mean, you've got your own research done by the former deputy minister of Agriculture who says equity may be a good idea. Equity financing may be a good idea.

But please, for Heaven's sake, give the farmer a chance. He needs your help and you're saying, oh well, this is tied to the Prime Minister's free trade stuff and the Americans are going to own all the farm land. You know that's not true. Americans are not going to own farm land. There's better buys in the U.S. on farm land. There's better buys in the U.S. on farm land than there is here, for Heaven's sake. We've got Canadians going down there buying farm land and Japanese buying farm land. I mean, if you'd look at the market . . .

In any event, I'm saying, we can control who owns the farm land. It is for Saskatchewan people and it is for Canadians. So rest assured, rest assured, that that will stay that way. If we can get Canadians to invest in agriculture and if it would help and if farmers would be comfortable with it as we design it properly — and we can design it any way we like — then I believe we have a moral and a financial obligation to explore every means to help them and not deny them that opportunity for assistance.

**Mr. Upshall:** — Well, Mr. Minister, my idea of a new idea is not reducing the number of farmers in this province, and that's what you're going to do. You've said it in 1971, and you continue to say it today because that's the thrust.

I'm not opposed to new ideas, and you know that, but what I'm opposed to is you bringing forth some policy that will enlarge the farm size in this province and get rid of the number of people who are in financial difficulty. And that's what I'm afraid is going to happen. And if that's the direction you're going, then we've got to stop it. I mean, it's great to talk about something that may do this and may do that, but what I'm saying is that it's not addressing the real problem.

I'd just like to continue. I take your assurance of no American investment in our farm land very lightly, because I think that's the direction we're heading, and I think we have to stop that.

(1045)

And you can say that to me now, and it's on the record, so that we'll have to just watch and see what happens in the future, but I think many, many farmers are scared out there as to what's going to happen to their farm and their town. And this is what we're talking about. We're talking about the whole infrastructure of rural Saskatchewan. And if a new idea is to revamp that, well then, yes I'm opposed to it. And I don't care if you call it a 40-year-old argument, because that's what this province is built on, and that's what this province has to maintain its viability on. And if you want to have us look like Montana, well that's your prerogative when you're in government, but when we're in government, we will not have us look like the depopulated state of Montana.

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

**Mr. Upshall:** — Mr. Minister, in this Mulroney-Reagan trade deal we have talked briefly about the two-price wheat being lost, and we have a situation now where farmers are going to have the roughly \$280 million that they get from a two-price system taken off the value of their product and added to them . . . given to them from the federal treasury. Now, Mr. Minister, I say: why did you put it in the agreement?

Why is it in the agreement? Because as farmers in this province, we are trying to get value for our product. And you keep talking about, well, when we get back to \$5 wheat to get our cash flow up, but we had a situation where we could get \$280 million into western Canada from a two-price system. That means I take the grain to the elevator, I get my cost, and then the value for domestic consumption came back to me through the pooling system.

And now you're adding to the hand-outs to farmers, and in the whole spirit of this secret trade agreement you're saying that the Europeans and the Americans and Mulroney is going to talk about decreasing farm subsidies. And here we have right in the agreement, we're taking the value of the product away and bringing it back as a payment from the federal government.

And oh, sure, we have a little full page ad in the paper saying . . . talking about free trade. That's:

Canadian consumers will save \$280 million annually from the elimination of this policy. Canadian consumers (that means every Canadian consumer) will save money.

Well, Mr. Minister, I ask you: where does the money come from to pay through the federal treasury if it doesn't come from the Canadian consumers? And, oh yes, I know you're going to say, well, the rich are going to pay, blah, blah. This is misleading — misleading, because you're trying to sell this secret deal. And I say, that's not how a government should operate. You should be very specific when you're saying that.

But the real point is that the value of the product should go to the farmer right from the negotiation of a sale, buyer to seller, and we've taken that away. So it's a step

backwards. It's another payment. So I ask you: why did you agree to the elimination of the two-price system under this agreement?

**Hon. Mr. Devine:** — Mr. Chairman, I want to point out to the hon. member, as he has a prelude to this last question about why this would indeed help farmers or not help farmers if they could their interest rates lower and still have an opportunity to buy their land.

And if I might, I will just quote his leader again from October 31 here in Hansard. The leader, the member from Elphinstone, says:

Sure, it makes sense to provide farmers with a lower rate of interest now and they're going to have to pay for it in the future. That's the proposal when the value of the land goes up. Everybody understands that and it makes some sense.

Well I think every farmer in Saskatchewan would like to have lower interest rates and an opportunity to purchase it later because he's got a higher cash flow. Now if you and I and people in Saskatchewan can design that mechanism so that you can cut his interest rates down, and because he's got an equity partner he can purchase it at any time and give him the opportunity to own the land, people to retire, young people to get into farming, because we've got cash there rather than debt, I mean that's a . . . As the member from Elphinstone, the leader of the NDP, says:

Everybody understands that and it makes some sense.

Now that's all we're after. That's what the research that you were doing 10 years ago pointed out — equity, get some cash in there, as opposed to the debt. That's what they're doing in other jurisdictions. It's got nothing to do with the fact that we're in a bilateral trade agreement with the United States or multilateral negotiations at GATT, the general agreement on tariff and trade, or anything else. And you will be held responsible if you're going to stand in your place day after day and year after year and deny people the right to try this, because you're all over the place with respect to trade.

Let me point out, and I will just go through it again. If, in fact, 2 or \$300 million that is tied to two-price wheat is paid for by the federal treasury as opposed to charging consumers, it's a net benefit to the Canadian economy. It's a benefit to consumers and families, it's a benefit to the economy in terms of jobs, and it is progressive. It's fair because it's based on the fact — and you acknowledged it — those who have income pay tax; those who are poor do not. Why do you charge the poor for too much expensive-priced bread?

You see, the point is you can have three benefits. Consumers . . . And basically it's important to the poor — that's why we don't have tax on clothes in Saskatchewan; that's why we took the tax off utilities; that's why we took the tax off gasoline; that's why we have interest rate protection for homes — so as the essentials of life in any progressive society should be protected for the poor.

I mean, just think about that. The low income should not be taxed. The low income should not be taxed. As you have more income, you're taxed. So if you want 200 or \$300 million to go to farmers, why charge the poor? Because it's not in the market; they can't get it in the market unless you make it law. So it isn't the market price. If the price was 6 or \$7, if you let them have the market price . . . But it isn't; it's \$2.50.

But you're saying to the poor, I will charge \$7 a bushel. That's what you say to the people on welfare, to senior citizens, to students, to people who have problems. You will charge them 7 or \$8 a bushel and look them in the eye and say, this is good for you; this is fair. That's wrong. And please think about that. That's wrong. And you say, if you need money, go to those who have income. That's what income tax is for. That's what it's for.

**An Hon. Member:** — You give them tax credits.

**Hon. Mr. Devine:** — Well the hon. member from Saskatoon South speaks up and he says, we will give them all tax credits. All right, if you want to give them all tax credits. Then you're saying that you will set up a mechanism so that, in fact, that you will charge them the tax, and then you will give them a credit.

You've been on our case for 100 days because we're doing that with respect to other tax credits. And you got to be consistent.

Let me make the point to my hon. friend. One is, if you want to be fair to consumers and to the general public, you don't tax the poor. Secondly, if you want to have the jobs associated with processing and manufacturing, you've got to allow the processors to buy at a world price, to be competitive, or they can't sell their noodles and their bakery products and their buns and their doughnuts, nationally and internationally, because they can't compete. They're paying \$7 instead of 2.

So if you want the jobs, and if you want the benefits to those of low income, then you do it through the tax system. And you say, here's the equivalent amount of money, as they do in the U.S. farm Bill and says comes right out from the treasury — bang, you got it. Now that's as clean and direct as you can make it. So if with that we benefit because it's fairer, consumers of low income don't have to pay too much for good, and particularly two-priced food.

And three, we can have the jobs associated with processing and manufacturing here, then I ask the hon. member, I ask him sincerely: what's the down side? Who is hurt by a system that takes money from those that have and gives to the farmer the equivalent amount they're giving today, and protects those on low income, and create jobs all at the same time?

I don't know why the NDP would be against that. I mean, again it goes back to your leader's tour. He's asking for progressive ideas to have young people working, to give benefits to consumers, to do all kinds of things for farmers, and yet when an idea comes forward, the NDP is locked right in the same way they've been for some time.

Why would a farmer want to walk through the streets of Regina, and the people who are on the food bank and the line-up and saying, I'm so glad I'm charging you twice as much for wheat than I am the Japanese? How does that make him feel? Why would you do that? Why would people who are poor have to pay more than we sell the wheat to, to Japanese or to the Soviet Union or anybody else? Only the NDP would encourage that.

Mr. Chairman, the member from Saskatoon Nutana doesn't realize that the biggest food bank in Canada is in Winnipeg under the NDP administration. Well, Mr. Speaker . . .

**Mr. Speaker:** — Order. Order. Order! Order. I would ask members, if they want to get into debate, to rise and be recognized. They don't have to get into debate from their seats. Order!

**Hon. Mr. Devine:** — I'm sure that the hon. members can ask me questions when they want to. Mr. Chairman, we always can tell when we're making points because the opposition speaks from its seat. If they have the courage to listen to something, maybe they should travel with their new leader and find out about some new ideas and progressive ideas. As soon as we start to make some points, they catcall. I would say in all respect, our side won't catcall, yours won't. Okay, let's get on with this.

I just say to the hon. member, just review. It's better for consumers, it creates more jobs, and it's fair in the scheme of taxation because it comes from those that have income as opposed to the poor who . . . where bread is very important to them — break is very important, the essentials of life. Why would we ever want to charge them more if there was a better way to do it?

**Mr. Upshall:** — Mr. Chairman, I find this very, very incredible. I think the poor of this province know who supports them and who doesn't. And if you want me to stand up here and give your record from the poor people of this province, it would take me days and days and days.

**An Hon. Member:** — Any time.

**Mr. Upshall:** — Any time, he says. Well I think we've gone through this whole session seeing how you have treated the poor of the province, from taking away their transportation, to the health care, all the health . . . (inaudible) . . . but I'm not . . . I won't expand upon that in the interests of time. but we all know that that's such garbage, saying that we're going to put a more cost onto the poor.

Mr. Minister, you again, you're rising and splitting, trying to drive a wedge between the farmers of this province and the consumers of this province. Because you know, or you should know, that the farmers' share of a loaf of bread is 5 to 7 cents. And the consumer, I don't care how poor he is, doesn't care about that. He says, that's okay. But will you talk about what the millers are taking, ripping the consumers off? No. five to 7 cents on a loaf of bread, and you're talking about the farmer's share?

Well, my friend, you're way off base because it's not the farmers' costs or the price of bread that's causing the



problem. And you trying to tell the people of this province that it is, well that is just a mile from being right. You know that the millers are getting exorbitant profits. You know that that's the real problem. And you're standing up here and said, oh, we're going to keep the costs down to consumers, and we're going to pay it back to the farmers through the federal treasury. Well how ridiculous.

Mr. Minister, this trade agreement that Reagan and Mulroney have conjured up does a number of other things, and I'd like to mention some of them. The spirit of the agreement has already been broken because the Americans are subsidizing more sales to other countries. And, Mr. Clark has admitted that, and many others have also said the spirit of this agreement has already been broken.

We have seen the export enhancement program being tripled — not only being tripled but locked in so that in future we won't be talking about the export enhancement program. And I find it very, very, very amazing how you can believe, or anyone can believe, that the Americans or Europeans are going to be reducing their subsidies. You know and I know that the Europeans will not reduce their subsidies. Their subsidy programs are about 1 per cent of their GNP (gross national product), and so is the Americans'.

And if you stand up and tell me that they're going to be reducing their subsidies to their farmers, for one thing, the European farmers won't allow it, and for the other thing, the Americans will not; even though in rhetoric they're saying that, you should know that that's not going to happen.

So this whole spirit of the agreement has already been broken. We've seen the tripling of the enhancement program, and we've heard the rhetoric about reducing subsidies. Also in this secret agreement that we really don't know what we're into yet but you're blindly leading this province into it, is the wheat board. We've seen the licensing restrictions loosened, adding to the problems that the wheat board already have.

(1100)

Now we need this wheat board because in Canada the Canadian Wheat Board is the sole thing that's kept us in the market, and you know that. And they have done that by making sure the quality of the product is there. Our portion of the market compared to the Americans' is very small, but the wheat board has had a quality factor built right in so that every boatload that goes out of a port has one sample of grain out of it, whereas the Americans, when they load a boat, every carload has a sample of grain taken out of it. And here we go in this agreement, undermining the wheat board.

Something else that we've talked about is the reduction of the subsidies for oil seeds and meal to the U.S. through western ports.

Other things are marketing boards — marketing boards in your agreement you say will not be touched, but we know different than that. They'll be maintained, but any

expansion of the market, they're restricted to the free flow from the United States. So what you're saying is that the marketing boards, oh yes, they're going to be maintained — that's fine — but if a producer wants to expand, oh no. If there's any increase in the market, it's fair game for the Americans to come up and fill that gap.

So how can you say that you're not affecting the marketing board or the people producing under the marketing boards in supply management. That is such garbage. We've already seen the 1 per cent increase in the quotas in the feather and the poultry . . . A 1 per cent increase, Mr. Minister, if you do not know, means an \$18 million loss to the poultry industry. And what's to stop that from continually climbing.

We've seen a relaxing of the quotas on yogurt and ice cream — a substantial part of the industrial milk. Is that not going to mean a loss to the Canadian producers? And you will stand in your place and say, oh . . . you stand there and say, oh, it's not going to affect supply management. That is totally garbage. Over the long process, Mr. Minister, it will affect supply management. It's a sell-out of the producers under supply management.

So, Mr. Minister, how can you say that the free trade agreement will not affect the wheat board and the supply management industries?

**Hon. Mr. Devine:** — Well, Mr. Chairman, I will make a point to the hon. member, and I hope that his colleagues listen to this very carefully. I got into it a little bit on Saturday, and I'm quite serious about it when I'm talking with people across western Canada, and we see the reluctance of the NDP to change.

The truth is under the existing two-price system 4 per cent of the wheat all produced in Canada, grown in Ontario, gets 25 per cent of the benefit under the two-price system, and the hon. member knows that. Now who does he listen to day in and day out about trade and about agriculture and about economics and about jobs? — Bob White from Ontario.

Who do you think Bob White is protecting with this system? This two-price system as it exists today, 25 per cent of that benefit goes to 4 per cent of the production, and it's out of central Canada. And he's standing here in his place defending that, defending charging consumers in Saskatchewan without income to ship back to Bob White in Ontario so that they can receive the benefit. You don't make any more sense than that glass of water you're drinking. Now think about this. Your leader is going around the province looking for progressive ideas to help people, and you're standing in your place absolutely making no sense at all to anybody.

Secondly, we just met with the feather industry and the milk industries yesterday with respect to trade. I'm sure you'd understand this. If beef and pork are not allowed to be exported into the United States, what will happen to them? They will start to be backed up here. And as we can't sell, it will grow here in supplies. What will happen to the price of beef and pork? It will go down. When the consumer goes into the store to shop, will she buy cheap beef, cheap pork, or will she buy supply-managed

chicken? You know what she'll do. The consumers will not buy chicken or anything else if there's a lower priced alternative.

If we don't allow goods and services to go back and forth across the border, like grain and like meat and like pork, how in the world would you have a supply-managed industry survive in the retail store at the Superstore when you've got beef and pork piled up here 25 feet high because you won't trade with the United States? I mean, think about it!

We make a living trading with people all over the world, and particularly with Americans. For heaven's sakes, Ontario trades more with the United States than any other country in the world. Ontario itself could cut a free trade deal with the United States. It's big enough.

Now we have a chance for the first time in history to be on the same playing field as Ontario — not paying the freight both ways, having a fair chance, being able to have access to other markets like Ontario does for automobiles, cutting a deal in potash and oil and grains and meat, the same as Ontario has, and you're standing in your place denying it, for only partisan reasons — only partisan reasons, because you won't look by your nose with respect to what would benefit consumers here at a lower price wheat and all the benefit we're charging them now going to Ontario — the lion's share of it. But you're afraid to look at the truth.

Well let me just say, we have talked with people in processing and manufacturing. They agree we should have access to the U.S. market. We've talked with people. Yesterday we met with the manufacturers, and they endorse reducing the tariffs.

If I could just say with respect to trade, and then I'll let him ask another question. Since 1944 we have been working hard in the world to reduce tariffs. The first general agreement on tariff and trade was 1947, and we reduced tariffs world-wide. Then came the Kennedy round in the '60s and early '70s. Then came the Tokyo round, and we've been reducing tariffs.

In the '60s, 60 per cent of the goods and services between Canada and the United States were duty-free, tariff-free. By 1987, 80 per cent of the goods are without tariff. By 1999 we hope that 100 per cent are without tariff. And we've grown in terms of jobs and opportunities and economic growth, just by gradually around the world reducing the tariffs.

The opposite is true in times of war or strife. If you want to hurt countries, you put up tariff walls. I mean the whole argument today is if you want to hurt a country in Africa you apply sanctions on them. Why? To hurt them, to hurt them. When you're at war with a country, you blow out their machinery, you blow out their communication systems, their railroads and others, because you don't want to trade with them. You try to hurt that country.

Why in the world would you want to put sanctions on yourself? Why would you . . . and history shows any time we've put up tariffs it's hurt us. When you want to have freedom, when you want to have peaceful relations —

peaceful, not antagonistic, peaceful world-wide — you trade with each other. It's safer. We're linked environmentally. Even our pensions are linked internationally. On every stock exchange in the world, trade at 24 hours a day. don't deny the people a chance to do better because of a philosophy that says, no, we can't trade with them, or no, only do it my way.

I mean, again I go back to your leader, your new leader who's running around the province — bless his objectives — to try to get some new ideas from his party. Let me say, if we can help consumers and help create jobs and help manufacturers and still be fairer in the tax system and get out from under a system of two-price wheat that provides 25 per cent of the benefits to 4 per cent of the farmers in Ontario, why wouldn't you be for it? What philosophical reason, or economic reason wouldn't you be for it?

If our standard of living is going up ahead of every other country in the world as we get more and more trade, why wouldn't you be for it? Who's got into your mind or your head that would restrict you from that freedom to explore? Why are you frightened? Don't be frightened. I mean, you would listen to Bob White. You would listen to Bob White and say, no, no, in Saskatchewan the NDP have to do as I tell them because Ontario's picking up the benefit of two-priced wheat. Ontario's picking up the benefit of GM investing in Oshawa, all that money in Mr. Broadbent's riding — or the member of parliament from Oshawa.

Well, Mr. Chairman, just let me say to the hon. member, there is no justification; they're not wanting to make the system fairer and allowing more income to people. Mr. Chairman, if I could just ask the member from Saskatoon Nutana and others to, when they want to question me — Saskatoon south, pardon me — if they want to talk with me they can raise questions, but speaking from their seat, I don't think it's fair to the hon. member from Humboldt that's asking the questions.

**Mr. Chairman:** — Order, please. Order, please. Can we have order, please? I'm asking everyone to be quiet. Order, please.

**Mr. Upshall:** — Mr. Minister, instead of supporting the Canadian Wheat Board and having change in the direction that we need change in, where, by putting that percentage that came out of Ontario into the whole pool — which we should be fighting for — you stand up here and say that I'm supporting the Bob White and the eastern . . . well how ridiculous. Because you should be going in the direction of having that money . . . now that dollar's coming from domestic consumption being put into the Canadian Wheat Board pooling system, and the farmers would benefit from it that way.

But no, but what you're doing is you're undermining the Canadian Wheat Board by having this agreement. And add on to that, Mr. Minister, the fact that the federal treasury is very, very . . . in very tough straits, and when it comes time to budget cutting, what makes you think that they're not going to say, well that \$280 million, the two-price wheat system, times are tough, we've got to cut something — she's gone! So the whole argument that

you're putting forward is that it's okay for farmers to have the Canadian Wheat Board undermined; it's okay for the Americans to put pressure on us to destroy our wheat board so that they can control our market. And you ask the Americans and they say, the Canadian Wheat Board has to go. You say that's fine.

So instead of . . . you're saying, why are you opposed to change. Well I'm not, or nobody else is opposed to change as long as that change is for the better, but this is not a change for the better. This is a change that puts the skids under our orderly marketing system through the Canadian Wheat Board. It puts a . . . potentially takes \$280 million out of the hands of the farmer at some point down the road . . . which is . . . why am I scared? That's one reason I'm scared because again the farmers are going to be cut. As we've seen in all of the other programs: variable rates, all the transportation — putting farmers at a disadvantage. That's what you're doing — putting them at a disadvantage.

Now, Mr. Minster, you mentioned beef and pork. Well first of all this agreement does not end the countervailing duty of \$4.39 a hundred in the United States, so you didn't accomplish anything with that. Secondly, we have a system here whereby we had a quota on beef, and you're somehow saying there's going to be this great huge export of beef to California and the American market. Well, Mr. Minister, we haven't met our quotas in recent history. We haven't even come to the top of the quota, so there was no restriction — simply the 1 per cent tariff either way. So all of a sudden because of free trade we're going to have this great surplus of beef going south. Where's it going to come from? And I suppose your next comment will be, well, we're going to build our industry. Well, I ask you, why hasn't Montana built their industry? They've had free trade. They've had open trade with the rest of the states, even closer to the California market than we have been, and they have not built their industry.

So how can you stand here and tell us and tell the people of this province that all of sudden there's going to be this great surge? You're saying it's going to be a benefit. Well, Mr. Minister, if there was to be a benefit, I think that there's going to be a long time seeing it. And if there is a benefit, why not do it sector by sector instead of having the whole package with its downfalls and a few pluses. This is the type of leadership we're seeing, talking in riddles, and trying to convince people that there's to be this great, great benefit.

(1115)

So, Mr. Minister, I say to you with the free trade agreement, this deal that we don't really know all the facts on, that you've blindly accepted, asking no critical questions and not supporting the feather industry or the supply management or the Canadian Wheat Board, why do you stand in your place and say this is going to be great for us?

Mr. Minister, I think that the whole trade agreement has many, many, many, many questions to be asked, especially the fact that we really don't know what the text of the agreement says. You're accepting the agreement not knowing what the text says, telling farmers this is the

greatest thing since sliced bread, and who can they believe that when they've seen the record of this government? How can they believe that when they can't believe anything else this government says?

So I say to Mr. Premier, the whole idea of free trade is going to hurt this province. It's going to be a sell-out of this province, and I think you're going to be responsible for it.

**Hon. Mr. Devine:** — Well, Mr. Chairman, let me say to the hon. member, I suppose that we could agree to disagree; that he thinks trade with the United States would hurt the province. I think trade with the United States would do the province good. We sell oil and pulp and soon-to-be paper and livestock and natural gas and potash and uranium — 80 per cent of the market for United States potash comes from Saskatchewan, and he's against trade with the United States or a free trade agreement. I mean, even the Leader of the Opposition, the member from Elphinstone, agrees that a free trade arrangement in potash is a good idea. but he won't accept it because it's a Conservative Prime Minister that is doing it, and he wouldn't dare give him any credit.

Let me say with respect to the wheat board, there was a Conservative government that was in power when we set up the wheat board, and it's been doing a relatively good job for long time. And it's a Conservative government that's in power now, with the Canadian Wheat Board setting record sales, increasing our market share. Now those things are facts.

With respect to the federal government responsibility in response in agriculture, I mean, we've debated that for some time. But a deficiency payment and low-interest loans and the capacity to help the farmers with drought payments and flood payments and so forth is unparalleled in the history of Saskatchewan or Canada, and he knows that.

Let me say as well, if the hon. member thinks that he could convince the livestock industry that the U.S. market isn't important, I will personally invite him to agribition. And we will take you through agribition — hundreds and hundreds and probably thousands of farmers that are involved in the livestock business — and we'll go hand in hand, and you try to convince them that the United States market isn't a good idea. And you use your logic that well, my gosh, it isn't good for Montana, so it isn't good for Saskatchewan or Alberta. And, my friend, you know, you've probably tried that. You wouldn't make it to first base. They wouldn't even understand it. I mean, they'd laugh you out of the barn, the hog barn or the beef barn or any one of them, and you know that.

I mean, you can stand in here and think you're immune from any sort of common sense, but I'll take those quotes — this is an NDP Agriculture critic — and I'm going to give them to everybody in agriculture that I know. And I'll say, this is the alternative. This is the alternative in the commodity business, in the hog business and others, that he thinks everybody is going to be exactly like they are in Montana.

You try growing wheat in most of Montana, or barley — you just try that. I mean, maybe you haven't been in

Montana; I don't know. But you come into agribition, and I'll take you through the livestock sector one by one by one, and you try to convince them that they're on the right side — when you're on trade, my friend.

Let me review the major criticisms that you and others, and Bob White, have raised with respect to trade. Because . . . and my other brother Darrell, right? Bob White and my other brother Darrell.

The first question they raise, Mr. Chairman, and he says it's a sell-out to Saskatchewan, is that we would no longer be Saskatchewan, or we wouldn't be Canadian. That's what he says. Well he would have to convince everybody in Europe that joined the European Economic community that they don't have their own nationality.

And he knows that's not the case. The French are still French, and it's a free trade agreement. The German are German. Greece has decided to join recently. Under a socialist leader, they've decided to join it. And Greek culture is going to be there for a long time, even though they trade with other people — probably take a long time to change the culture. I mean that's just . . . That's nonsense.

With respect to investment, they say Americans might invest here, Mr. Chairman. Well Bob White can have \$4.8 billion invested in Oshawa by an American firm called G.M., and it's fine for Bob and it's fine for Ontario, but the NDP out here are told, don't let them invest in the West — don't let them invest. I mean, Bob White can have tens of thousands of new jobs, union jobs, in Oshawa because Americans are investing there — 4.8 billion in Oshawa alone since 1980 — and Bob White says to the NDP, don't let them do it across the rest of the country, Mr. Chairman.

Well look it, all we'll say, why don't you just go to Bob and say, Bob, all we want is just the same amount as you've got in Oshawa. Mr. Broadbent, all we want is just the same amount of investment in Saskatchewan as you get in your riding in Ontario so we can be on equal footing and won't have to pay the freight both ways and all the two-priced wheat and other things won't have to just go to Ontario. Why don't you give the West a chance, Bob White? At least you could say that to him. But you just follow along like little puppies. When Bob says jump, you all jump. Look at them — they're still jumping!

Then, Mr. Chairman, they say, well, if you're doing to do this and the puppies all want to do the same thing, we should vote on it — we should vote. Well even Bob White doesn't let his own union vote. So be inconsistent, and that's how pathetic it can be. They say oh, we should vote on this or vote on Meech Lake, but when the union members are asked if they can vote, they say no, no, union can't vote; that's not fair; he would rip them apart.

Well, Mr. Speaker, they say if you reduce tariffs it would make the economy weaker — it would make us weaker. I don't know anybody but the NDP who would apply sanctions to themselves.

Well the member from Saskatoon South doesn't like to hear this part. But why would anybody in their right mind

put sanctions on themselves? History would show that if you want to weaken any economy, you put tariffs on them. And the NDP say, let's put tariffs on Canada; that would really make us strong. Nobody's been able to figure that out except Bob White and the NDP. Why would you want to put tariffs on yourself?

Well when they say it would make us weaker, we've been stronger and stronger and stronger, Mr. Chairman, since we have reduced tariffs world-wide, and it's even consistent — and young people know this — with peace world-wide, to trade. That's what you do. If you want good, friendly relations you reduce the tariffs and allow people to do business.

Well the second argument is that we're not big enough in Canada . . . (inaudible interjection) . . . fourth argument, we're not big enough in Canada to take them on. Well I pointed out, Ontario is bigger than any other country in the world with respect to trade with the United States.

And they're out here, Bob White can do it. He can have his nice auto pact and all this American investment, but he says, the rest of the country doesn't count like Ontario does; you'd better not do this. Well why do they let him get away with it, Mr. Chairman? Isn't it time that Ontario and Quebec played by the same rules as the rest of the country with respect to agriculture, with respect to tariffs, with respect to commodities, with respect to all kinds of things?

Well finally, Mr. Chairman, in response to the member who wants to know all about trade and the impacts on Saskatchewan, let me say as well, he says the agreement is not perfect. He says, my gosh, they'll still have laws on their side of the border and on our side that says you can have anti-dumping and countervail laws. My friend, just let me say this: if you struck a perfect deal with a trading partner, one thing's for sure — you can't cheat on it; you've got to have rules.

We've got the same dumping, anti-dumping rules as they do. And if we had the same countervail rules, and over time they were identical, you still couldn't cheat. So if you subsidize here and export into the other man's market, he's going to say that's unfair.

So there's no point in telling me that we haven't had a change here. We have now bound the United States for the first time in its total political and economic history to having a third party, agreed by them and by us, examine the rules, not just them.

And he smiles and he says, that's no progress. There isn't an ambassador in the world or a country in the world that wouldn't take that agreement. They said, absolutely, that's what we should be doing, and then a process to harmonize the laws over time.

Well, I mean, he relates everything in agriculture to trade. I go back and say, I've heard it all before with respect to Bob White telling the NDP exactly what to say with respect to trade. I mean, if we go back in terms of the research . . . let me point out. In the Progressive Conservative Party across Canada, Mr. Chairman, 66 per cent of the people support free trade with United States;

21 per cent don't. In the Liberal Party, 48 per cent support it; 36 don't. Among unions, Mr. Chairman, across Canada, 46 per cent of the membership support free trade with the United States; 38 don't.

There's only one political group in the country that says no. The NDP, 41 per cent say yes, and 45 per cent say no, within their own party. Now if all the political persuasions . . . the union members themselves support it because they're in potash, and steel, and uranium, and coal, and hydro projects, and all the rest. Why do you deny them that right? Why are you so hidebound by the political philosophy of Bob White and the old radical left, not to allow yourself the opportunity to grow? That my friend, you and I will look at 20 years from now, and 30 years from now, and say, you were on one side of history and I was on the other.

**Mr. Upshall:** — That was definitely a long speech, but there wasn't much substance in it. I don't think it would do very much, Mr. Minister, to reassure the people of Saskatchewan. I think the poll that you should be talking about or worried about is the one that came out last Friday, because that's what the people are saying to you about your policies, including free trade. Well let's look at that one, and you should be worried about it. And if you're not, you shouldn't be here.

Mr. Minister, I have a number of things to go through today, and at the risk of hearing another long-winded rhetorical harangue, I would like to move on to the beef stabilization plan. Beef stabilization, as you know, has been changed over to a tripartite system, or is changing. Could you give me the status of that . . . of the beef stabilization board as it relates to Saskatchewan and to the tripartite system?

**Hon. Mr. Devine:** — Well, Mr. Chairman, the ministers of Agriculture met in Quebec City several months ago and they agreed on two things. The first was what we called a national red meat accord, which said the provinces over time would agree with the national beef tripartite system that was consistent with our obligations under GATT, the general agreement on tariff and trade, and consistent with the principles outlined by the OECD (Organization for Economic co-operation and Development).

In other words what we said, in this country we're going to start removing the barriers to interprovincial trade, get our agriculture subsidies in the meat business, the red meat business, down to something that is consistent with our obligations internationally when we're trading with the United States and other countries. That's the first thing.

The second thing we agreed in is bring all the provinces into a national beef tripartite mechanism and see if we can harmonize the way that we now have several different provinces operating. We have provincial plans, we have nation plan . . . We've got three or four provinces in the national plan; we want to get all the rest of them in.

It's going to take some effort to make sure that they can all come in and feel comfortable and all have access to federal funding, but the intent is twofold: one, to live by

the long-run agreement, the accord we sign to be fair to our international trading partners; and secondly, to get everybody in the plan and start gradually over a period of time to get our subsidies and our programs consistent with a national program that would allow us to hold our head up, if you will, internationally with respect to our trading partners.

**Mr. Upshall:** — Mr. Minister, there are a number of differences between the two plans, one of them being that the beef board . . . In the Saskatchewan plan, the beef board is made up of producers, and they set the policy, but in the tripartite plan, the federal government has proposed a board of directors made up of ministers of Agriculture.

Do you agree with that aspect? And also do you agree with the board responsibility in administering the plan came from that producer board, and now we're going to see it come from six bureaucrats and three producers? Do you also agree with that?

**Hon. Mr. Devine:** — Well, Mr. Chairman, that is under discussion with all the provinces because we've got . . . To be consistent with a national plan, you have to have something that is acceptable from coast to coast.

And so there's some compromise being reviewed in terms of how many farmers you have on it and how many people who are involved as specialists in the livestock and how many in terms of trade, because obviously we have to be cognizant and aware of the trading relationship with others. So it's a combination, and we're looking at alternative proposals coming from provinces and the federal government.

**Mr. Upshall:** — You didn't tell me whether you thought that was a good idea or not, Mr. Minister. Can you just give us a brief answer, whether you think that the differences are acceptable.

(1130)

**Hon. Mr. Devine:** — Well, Mr. Chairman, I said to the hon. member, it's going to have to be acceptable across the country. So there's going to maybe have to be a little bit of water in everybody's wine to get it done if you want a national program. You can stand here in Saskatchewan, as you often do, and say, we will not change for whatever reason, and you've said that a hundred times this morning. But I'm saying in the spirit of nationalism and co-operation in dealing with an international trading commodity, we may have to have some provinces back off their bottom loading, we may have to have some provinces back off their top loading, and all the other forms of subsidies we have.

And if that means we have to have some trade specialists involved in this, as well as producers, to have some international consistency, that may be considered, and I would think that's a reasonable idea to find the appropriate mechanism for the country to have a national program.

**Mr. Upshall:** — Mr. Minister, the formulas will be changing also under the tripartite system. We now have

cost-of-production farming which I think everyone is quite happy with and maintains it should be kept. The tripartite program has an averaging . . . an index average over a period of years. Now, Mr. Minister, I find that is not acceptable because we have to maintain the cost of production.

Also we have a situation where we will lose central-desk selling. Under the tripartite plan it's weighted by national markets, and in Saskatchewan we have the central-desk selling feature. I find that totally unacceptable and that's the direction that you're headed. And you're taking the beef producers of this province and you're saying, well they maybe have to make some compromises. Well I don't think compromise is necessary, especially now, seeing the fact that, you know, the beef stabilization board is about \$56 million in the hole, or roughly thereabouts. But the industry is starting to come back up, and that will be being paid back. So just at a time when things are starting to turn around, you're going to sell it out and what are you going to do with the \$56 million? Taxpayers going to eat it? Whereas now the industry is coming back on its feet, the industry itself could pay back that.

Also, Mr. Minister, the support levels will be very much lower. Granted that the levy will be lower, but the support levels under the tripartite system will be very much lower. And I'd just like to read briefly from a letter from a beef producer saying, and I quote:

I did a comparison for the two plans, and had the tripartite plan been in effect for the past five years, we would have lost about \$30 a head on about 3,000 head of finished cattle in our own operation.

So the fear that I have is that, as this person does, because the plan is a lesser plan, he would have lost \$90,000 over that period. And you're going to stand up and say, well we're going to negotiate. We're going to make sure that all the provinces of Canada are happy about it. But what about the beef producer in Saskatchewan who already has a plan, a plan that's more beneficial to him than the tripartite will be as I see it.

So I think, Mr. Minister, that you better, in your negotiations be very, very careful. And I would ask you if you can assure us that central-desk selling will be a feature of the plan?

**Hon. Mr. Devine:** — Well, Mr. Chairman, just a couple of points for the hon. member. He talks about, and we both agree, that you want the plan as protective as possible, but one that pays for itself. Now let me raise a caution for the hon. member. The reason that there has been so much difficulty in getting people to join a national program, and why you have, for example, on Alberta producers so hesitant to change, and the Saskatchewan stock growers and others who are involved in the feeding business, so hesitant to change, is that they have seen what the province of Quebec has done in hogs.

And do you know what they've done? I'm sure you're aware of what they did. They subsidized hog production so much in Quebec, they've taken a great part of the

industry for years out of the West because the provincial treasury has subsidized the hog business — to a very large extent. Now they did that with the dairy business and they've done it with the chicken business and they've done it with the egg business, and you know that's true.

They want us to provide them with cheap grain in central Canada. They want feed freight assistance. They want us to pay the freight both ways, and then their treasury can subsidize the industry, like in the meat production, and history shows that's the truth. They have stolen a fair amount of the pork production.

Now you say, well we'll have a nice fat plan here, it's only cost us \$60 million in terms of deficit in total in the stabilization, and we'll hold that up as an example. Well we have to be careful, my friend, or Quebec is going to say, well 60 million, hey, we can probably find 400 or 500 million, and if you want to play by those rules, boy, we'll just slip some money in there and we'll continue to steal the industry. Now then it will be Quebec farmers who support the NDP versus Saskatchewan farmers who support the NDP, carving up the pork market like they did the chicken and egg market and the milk market across the country.

Now there's a big difference in philosophy. Should you be able to earn the right to capture that market and grow and hogs and beef here? Or should you leave it with somebody who has more population and more votes than we do — Quebec and Ontario?

From my own experience in the '60s, I went through what were known as the chicken and egg wars, and they sat around the table and Ontario and Quebec got more votes than we did. And they got more of that market. And you can count the number of producers in the feather industry and the dairy industry almost on two hands here in the West, compared to Ontario and Quebec.

Now if you want to play that game and you want to say, we can keep up to subsidizing by Quebec and Ontario, I'll tell you, there's a lot of people in the red meat industry are going to say, Slim, we've been there and there are more and more and more voters there. And if you leave it up to marketing mechanisms politically, so that the NDP down there and the NDP out here will carve out and tell you what you can grow, then we're right back to Bob White saying, and this is what you will do. You're into the old philosophy that says, we can out-subsidize somebody else.

Well I caution the hon. member. We are going into these negotiations carefully, but we are going to bind other provinces so they can't take away our comparative advantage. We can grow grain, and we have the largest feed grain base in Canada right here — 50, 60 million acres that we have here that we can apply to agriculture. We don't want that wasted on some darn fool socialist subsidy that might take place in another part of the country.

Now if you understand what I'm saying, if you get into that game where you're going to have national, national boards or national people vote and tell you how many hogs you can grow, Ontario and Quebec will win every

single time, and history knows that. Don't let them do it to you, because the union leaders in Ontario are more powerful than the union leaders out here. And the NDP leaders in Ontario are more powerful than they are out here, and they all listen to them. When it comes to agriculture, when it comes to processing and manufacturing, and so forth, that's always the case, because where are the votes? Where are the votes? The votes are in Ontario and Quebec, and they're certainly not going to be in Regina North when it comes to that kind of decision.

So I caution the hon. member. He believes he knows a little bit about politics; let me tell him something about food politics. If you leave it in the hands of political leaders, and Ontario and Quebec decide which parts of the country can grow hogs and beef, history will support the argument, they'll all vote on it and say, it matters right here in Ontario and Quebec; that's where the hog quotas will be, and that's where the beef quotas will be.

We want the freedom to sell to Americans, to the Japanese, and other people, and not have to compete against treasuries in other provinces. So we're going into this very carefully. We will have a good program when we get out from under it, but we are going to bind other provinces so that they can't do any darn fool thing they like to steal our competitive advantage.

**Mr. Upshall:** — Well, Mr. Minister, that may be your thoughts on the matter, but I'm telling you one thing, the producers that I've talked to in this province who have contacted me are scared that they're going to lose the advantage they already have.

And you can talk about Quebec and Ontario all you like; changing this program to a lesser program will not help the Saskatchewan producer, and that's what I'm concerned about — the beef producer in Saskatchewan. And they are saying to me that changing this program to a tripartite program will not help, will not help their industry.

Now, Mr. Minister, I would like to turn now briefly for a second to the Prairie Agricultural Machinery Institute. Mr. Minister, last I heard from the acting minister was that there was negotiations or consultations going on to decide what the future of the Prairie Agriculture Machinery Institute was. Can you just tell me, are you going to continue funding at present levels, or continue funding at last year's levels, the Prairie Agriculture Machinery Institute?

**Hon. Mr. Devine:** — Mr. Chairman, two points. One is that just for the hon. member's information, so he can record it, Quebec's stabilization plans are presently 500 million in deficit. And I just point that out so he knows who's bidding for whose share of the market.

Secondly, with respect to PAMI, the Prairie Agricultural Machinery Institute, the Alberta government has said it would no longer put funds in it. Manitoba and Saskatchewan are reviewing it to find out which parts are effective, and where it could be most useful to farmers. So we're talking with the university, we're talking with research people, and talking with my colleagues and

counterparts in Manitoba, and we will make a decision with respect to longer-run funding after we are satisfied — both governments are satisfied and farmers, and research people — that we're putting the money in the right place for the right kind of research, so that we get a good benefit for the dollar that we're putting in.

**Mr. Upshall:** — Well, Mr. Minister, the situation that we have with PAMI right now is that . . . is great uncertainty. The workers don't know if they're going to have a job. The machinery companies are coming to them and saying, are you going to be funded? What's the situation? Can we sign a contract? And they say, I don't know. We don't know because the government won't tell us what they're doing. So you're creating a situation where the whole atmosphere around there is one of uncertainty.

Therefore the possible result is that they could lose potential contracts. So you're taking the power that they have to make contracts and to evaluate machines, and especially going into development, developing machinery; they don't know where they are. So could you please tell me, or tell them, if in fact the Prairie Agricultural Machinery Institute will have any funding from your government for the next three years?

**Hon. Mr. Devine:** — Well, Mr. Chairman, they have funding now till March 31, 1988, and we are reviewing it with the Manitoba government and with research organizations and institutions at the university to explore the future. That's what we're doing. So when that review is done with both governments and the university, then we will announce if we are going to fund it further. And when that review is completed, then we'll make the announcement.

**Mr. Upshall:** — Well I'm sure that will be very reassuring to the people in the institute, Mr. Minister, knowing no more now than they did many months ago. And that's the way this government runs.

We've talked about it before in these estimates. You're saying we have to make sure things are running right. I say we have to let people know what you're thinking. They have to be able to plan from one year to the next, whether it be the farmer, whether it be the small-business person, or whether it be PAMI. You just said, well we could close it down. Would I like that? No, I wouldn't like it, and I fear that you may close it down.

You may close it down, and that's not what this province needs. You're talking about expanding and diversifying. The only OECD tractor test station in North America, and you're going to possibly shut it down. Is that expanding? Small manufacturers in Saskatchewan who can go to PAMI with an idea and have them help develop it and with less cost and less time have a product on the market, and you're considering shutting it down. What kind of leadership is that?

Well that is something, Mr. Chairman, evaluation was the prime aspect of PAMI initially, and now, if the members opposite only knew, they're moving from less evaluation to more developmental projects. And they say they don't do that, that's not true. Well that's how much they know about, and that's why they're cutting out programs like

this, and that's why the farmers in Saskatchewan are going to lose and the small manufacturers are going to lose because this government doesn't know what's going on in this province.

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

(1145)

**Mr. Upshall:** — I'll tell you, Mr. Chairman, we've gone through a number of things in these estimates, and there's a number more that we could go through, but I'd like just to wrap my section of this up by saying we have a government here who has taken the hatchet to Saskatchewan — and agriculture is no exception. cutting the agriculture budget by 26 per cent, Mr. Minister, Mr. Chairman, is no small thing, and the people and the farmers of this province know that it's no small thing.

We have a Premier and a Minister of Agriculture who stands in his place and says, yes, I'm going to do this, and yes, I'm going to do that. And everything that he does, that he has said in the years before, he has completely reversed — and agriculture is no exception.

He is propagating this myth that he's going to stand up the rural people, for farmers in this province. And that's just what it is, it's a well-propagated myth, but the people don't buy it. He walks hand in hand with Brian Mulroney and the federal government walking down the path of destroying farmers, not supporting those in need, using them as political pawns in their little games of deficiency payments. The only time it comes that farmers will be advantaged by this government is when it's politically opportune for them to do so. And I think that's disgusting.

We have seen him talking about an agricultural equity program, and we don't know who it's going to help. We see him talking about a trade agreement, a trade agreement that's going to sell out this province. We see him talking about things like the calf program. We have many programs, helping very few farmers, but oh no, we're helping you. Agricultural extension — probably wipe it out and put it into the private sector. Not forward-thinking about biodynamics or any other types of agriculture.

This is the type of government that we have, Mr. Chairman. We have seen him in the last six years take the farmers of this province and lead them down a path of rhetoric, a path of rhetoric and broken promises. And I'll tell you, Mr. Chairman, that there is no one in this province, there is no one in this province who is going to believe him because he has the record of mistrust, and mistrust will drag every government down every time. And that's the point we're at right now, and that minister knows that, and so does everyone else on that side.

I've been out in the country and I know, talking to farmers, what they're saying about you. In fact, the little poll here started to say . . . You may think, Mr. Minister, that your rhetoric and your talking about Bob White and your talking about 1980 or '82 is going to win you another election, but you're wrong, because the farmers of this province have seen your record, they've seen your broken promises, they've seen you affect them, not only

in agriculture but in all the other things — in health, the dental plan.

Everything else is affecting them because they have to take money out of their pockets. R.M. revenue sharing — all the money coming to the R.M.s has to come out of the farmers' pockets, all the moneys that you've cut. We've seen the school boards, you've cut them back — the money's coming out of farmers' pockets.

So it's not only directly your lack of response to them in agriculture; it is your lack of response in general to Saskatchewan and the rural communities. So you can add to that 26 per cent budget, Mr. Minister, all the other cuts that you've placed that have to come out of farmers' pockets. And I say to you that that, Mr. Minister, is going to be the demise of this government and the demise of you as the leader of this province.

**Hon. Mr. Devine:** — We've been through this many times with the leader . . . or the . . . well I suppose the Leader of the Opposition and of course the member from Humboldt. To be fair, if the member would recognize that in 1987 if we look at the total payments . . . Would the member . . . I just want to give him these figures so that he can write them down when he's travelling around Saskatchewan. The western grain stabilization payment will be worth approximately \$12,000 this year. The crop insurance benefits will be approximately \$2,200 per farmer. The deficiency payment will be approximately \$7,000, and the federal fuel tax refunds on top of that means about \$20,000 per farmer in benefit in 1987 — per farmer, one year — \$20,000.

And he's standing in his place and saying, well nobody is helping out the farmer. Let me point out that in 1986 our total interest rebate to farmers is \$72 million. That's bigger than your total agriculture budget when the NDP were in administration. Just interest protection and rebate for farmers is bigger than your whole entire budget. And you're standing there sanctimonious and quite self-righteous about all you've done for farmers. Well look, all I can say, Mr. Chairman, is that you can take their record in agriculture and in interest rate protection and in deficiency payments and drought payments, and you can compare them to any of our terms, Mr. Chairman. And that's why farmers appreciate what the federal government has done and the provincial government has done.

And then he goes on and he says, well, rural programs. Who brought in the rural gas distribution system? Who provides natural gas to farmers across the province? We did. You denied them that right. You said it wouldn't work. Who's going to bury the telephone lines? Who's going to provide direct telephones, individual line service to rural people?

Mr. Chairman, that's 1.2 to \$1.5 billion in rural infrastructure that this administration is providing, recommended by the SARM (Saskatchewan Association of Rural Municipalities). Six per cent money out to farmers at \$1 billion recommended by the SARM and the Saskatchewan Wheat Pool and the livestock directors. Big deficiency payments recommended by everybody that are out there. About up \$20,000 cash benefits per



farmer in 1987, and the NDP stands there and says, well gee, you didn't do as good as we did back there when there was real problems and real people in government.

Well, sir, the record will speak for itself in agriculture and in interest rate protection. I mean, I can go back and look at it. And you talk to rural people or urban people about a freeze on nursing homes or no removal of extra billing because you didn't have the courage. We did, big payment to senior citizens — 500 bucks and 700 bucks a couple. You wouldn't do that. We did. New CAT scans, new hospitals, new rehabilitation centres — you didn't; we did.

Well when the people learn the truth, as always, and eventually they will, Mr. Chairman, then in fact they'll say, you know, the NDP as usual has been just talking, but they never really did deliver. They didn't in agriculture, Mr. Speaker, and believe me, when they look at trade and agriculture and health and education, they'll come to the same conclusion.

**Mr. Koenker:** — Thank you, Mr. Chairperson. Mr. Minister, you're responsible for the Saskatchewan Council for International Co-operation. As you know this is an organization of voluntary agencies from across the province. Organizations such as Canadian Catholic Organization for Development and Peace, Foster Parents Plan, Mennonite Central Committee, Canadian Hunger Foundation, Presbyterian World Service, and 31 other agencies. On behalf of these agencies, I'd like to ask you if you envision being able to hold the line, or increase funding for the matching grants program for SCIC (Saskatchewan Council for International Co-operation).

I ask this in light of the fact that your government has cut consistently, funding for SCIC. It now is at its second lowest level in history since the program was initiated. In fact, it was only in the introductory year, back in 1974-75, that funding for SCIC was lower, and that was in the introductory year. We have seen a match now on this dollar-for-dollar program with your government of only 15 cents to the dollar. What kind of assurances can you give the Saskatchewan public who contribute through the voluntary sector to these programs that you will not carry out your restraint program at the expense of the very poorest of the poor?

**Hon. Mr. Devine:** — Mr. Chairman, the Leader of the Opposition and I got . . . had a good exchange in this the last time we went through my estimates. And I would point out that . . . two or three observations. There have never been so much money allocated to relief as under our administration, ever. When you look at the contribution we made to Ethiopian aid in Ethiopia it was \$4.3 million. And that was matched because we encouraged the federal government to do the same, so you're looking at \$8.6 million in aid.

Now that is larger than any other single package that has ever been generated, and it was contributed to by farmers who could deliver grain, and for cases where they didn't because we had drought, we picked it up. And as a result of the drought, we picked up a good portion of it. Let me also add that Agdevco (agricultural development corporation) is now involved in projects all over the

world. I mean, we've got dairy and forage projects in China worth \$2.7 million for people who need the help; a drainage project in Pakistan, \$18 million; integrated soil and water improvement projects in Cairo, 1.2 million. We've got the dry land farming project in the Sudan to help people, 9.25 million. We've got another rural integrated development project in Lesotho, 3.75 million, and we've got one in Zambia, in terms of wheat development, 12.0 million; we've got \$46.95 million in projects on education, food development, and those kinds of things.

Now the last time we discussed this we said . . . we had some question whether . . . respect to all of the money going into these particular programs with the churches was all directed in strictly economic and food development, as opposed to some of it going politically. And the church isn't without its politics, and you know that as well as I do, and you have something to do with the church.

All I'm saying is that I would never give a dime of money to the Ethiopian government — I won't. I mean they've spent \$100 million a year celebrating their 10th anniversary of that Marxist revolution, and people were dying all over the place. We sent food, and we will send aid, and we'll send agriculture, but I will not finance that rather radical organization over there.

And any organization that thinks it might, will not get money out of this government, okay. Now we are matching, and we believe that's fair ball, and I'll give money for food and agriculture, and I've funded it up to \$46 million, projects world-wide, but not politically — not politically.

I mean, we all watch on television, churches involved world-wide in politics, okay? Well I'm a politician, and you're a politician. The good we can do for people should be directed at economic development and education and the growth of food and so forth. But if you stand in your place and you say you're prepared to give funds, organizational funds or anything else to the Government of Ethiopia, then I want you to stand there today and say your party favours that, because it is a cruel, cruel government, cruel government, that we've got to be careful and make sure that you don't allocate funds to dictatorships, no matter where they are, right?

You give it to the people and you help them through aid, education, agriculture production, and so forth. And I've said, and I make no qualms about it we will be careful and we will fund, we've got \$46 million in agriculture development funds world-wide, and we're very proud of it. So I would just . . . but I will not buy the argument that there is not some politics involved in church organizations.

I mean, and the world talks about it, the Pope himself talks about it, and he takes some of his people and chastises them for it. I mean you and I both know that. So we will fund it, and we will continue to fund, in large measure, aid to countries all over, and particularly where there's difficult problems. But when we look at the second consecutive drought in Ethiopia and people starving by the thousands and tens of thousands, and a Marxist

government taking money to celebrate its revolution in the face of that and moving people all over and no care for them, I mean, it's the history of that kind of government. Then you tell me why I should finance them? Because I won't.

**Mr. Koenker:** — Sir. Mr. Minister, you've indicated that you provided 4.3 million in grain relief to Ethiopia last year. That, in fact, is less than the total of your cut-backs to the Saskatchewan council's work in terms of the matching grants since you've assumed government. I don't want to dwell on that unduly, but I would like to ask you: what are your plans with respect to continuing aid to Eritrea? One of the agencies involved in the work of the SCIC is the Eritrean Relief Association. Do you plan a follow-up to your grain endeavour of last year for this year? You certainly must know that experts are beginning to tell us about the prospects of famine developing very rapidly in Ethiopia. What do you have in mind in that regard?

(1200)

**Hon. Mr. Devine:** — Well, Mr. Chairman, I have here, for the hon. member, three . . . two and a half or two pages and a bit on all the projects that are out \$1 million has gone towards.

Your specific one — and there must be maybe 40 on each page, so you're looking at 80-90 projects, so I can't tell you specifically . . . your comment with respect to the one you mentioned. I'll look it up, or I'll get my officials to look it up.

With respect to Ethiopia, we're very aware of it, very aware of it, and we're prepared to help. All I point out is that we are very, very aware of what kind of government is there and what they're going to help people — nothing! I mean, I've very reluctant to again fund any political organization when people are starving across Ethiopia. I mean, we have funded them and we put food aid like no other administration, but we didn't give it to the government, we gave it to the people. And I think that's extremely important that folks here in Saskatchewan recognize the difference.

**Mr. Koenker:** — Do you have plans, sir, for Eritrean relief in the next . . . over the course of this winter?

**Hon. Mr. Devine:** — Well, Mr. Chairman, on the money we contribute to SCIC, we let the church organizations recommend the projects, and we normally agree, yes, this, this, this, this, and this is where the money can go. so with respect to their recommendations being . . . we will look at them very seriously, and in the majority of the cases, in 99 per cent of the cases, we say, yes, that's fair ball.

If we need additional funds, personally from the government and the people of Saskatchewan beyond what the SCIC is doing with their \$800,000, we will obviously be reviewing that. We've done it in the past, and we're prepared to look at it in the future.

**Mr. Calvert:** — Mr. Minister, I was listening to your remarks very carefully on this issue, and you implied

clearly to this House that those organizations involved in SCIC are somehow in support of the Government of Ethiopia. That's what you implied.

I want to ask you, Mr. Minister: do you believe that World Vision, that the Wycliffe bible translators, that the Mennonite Central Committee, that the Leprosy Mission of Canada, that Oxfam, that the Primates' World Relief and Development Fund, that these organizations and the many others who are represented in SCIC take matching funds provided by this government for the support of the Government of Ethiopia? Is that what you believe, Mr. Minister?

**Hon. Mr. Devine:** — Mr. Chairman, I will see if I can get the records, but I stood in my place here and I listed the left-wing radical organizations that were funded on SCIC projects, and I went down through them — organized labour, organized unions, organized this, organized that — funded by the SCIC. And I went through the countries.

I don't have it here with me. So make no mistake about it. If you're unaware of it, I'll make sure you get it so you can stand in your place as a man of the cloth and say, yes, sir, we funded these organizations and we did this politically. It had nothing to do with food — nothing to do with food. And you talk about it from your pulpit. Here are the organizations we funded world-wide, and I'll be glad to provide them. Now I will make sure that we dig them up, and I'll go through the list with you. That's when I said, enough's enough. We will not provide funds to help people, supposed to go for good that are going to go to left-wing organizations, organized world-wide, because dictatorships, any way you shape it, should not be supported by church groups no matter where they come from.

**Mr. Calvert:** — Mr. Minister, how soon can I expect to have this list from you? When will you provide it? How soon can I expect to get it?

**Hon. Mr. Devine:** — Mr. Chairman, those that I quoted the last time I was here are in *Hansard*. He can look them up as well as I can. I will go back and dig up my notes. But when I debated here with the Leader of the Opposition the last time I was in estimates . . . the last time I was in estimates . . . (inaudible interjection) . . . You may not like to hear this, so just listen to it. You can go back and review *Hansard*, and I will review *Hansard*, and we'll get the records, and the records showed that they were funding radical organizations and left-wing organizations and union organization and grass roots political organizations, internationally. And I called him on it. And I said, no, no, this is for food and education, not for politics. It was time that somebody called him.

And don't tell me . . . You're standing there as an NDP member of this legislature, and you're with a church, that there isn't some politics in the church. Don't you believe that. Well you must believe it, when you can take Father Sean O'Sullivan, who is a Conservative and who's a Catholic, and you can take Father Bob Ogle who was an NDP member and he's a Catholic — and they're both Catholics, so don't tell me that there isn't some politics involved. Okay.

So all I am saying to you is that when it comes to us funding international organizations, it's not going for politics, it's going for good aid and drought relief and people in Ethiopia that need it, not just some Marxist revolutionary government.

Item 1 agreed to.

Items 2 to 19 inclusive agreed to.

#### **Item 20**

**Mr. Brockelbank:** — Mr. Chairman, I was out for a few minutes. I had previously requested of the Premier certain information about property management corporation and space that is acquired from them, and he had responded back in August to me, and also about consultants by the department. And I wonder if he has that information to provide to me?

I don't need to have the information at this moment. If the Premier will provide it later in written form, that's perfectly all right with me.

**Hon. Mr. Devine:** — Well we can provide that information and I will provide it to the hon. member, but we don't have it here.

Item 20 agreed to.

Items 21 to 30 inclusive agreed to.

Vote 1 agreed to.

#### **Consolidated Fund Budgetary Expenditure Agriculture Capital Expenditure — Vote 2**

Items 1 to 3 inclusive agreed to.

Vote 2 agreed to.

#### **Consolidated Fund Budgetary Expenditure Agriculture Agriculture Development Fund — Vote 61**

Items 1 to 4 inclusive agreed to.

Vote 61 agreed to.

#### **Consolidated Fund Loans, Advances and Investments Agriculture Vote 146**

Item 1 — Statutory.

Vote 146 agreed to.

#### **Supplementary Estimates 1988 Consolidated Fund Budgetary Expenditure Agriculture Ordinary Expenditure - Vote 1**

**Mr. Chairman:** — Any questions?

#### **Supplementary Estimates 1988**

#### **Consolidated Fund Budgetary Expenditure Agriculture Capital Expenditure — Vote 2**

**Mr. Chairman:** — Any questions?

#### **Supplementary Estimates 1988 Consolidated Fund Budgetary Expenditure Agriculture Agriculture Development Fund — Vote 61**

**Mr. Chairman:** — Any questions?

#### **Supplementary Estimates 1987 Consolidated Fund Budgetary Expenditure Agriculture Ordinary Expenditure - Vote 1**

Item 1 agreed to.

Vote 1 agreed to.

#### **Saskatchewan Heritage Fund Budgetary Expenditure Agriculture Ordinary Expenditure - Vote 50**

Items 1 to 4 inclusive agreed to.

Vote 50 agreed to.

#### **Saskatchewan Heritage Fund Loans, Advances, and Investments Agriculture Vote 62**

Item 1 agreed to.

Vote 62 agreed to.

#### **Supplementary Estimates 1988 Saskatchewan Heritage Fund Budgetary Expenditure Agriculture Ordinary Expenditure - Vote 50**

**Mr. Chairman:** — Any questions?

#### **Consolidated Fund Loans, Advances, and Investments Agricultural Credit Corporation of Saskatchewan — Nil Vote**

**Mr. Chairman:** — Any questions?

(1215)

#### **Consolidated Fund Loans, Advances and Investments Crown Investments Corporation of Saskatchewan Vote 165**

**Mr. Chairman:** — Any questions?

Item 1 — Statutory.

**Mr. Chairman:** — I'd like to thank the minister and his officials.

**Hon. Mr. Devine:** — Well, Mr. Chairman, thank you very

much. I would like to thank all members of the legislature for their co-operation. And particularly, I'd like to thank my officials for providing a great deal of service to the public of Saskatchewan in Agriculture, which has been a tremendously large portfolio, and for all their efforts in being as co-operative and helpful as possible in providing the information to the general public. And I publicly thank them all for their hard work.

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

**Mr. Upshall:** — Mr. Chairman, I too would like to thank the minister and his officials for the lively exchanges we've had during these estimates and, I think, appreciate their participation.

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

The committee reported progress.

The Assembly recessed until 2 p.m.