

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### ORAL QUESTIONS

#### Collapse of Principal Group

**Mr. Romanow:** — Thank you, Mr. Speaker. My question today is to the minister from Saskatoon, the minister in charge of Consumer Affairs, and it has to do with the rather shocking testimony in yesterday's proceedings in Alberta from the president of the Principal Group of companies, Mr. Donald Cormie, pertaining to the 31st annual 1985 report of Principal, which I have here in front of me. This testimony by Mr. Cormie is to the effect that, quote, "This report could have been misleading to some investors."

Mr. Minister, my question to you is as follows, in light of the fact that your securities commission had the audited report of the Principal Group showing a loss of \$25 million, and in view of the fact that Mr. Cormie himself admits yesterday that the information tabled by this report was misleading, my question to you, sir, is this: where in the world was your securities agencies and commission and your officials in protecting the interests of investors in Saskatchewan?

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

**An Hon. Member:** — A good start, minister.

**Mr. Speaker:** — Quite to the contrary, it's not a very good start.

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. We've had this issue raised on numerous occasions already. We've indicated that the historical practice has been for other provincial jurisdictions to rely on the prime jurisdiction. That is the case, and I suggest to the hon. member that the point is one that has been raised by your numerous critics on this, some of which have been demoted and changed, I've noticed in the interim, and I suggest to the hon. member that the point is not new. The question as to the accuracy or the status or the effectiveness of the annual report is one that was early raised in this particular matter.

**Mr. Romanow:** — Mr. Speaker, a new question. Now I'm really confused as to whether it should be directed to the Minister of Finance or to the Minister of Consumer Affairs or to the Premier — to the government, any one of the members of the government opposite who are in such great disarray, I will try one more time to the Minister of Consumer Affairs, Mr. Speaker, with your permission.

The Minister of Finance has said that this matter has been raised on numerous occasions in the past, and he's right. We have, on numerous occasions in the past, alleged that the audited statement by the Principal Group showed that the Principal Group was in dire financial straits, if not bankrupt, and yet it was entitled to do business in the province of Saskatchewan under the responsibility of the

Minister of Consumer Affairs. My question to you, sir, being the new minister in charge of Consumer Affairs: have you investigated the actions of your regulatory agencies, and how is it, why is it now that it takes the admission of Donald Cormie that there was negligence, that even at this point in the game your government won't admit that you were negligent in this affair?

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

**Hon. Mr. Lane:** — The NDP opposition are upset that the Minister of Finance is answering the questions. I note that the opposition Consumer Affairs critic doesn't ask the questions. So I, unfortunately, Mr. Speaker, cannot give a short answer because the hon. Leader of the Opposition raised a couple of matters, the first, as to his own confusion. And the confusion that the hon. member has shown over French language, has shown over free trade — we shouldn't be at all surprised with his confusion over this particular issue.

Secondly, Mr. Speaker, the issue as to the accuracy of the information that was given to regulatory agencies is one of the initial questions that was asked during this Principal matter. I think it fair to say, Mr. Speaker, that we've now had an inquiry in the province of Alberta that's gone over, I believe, some six months, and to duplicate that, as the Leader of the Opposition in the New Democratic Party, would have been a horrendous waste of the public's money, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, a new question. I want to make it clear to the ministers, the several of them who may want to take responsibility for this fiasco, that at this point I'm not asking for a new inquiry in Saskatchewan. We have in the past; we might in the future, but for today's question period that is not the answer that I'm looking for as I ask the Minister of Finance or the Minister of Consumer Affairs.

My question to the minister is as follows: in view of the fact that Donald Cormie, the president of Principal Trust, admits under oath that the reports of 1985 are misleading, misleading to investors for a whole period until this fiasco finally came crashing to a halt; in view of the fact that you had the audited statements which would have shown to you and your government that they ought not to have continued to do business — that is new information — what is the explanation of you, sir, or your government for not having shut down Principal earlier? And more importantly, why not give some compensation to the innocent investors in Saskatchewan as a result of this scam?

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

**Hon. Mr. Lane:** — Mr. Speaker, let me make it clear to the . . . not the NDP can yell; let me make it clear to the Leader of the Opposition that the issue as to the actions of the Principal Group of companies plus their principals and their sales people, have been fundamental to the inquiry and to the issue and to the loss that many investors have incurred. Having said that, Mr. Speaker, the very

question as to the accuracy of information, be it by sales people or information given by the companies, is old allegations, Mr. Speaker, and give cause to . . . (inaudible interjection) . . . and give cause to, if the hon. member would listen, to the inquiry that's going on in the province of Alberta.

I further indicated on numerous occasions to the opposition — I would hope they would pay attention — that the debate that's going on in the province of Alberta certainly is proof that we did not need such an investigation here. And secondly, that we rely on, and have historically relied on, the information being given to the prime jurisdiction, and that information being given to the individual provinces.

And let me indicate finally, to the final point made by the Leader of the Opposition, that he has fallen into the trap again, Mr. Speaker, that they complained about the government bailing out Saskatchewan people and Pioneer, but when an Alberta company goes into financial trouble he stands up in this House and has just demanded another bail-out. The answer is no, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, my question is to . . . I guess it will have to be the Minister of Finance, since the Minister of Consumer Affairs persists in shirking his duty to the people of Saskatoon and the province of Saskatchewan.

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

**Mr. Romanow:** — So my question . . . my new question will be therefore to the Minister of Finance. Does he admit on behalf of the Government of Saskatchewan, the securities agency, and the Premier of Saskatchewan, that there was receipt of an audited statement showing a \$25 million loss by Principal Trust?

And does he now admit to the sworn evidence of Mr. Donald Cormie that the report of 1985 which was circulated was misleading to investors? Does he admit both of those facts, that you were in possession of both of those facts? And if you do, what is your explanation for not having acted earlier? That's my question to you.

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

**Hon. Mr. Lane:** — I find it rather amusing as the Leader of the Opposition is critical of who is answering for the government, but he doesn't let the opposition critic answer the questions. Is there a lack of confidence in the hon. member? In both critics that he's now had — he lost confidence in the last one. Is that . . . to just simply turn his arguments back to him.

Secondly, Mr. Speaker, the question as to the accuracy of the information being given by the prime jurisdiction — in this case the province of Alberta — to other provinces, including the province of Saskatchewan and the province of British Columbia, for example, will be very much an issue raised at the inquiry.

Having said that, Mr. Speaker, we have been entitled, and the historical practice has been for all provinces to rely on the information being given by the prime jurisdiction — in this case the province of Alberta. As I have indicated on numerous occasions, we relied on that information, Mr. Speaker.

**Mr. Romanow:** — Well, Mr. Speaker, I have one new, last question in this area. My question, I guess, has to be to the Minister of Finance. It is clear that the government does not read its own information but continually relies on somebody else's — its own information which shows a \$25 million loss and allowed the innocent investor to be taken as a result of this negligence.

My question to the . . . actually it should go to the Minister of Justice. We'll see whether he answers this question or not. You claimed last year that an investigation was being launched by the RCMP into this matter, including — that was your justification for not having a judicial inquiry in Saskatchewan about the activities of the Securities Commission — including the activities of the Securities Commission, or inactivity of the Securities Commission. My question, therefore, is as follows: who headed that investigation for the RCMP? Has the report been completed, and if so, will the minister undertake to table the report? And when are the decisions being taken whether or not charges will or will not be laid in this regard?

**Hon. Mr. Andrew:** — Mr. Speaker, the hon. member asks a question with regards to an RCMP investigation. No charges have been laid. The RCMP have conducted an investigation. No charges have been laid to my knowledge with regard to any individuals. I have not been made aware of any criminal charges being offered.

Now if the hon. member would ask that I check with the RCMP, find out who is the investigating RCMP officer, etc., I think as a former attorney general, he would find that probably, he should find that as somewhat inappropriate as for an attorney general to find out the investigating officer in any case by an RCMP officer.

**Mr. Romanow:** — Mr. Speaker, I must beg leave of yourself and the House for a new question. Again, I'm not sure whether it's the Minister of Justice or the Minister of Finance — it's for sure not the Minister of Consumer Affairs.

May I say as a short preface to the question, Mr. Speaker, that I acknowledge that under normal circumstances the release of RCMP reports into investigations of criminal matters ought not to be made public. I share that sentiment with them. But this is a case where not only do we not have the RCMP report made public, but we've got a stonewalling by the government opposite as to setting up an inquiry into the entire activities in Saskatchewan. So we have nothing from that side of the information either, thus the call for making the report public. Either way it's a stonewalling.

Now I say this question to the minister, whichever wants to speak; in view of the fact that there are thousands of families — hundreds for sure — families in Saskatchewan, something that this government tries to

portray itself as being a defender of, will the government indicate whether or not it is prepared to, in the light of Mr. Cormie's damning admission about one public statement upon which investors made their decisions, as opposed to the reality which they would not have made their investments — will the government undertake now to consider compensation for those innocent people and families in Saskatchewan who got stung by your negligence? Will you undertake that?

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

**Hon. Mr. Lane:** — I'm frankly appalled, Mr. Speaker, that a former attorney general would advocate that the public have released police reports. And he says . . . as he says, in normal circumstances that wouldn't happen, Mr. Speaker, under this government. Under no circumstances does that happen, Mr. Speaker, and if that was the practice . . .

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

**Hon. Mr. Lane:** — If that was the practice of that individual when he was attorney general, Mr. Speaker, I am shocked, as a former holder of that office. Having said that, let me reiterate the position that we took last fall which is: we have not ruled out an inquiry, Mr. Speaker, we have made it clear. We are awaiting the inquiry in the province of Alberta; we've made that abundantly clear right through this whole process. I think the wisdom of this government awaiting the Alberta inquiry and the tremendous cost and the time involved, I think, is becoming more clear all the time, Mr. Speaker.

With regard to compensation, again I find the New Democratic Party's position being restated by their new leader that this government should not, or I should not, bail out Saskatchewan people with Pioneer, but that we should bail out Saskatchewan people when an Alberta company goes into receivership, Mr. Speaker. There is something wrong in the New Democratic Party position, a very unfair position, Mr. Speaker, and a highly contradictory one. I'm frankly surprised at their position being restated.

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

#### Heavy Oil Upgrader in Lloydminster

**Mr. Solomon:** — Thank you, Mr. Speaker. My question is to the Minister of Energy. Can the minister confirm that she will be in Lloydminster on Thursday to discuss the latest proposals from the federal Alberta, and Saskatchewan governments for the Husky heavy oil upgrader, and can she confirm that these new proposals include large loan guarantees from all three governments, as well as other incentives designed to entice more private oil companies to invest in the project?

**Hon. Mrs. Smith:** — Well, Mr. Speaker, I can confirm that indeed I will be in Lloydminster on Thursday, but not for any discussions on Husky. I'm not sure where the member gets his information from.

I will be meeting with a group of oil people, the member should be aware of, to discuss some of the options that are

open for incentives in terms of heavy oil in that area.

**Mr. Solomon:** — New question, Mr. Speaker. The three PC governments — to the same minister — in Ottawa, Alberta, and in Regina have given up on the idea, according to reports, of taking an equity position in this heavy oil project. According to reports, you are proposing loan guarantees of hundreds of millions of dollars, which are a claim against the average taxpayer.

Can you explain why taxpayers should take all the risk but get none of the gain if this major industrial project goes ahead and is successful? And why have you given up on the idea of getting some of the profits from this huge project for the taxpayers?

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

**Hon. Mrs. Smith:** — Mr. Speaker, nothing has been finalized with the federal government, the Alberta government, and Husky oil company. Negotiations are still going on. There has been no one position taken, whether it's loan guarantee or equity position.

This government, Mr. Speaker, I might add, differs from that, and if there's one thing we have not given up on, it is that oil for Saskatchewan is indeed our future, and that's heavy oil. Hence we have the NewGrade, the Co-op upgrader in Regina — something they couldn't do, Mr. Speaker, in 40 years of power, virtually impossible.

We are working very hard on the Husky negotiations. There has been not one set position taken, but discussions are still going on.

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

**Mr. Solomon:** — New question, Mr. Speaker. This government, the government that you represent, has a representative in Lloydminster. You have a Conservative MLA from Cut Knife-Lloydminster representing the eastern half of that constituency. You have a Conservative MLA, representing the western part of Lloydminster, from Alberta. You have two provincial Conservative governments. You have the Deputy Prime Minister, Mr. Mazankowski representing the west side of Lloydminster, and you've got another minister, Mr. McKnight, representing the east side of Lloydminster.

On many occasions all of you have promised to deliver this heavy oil upgrader project, Madam Minister, and you have been as equally successful in delivering the project as you have been in delivering your tax cuts to the people of this province.

Considering all of the power that you have and the people of Lloydminster have, in this legislature and other legislatures across the country, how and when is this upgrader going to be delivered? Because if you can't deliver it, I don't think the people of Lloydminster should be voting for you ever again.

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

**Hon. Mrs. Smith:** — Mr. Speaker, I would only ask that the member from Regina North West reserve his

judgement until the final word is brought in.

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

### **Agricultural Credit Corporation of Saskatchewan**

**Hon. Mr. Devine:** — I took notice of a question from the Leader of the Opposition with respect to an Agricultural Credit Corporation's agreement with a client, and I just wanted to make two or three very brief observations.

The first is that my initial reaction was correct, and the fact is that the settlement agreement between ACS (Agricultural Credit Corporation of Saskatchewan) and the client pertains only to ACS loan programs. It does not impact on the client's ability to access other government programs.

ACS will entertain loan settlement proposals from clients who are existing farmers. As part of the settlement, ACS does not . . . agrees not to initiate further action to collect the money owed to them. However, ACS will not provide further loans to the client as long as the balance of the debt remains outstanding. And, Mr. Speaker, if in future the client voluntarily approaches ACS and repays the outstanding balance of his debt, he would be eligible to participate in the ACS loan program.

One final point, Mr. Deputy Speaker, is that under the farmstart program when the Leader of the Opposition, leader of the NDP, was deputy premier, their policy was that when you had a settlement like this, and I refer to article 5(2) of the farmstart legislation. It says that:

At farmstart's discretion any amounts owing to the Government of Saskatchewan and the balance will be distributed to the applicant.

Meaning that under farmstart, Mr. Speaker, that when the farmer cut a deal and settled, he couldn't get access to loans anywhere in government under our administration. It's just for the agriculture credit society.

So I make that point so that the hon. member knows that we're much more lenient than he was when he was in power.

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

### **Standardized Testing for Students**

**Mr. Rolfes:** — Mr. Speaker, thank you very much. My question is to the Minister of Education. Mr. Minister, my question is in regard to your continual undermining of the teaching professionals in the province. Last week, Mr. Minister, while you were speaking at the Easter council, you said to the teachers that you wanted to bring in standardized exams. In fact you said there is a desire for a higher standard of academic attainment.

Mr. Minister, the clear implication that you left was that you don't trust the teachers of this province in providing high quality education in this province. And instead, you're asking the parents to place their trust in machine-scored final exams.

Mr. Minister, why don't you place a higher trust in the teachers of this province in the high quality of education that they are providing, and why do you ask them to place a trust in machine-scored final exams instead?

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

**Hon. Mr. Hepworth:** — Mr. Speaker, the issue of assessments and standardization, and what I said at the teachers' federation meeting, in fact was virtually identical, if not identical, to the remarks I made in this House in the throne speech debate 10 days or more ago. And somehow when I made it in this House in the context which was identical to that speech — in fact it was the same text, Mr. Speaker — it was not an issue. Somehow today, all of a sudden the hon. member sees it as an issue. And I think he used the word undermining.

Well what did I say in this legislature some several days ago, and what did I say at the teachers' federation meeting? When it comes to the issue of higher standards and the whole question of standardized exams, that very complex issue of assessment, what I said is this: it's an issue we must look at. I did not say I'm in favour of it or against it. What I said is the public clearly believes that we should examine that question, and to that end, Mr. Speaker, we have put together a ministerial committee with the teachers' federation involved, the Saskatchewan school trustees involved, LEADS (League of Educational Administrators, Directors and Superintendents), and my departmental officials to examine that question and others. And that's all I have asked, Mr. Speaker. I think that's what the public expects is for us to examine the question reasonably, intelligently and humanely, and not with some "survival of the fittest" mentality, Mr. Speaker.

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

**Mr. Rolfes:** — Mr. Speaker, I want to remind the minister that he told the teaching profession that he sensed a general unease among parents about teaching methods.

Mr. Minister, if you were going to stand before the teaching professionals in this province and make accusations against them, don't you think that you should base that on something that's a little bit stronger than an unsubstantiated sense of unease? The teachers in this province have always been regarded as giving a high quality of education, and I think it is incumbent upon you to base your arguments more . . . on something stronger than simply an unsubstantiated sense of unease, Mr. Minister.

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

**Hon. Mr. Hepworth:** — Well I just want to pick up on that point, Mr. Speaker, and where are the observations, what are the observations, both seen and felt on the points that I raised at the teachers' federation, and indeed in this legislature.

I'll tell you what the basis is for my sense, Mr. Speaker. It is this. Over the last year, year and a half, given that I am not an educator, and I suppose my only claim to fame as Education minister is that I have two children in school myself, over this last year, year and a half, I have

essentially been using one day a week, Mr. Speaker, to go into the schools across this province. And when I am there, I do three things, Mr. Speaker; I meet with the teachers in the staff room, and I must say they have been most generous in their hospitality. We answer . . . I answer, at least attempt to answer, their questions. I meet with the teachers. I spend probably one-half to one hour — one-half of an hour to an hour with the students, taking their questions, and as well I meet with the boards.

And over this last year, Mr. Speaker, I've probably met now with 1,000 teachers in that setting; probably 8 or 9,000 young people, Mr. Speaker; and as well, something in the order of one in seven boards.

Now that certainly does not qualify me to be an expert in anything, nor have I ever pretended to be. But I'll tell you, Mr. Speaker, I have had a chance to get a very good sense in my mind of what is happening in our schools, and I say this: I just wish all the people in Saskatchewan could see what I have seen over the last year and a half. That's what I think is going on, Mr. Speaker, lots of very fine things.

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

#### CORRECTION MADE BY MEMBER

**Hon. Mr. Berntson:** — This is a minor thing, Mr. Speaker, but a correction in *Hansard* on page 451, where it says:

**Mr. Speaker:** — Order. Order. Order.

Then it goes on to say:

**Hon. Mr. Berntson:** — I think at this time I'd just like to make this comment, that unfortunately I have seen in the past and now, as a matter of fact, where a minister will comment on a question at some length and then say he'll take notice of it. I'm not sure if that's the way we want to take notice.

Mr. Speaker, I just want to put on the record that that comment was attributed to me in *Hansard*, and I would never say a thing like that, Mr. Speaker. I think it should have properly been attributed to Mr. Speaker.

**Mr. Speaker:** — Point well taken.

#### ORDERS OF THE DAY

#### MOTION UNDER RULE 16

#### Canada-U.S. Free Trade Agreement

**Mr. Gardner:** — Thank you, Mr. Speaker. It gives me a great deal of pleasure to bring this debate to the Assembly today, and particularly to provide members opposite an opportunity to become acquainted with some of the facts of the free trade agreement between Canada and the United States.

The most serious charge, Mr. Speaker, and I would say the most dishonourable charge that has been made against the free trade agreement has been the charge that after it is implemented, Canada will cease to exist as a nation. This charge is made by certain individuals, Mr. Speaker,

because they claim signing the agreement will reduce Canada's sovereignty. I must ask the member for Riversdale to comment on the effect of our sovereignty, of the General Agreement on Tariffs and Trade, the GATT. I ask him to comment on that, Mr. Speaker, because his position and that of his party is that we should use the GATT exclusively as our tool to develop international trade. Therefore, if there are significant impacts upon our sovereignty from that source, then he should alert us to them up front.

I raise that because, after all, it is the GATT trade officials who have recently overturned a purely domestic policy regarding our brewing industry — a policy set in this province for this province. And that policy is to be changed at the behest of the GATT people. Compare that, Mr. Speaker, to the free trade agreement with the U.S. We obtained a full exemption for our breweries in that agreement, and in fact if sovereignty was in fact affected, then I suggest that the U.S. certainly surrendered more than their share. But to claim because two countries are able to agree upon a dispute settlement mechanism and to agree not to harass one another's trade, to claim that this constitutes a surrender of sovereignty is ridiculous. To claim that we cannot exist as an independent nation without tariff barriers blocking us into our own little economy, this is political posturing of the worst sort.

Mr. Speaker, those in favour of the agreement do not need to use such reprehensible scare tactics to win their case. They're not needed, because simple objective facts support free trade without the imperative of frightening people. Consider the projections for a decline in the consumer price index. Depending upon which economist you ask, the inflation rate is predicted to drop between 2 and 6 per cent, and even looking at the low end, the 2 per cent, we find that free trade will provide every Canadian with the equivalent of a 2 per cent wage increase. That's the kind of evidence that supports this agreement, Mr. Speaker. If you look into the specific categories, you find that the costs of many sectors will be reduced as a direct result of the agreement, and those cost savings will be passed on to consumers.

My colleague, the member from Regina Wascana, just recently spoke to the Mechanical Contractors Association, and in preparing for that engagement he discovered that those people, the people that are involved in the electrical and mechanical industry in this province, that the free trade agreement will mean declines in the cost of the various tools and equipment that they use in their industry, ranging from somewhere in the neighbourhood of 9 to 12 per cent. A 12 per cent saving — it's better than having a year-round sale at your favourite hardware store with a 12 per cent saving year round, Mr. Speaker.

The free trade agreement will prove a direct benefit to all the people of our province. Even the Leader of the Opposition has hinted that he understands this to some degree. For example, he said in this House that the agreement would be good for the red meat sector but, he pondered, will our producers be able to deal with the Texans? How will they get by with those Texans, he wanted to know. Well the stock growers' association, the cattlemen of this province, they have assured us that

they'll get by just fine with the Texans, Mr. Speaker. They tell me that they're eager to compete with the Texans and anyone else in the U.S.

The member from Riversdale has also been arguing that the deal will not help our grain sector, although that flies in the face of everything the professionals tell, and the real professionals, Mr. Speaker, the farm families of Saskatchewan.

And let's look at what's going on in the U.S. right now. In Friday's *Leader-Post* there is an article headlined, "U.S. durum farmers upset at Canada." And what that article is all about, Mr. Speaker, is that Saskatchewan has been increasing its share of the U.S. high quality wheat market. And let me just explain for the city boys across the floor what durum wheat is. Well durum wheat is a high quality wheat that has extremely good milling properties, Mr. Speaker. And so far, we've obtained about 7 per cent of the U.S. market.

Now with the durum growers in the U.S., they want the Congress to refuse the agreement. Well if it's all that bad for us, why would the U.S. farmers want it not to go ahead, Mr. Speaker? And the reason they want that to happen is that, once this agreement is in place, they'll not be able to use political pressure to shut out our wheat. And they'd like to be able to shut out our wheat, and they're grateful to the allies they have across the floor who would also like to see our wheat shut out from the U.S. market. But you know, Mr. Speaker, as well as I that market is becoming increasingly important indeed to this province, and also to this country.

Right now the U.S. is our third-largest buyer of durum wheat — number three — a market that we not only want to keep, but the free trade agreement will give us every expectation of increasing that. And quite frankly, I can't understand why the NDP want to keep Saskatchewan wheat out of the U.S. It's a form of madness that says, if we sell them more wheat, we somehow won't be a nation any more. After all, Mr. Deputy Speaker, we've been selling a lot of wheat to the Russians for a lot of years, and we haven't all become communists.

The government wants our farm families to have the opportunity presented to us by selling to the U.S. And you know the blindness over there, Mr. Speaker, as exemplified by one of the propaganda pieces the NDP was handing out. It said the U.S. already has too much wheat, so why would we think that we could sell them any more. That's just the kind of thinking that those people have. They've missed the whole point.

And quite frankly, it's so simple, yet the NDP seem to insist on not understanding the way trade works. For example, the United States has more than enough automobiles. Thousands and thousands of them are manufactured in that country every year. Yet the NDP say we should scrap the auto pact because the U.S. has enough cars. After all, Ontario exports billions of dollars worth of autos and parts to the U.S. each year. We can export to any market where we can compete with the domestic producer.

And so, Mr. Deputy Speaker, our farm families are the

most efficient in the world, bar none. They're the most efficient even . . . or I should say they're more efficient even than those fine people south of the border, the Texans that the NDP say that we're afraid to deal with. And the proof of that lies in the kinds of subsidization that has to occur just to keep their farms afloat.

I read in one article that for some U.S. farmers 75 per cent of their income comes directly from farm subsidies, directly from the government, Mr. Deputy Speaker. Now that is not what I would call, or what any of us would call, efficient agriculture.

The free trade agreement also presents some significant opportunities to our energy industry. That includes oil, gas, coal, and of course, uranium. And here again we have the NDP opposition that just can't seem to come to grips with reality. They say that we should stop exports of uranium to the U.S. because they say it's a necessary component in nuclear weapons, and therefore it could end up contributing to the U.S. military program. Well, Mr. Deputy Speaker, you know they also have copper and steel and petroleum products that have to go into nuclear missiles. Are we going to stop exporting all of those things too?

And the NDP say, well we won't really close the existing mines. We will just refuse to allow any new ones to be opened and wait for the current ones to exhaust their one bodies. What absurdity. If they really believe that Saskatchewan uranium is going to contribute to the end of the world, then surely they have an obligation to stop the exports now, Mr. Deputy Speaker, immediately, no discussion, no matter what the cost — stop them now. After all, isn't the survival of the world more important than a few thousand jobs?

**An Hon. Member:** — It's a good position.

**Mr. Gardner:** — And I hear one of the members from his seat across the hall saying it's a good position. Well I guess it's nice that at least some of us have a position, rather than just being on the fence, Mr. Speaker. After all, isn't the survival of the world more important than just those few thousand jobs? But we can be like the member says, not take a position, just sit back and wait and see what happens.

If they don't believe that Saskatchewan uranium will contribute to the end of the world, and that's what they say they aren't in a hurry to see, then why close down the industry at all? Why not do as we are doing — encourage exploration and development and the creation of new mines with new jobs to secure a stable market under a free trade agreement? Why wouldn't they do that, Mr. Deputy Speaker?

Well, because they just really don't believe in trade. They say they do, and they then do everything possible to disrupt trade, to stop trade, to make Canadians afraid of trade. What silliness comes out of their mouths sometimes, Mr. Speaker, silliness like the claim of an NDP friend, Sheila Copps, who said free trade will mean more surrogate mothers; silliness like . . . well it is, pardon me . . . silliness like from the Leader of the Opposition that the Americans have enough wheat, or that we should be

frightened by Texas cows; silliness like from the gentleman from Edmonton who has built his entire business with taxpayers' money and now tells us he's afraid that free trade might mean the government won't keep paying the bills.

Unfortunately, the government probably will keep paying his bills, but the failure to do so could hardly be called an unhappy prospect. Maybe Mr. Hurtig ought to learn how to earn a living like our farm families and he might not be so worried about us all becoming un-Canadian.

Mr. Deputy Speaker, the free trade agreement will give new impetus to our high-tech sector. It will continue the growth in our red meat sector, with particularly good prospects for the hog industry. It will open access for our grain markets. It will help our farm machinery sector, through the elimination of tariffs on certain parts that are presently penalized. It will help consumers reduce production costs, reduce the cost of living, bring expansion to our energy industry, allow us to compete fairly in services, and provide a framework for the fair settlement of disputes.

And, Mr. Deputy Speaker, the opposition lies to say that proponents only talk about the positive aspects, and being a proponent, that should not be too surprising.

So let me turn it around on them. Instead of always talking about these imaginary problems, like sovereignty, why don't you people discuss the positive impact of the agreement? I'm sure there will be some adjustments, Mr. Speaker. Nothing worth having is ever given over without some effort. And the adjustments that will occur, happily will occur mostly in Ontario, which is why the Liberal-NDP coalition against free trade exists.

And I say to the Leader of the Opposition, Ontario is big enough to protect itself; it doesn't need your help. Why don't you try standing up for Saskatchewan for a change instead of fighting for the union bosses in Toronto? Bob White will do just fine without your help. Shirley Carr has the entire CLC (Canadian Labour Congress), and she doesn't need you. So support your own province and get behind this deal on behalf of Saskatchewan people.

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

**Mr. Gardner:** — I certainly know where the people of Pelly constituency stand, Mr. Deputy Speaker, and they expect me to stand with them. And it is for that reason that I'm proud to move, seconded by the member of Shaunavon:

That this Assembly acknowledge its support for the free trade agreement's objectives and goals, including the federal government's initiatives to enhance trade with Canada's largest trading partner, the reduction of tariffs and non-tariff barriers, and the implementation of a dispute settlement mechanism.

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

(1445)

**Mr. Gleim:** — Thank you, Mr. Speaker. It gives me great pleasure to be here in the House today to second the motion that the member from Pelly has brought forth.

Mr. Speaker, the subject of free trade is a vital one for the province of Saskatchewan, and I appreciate the opportunity to put forward my views from the people of Saskatchewan, and indeed, more important, to put forward my views from the people of Shaunavon constituency.

My friend from Pelly has outlined many of the benefits of the free trade agreement, Mr. Speaker. In particular, he noted that there were . . . been many estimates of reduction in the cost of living from 2 to 6 per cent. It is not surprising, Mr. Speaker, that the Consumers' Association of Canada is in favour of this agreement. Now, Mr. Speaker, you know that the NDP want to say that anyone and everyone who supports free trade agreement is just another friend of the Tories. They say so. So you've got your friends behind the deal; so what?

Well, Mr. Speaker, it's nice to know that the NDP think the Consumers' Association of Canada is composed of a bunch of my friends, but if they are simply honest with themselves, they can get some reassurance. You see, Mr. Speaker, you don't have to be a Tory to support free trade. You just have to think and think and be a thinking person — along with a little common sense.

Margaret Crowley, Mr. Speaker, the vice-president of Saskatchewan chapter of Consumers' Association of Canada, is a thinking person, and she testifies that, and I quote here: "There would be increased competition and a greater selection of choice of consumer goods." She continues that: "Although 75 per cent of our trade with U.S. is tariff free, the highest tariffs tend to be consumers' products."

And you know, Mr. Speaker, even in the areas where the Leader of the Opposition likes to try to frighten people, areas where there is potential for some adjustment pressures, professionals are not convinced. Take the example of poultry. The member from Riversdale is telling our poultry producers that they will be wiped out, just wiped out. He, of course, neglects to tell them what we have maintained — that we have maintained our quotas, the entire supply and management system. I guess you call that misleading.

But interestingly enough, Mr. Speaker, before the agreement was signed, the details known, some experts were analyzing free trade as a total package. What would have happened to our poultry industry, they were asking, if our supply and management system were given up. We had total free trade in poultry with the U.S. Andy Schmitz, the agricultural economist at the University of Saskatchewan says, and I quote the *Leader-Post*:

Canadian poultry, dairy, eggs producers may do better than speculation has indicated. No one has compared how much it costs to produce a chicken in Canada compared with the ones in United states.

So even under more sweeping, radical agreement there was some expert opinion out there that the poultry industry, with the eggs and dairy industries, might not do that bad. How much better it must be under the protection afforded by actual agreement that results.

I would like to bring another economist into the debate, Mr. Speaker, one named Richard Lipsey. Now Mr. Lipsey is not some wild-eyed economic spouting rhetoric. In fact, he is one of the most respected economists in the country, so respected in fact that, along with two other gentlemen, wrote a university text — Lipsey, (Sparks) and Steiner — and that text is used to teach economic rights here in the University of Regina. Surely the University of Regina cannot be characterized as a red-hot bed of right-wingers out to sacrifice our sovereignty.

And what was an eminent economist testimony of hearing in Ottawa, Mr. Speaker? He said that this trade agreement is good for Canada. This agreement has no effect on our sovereignty. And this agreement, Mr. Speaker, is in tune with the ability of Canada . . . Canadian economy to compete and to grow.

He has made one specific point that I thought was very worthy. He pointed out, first, that over a very long history we have been reducing trade barriers between the two countries, and this has not imaged our sovereignty. Then he made this challenge. I quote, Mr. Speaker:

The burden of proof lies on those who say that a Canadian-American free trade pact will unfold in dramatically different fashion than has the past history of Canadian tariff reductions, or than have similar pacts around the world.

In other words, Mr. Speaker, anybody can do as the Leader of the Opposition does — just open his mouth and spew out accusations and claims. And because we are talking about a future development, it is hard to do more than just repeat that he is mistaken.

But the point is there, Mr. Speaker, and it is very powerful that in the entire history of this country and the history of the world, tariff reductions and free trade agreements have never resulted in terrible things he claims it will.

Given the only evidence, given the only evidence available, Mr. Lipsey says to the member from Riversdale, okay, you've made your accusations, now prove them. It's not good enough to say, just disregard hundreds of years of history. You have to offer some evidence that has least legal weight to this history.

And of course, Mr. Speaker, he hasn't done that because he cannot do that. Surely he can continue to try to scare people to claim our country will cease to exist. He will never explain on what basis.

Let's examine the possibilities for him. Could it be on the basis of tariff reduction? Well no, because we have already reduced tariffs so much that the vast majority of our trade is tariff free, and we are still a nation, so it cannot be that.

Is it the basis that we will sit down with the Americans to

harmonize our trade rules to set common standards on tariff practices? Well no, because we already do that, and not just with the U.S. In fact, one of the fundamental objects of nation is to try to get the trading nations of the entire world to come to such an agreement.

We have in fact harmonized many standards and many rules through the GATT (General Agreement on Tariffs and Trade) and according to other treaties across, covering everything from health care to human rights — we still have our country.

So could it be on the basis then that we will have a binational, binding tribunal of arbitration to settle trade disputes between nationals and our two countries. Well no, not that either, because we already submit such process where we do not even have an equal voice. The trade panels on GATT, in fact, as many colleagues have pointed out — should say, as my colleagues have pointed out — the GATT committee have even recently ruled out against us. But I hope the member from Riversdale would agree, we still are a country.

Well on what possible basis would the Leader of the Opposition and NDP argue that we will cease to be a country? On what possible basis? They surely cannot believe that trade agreements will force Canadians to watch more American television, and besides, they watch as much as they want now without an agreement. They can't argue that the agreement will put their friends, Mel Hurtig, out of business, although even if it did, I'm sure Canada could survive his absence. They can't agree — then can't argue . . .

**Mr. Deputy Speaker:** — Order. Order. The member's time has elapsed.

**Mr. Mitchell:** — Thank you very much, Mr. Speaker. I'm glad to participate in this debate today, and I'm only sorry that I only have 10 minutes to do it. I want to spend a few of those minutes dealing with the document filed yesterday by the Premier, which is entitled, *Saskatchewan and Canada: International Trade*.

First of all I want to say that, although the document is 14 years old, there is just — it is perfectly consistent with the position that our party has taken in every one of those years since then, including down to the present time.

The document is not at all what the Premier represented to this House that it was. The document, rather, is a document prepared by Saskatchewan to assist Canada in GATT negotiations, for which this country was then preparing itself. It is a strong statement in favour of the multilateral reduction of tariffs on a world-wide basis. It makes the case, in very powerful terms, how some of the tariffs and other barriers erected by Japan and the European Economic Community are interfering with the flow of agricultural goods going from Canada to those countries, and makes a powerful case that a particular effort should be made to reduce those tariffs. This is a position which our party has always favoured, and which we continue to favour here in this House today.

We've been arguing again and again that one of the problems with this agreement was that it only addressed

problems of trade with the United States, whereas we thought a more appropriate position for Canada was to try on an international basis to deal with all of the barriers to trade that affect the trade from this province and from this country.

It is the Conservative Party, Mr. Speaker, from the time of Sir John A. Macdonald, who have always been in favour of a high tariff policy. That's where tariffs started, the national policy of Sir John A. It is the New Democrats, and before us the CCF in this country for the last 50 years, who have been pressing unrelentingly for the reduction of tariffs, and we continue to do that. And if this agreement, this free trade agreement were only a tariff agreement, Mr. Speaker, we would support it. I repeat again for the benefit of members opposite that it is not the tariff provisions of this agreement that are objectionable to us. What is objectionable to us is the wholesale loss of sovereignty that occurs as a result of the provisions of this agreement.

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

**Mr. Mitchell:** — It is our inability to deal with questions such as foreign investment in this country, the control and management of our energy resources, and the control over our service sector for the rest of our life as a nation, Mr. Speaker, that are an issue in this agreement.

Now I also think it really incredible that the Premier would try and present this document to the House in the way that he did yesterday. It is a pathetic effort, a pathetic effort from a desperate politician, made desperate because they're beginning to get the results from their first polling in Elphinstone and Eastview, and they don't like what they're seeing at all.

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

**Mr. Mitchell:** — And what they're trying to do is to desperately divert attention away from the issues that are moving the voters in those constituencies — issues of health care, issues of government competence, issues of employment, issues of housing; desperately trying to divert public attention from those issues to anything else that might reflect embarrassment upon anybody connected with the New Democratic Party.

I also want to mention, before putting this document down, a couple of observations with respect to the press treatment yesterday and this morning with respect to that document. Some of the journalists reporting on this document dealt with it very well. The political columnist for the Regina *Leader-Post*, for example, obviously read the document before he wrote his column.

I can't say with respect to some of the other media, and I think particularly of the CBC (Canadian Broadcasting Corporation). I know that broadcasting . . . the B stands for broadcasting and the C stands for corporation. I am not sure today what the C stands for. I thought it stood for Canadian — perhaps it doesn't.

But in any event, it would have been helpful if that reporter had read this document, and gone through it, and

seen the fact that the document was not what the Premier represented it to be. The document, in fact, is a document that is entirely consistent with our position over all the years, and continues to be our position today.

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

(1500)

**Mr. Mitchell:** — I might also observe that in those reports there was no attempt to balance the reporting. There was no attempt to elicit from the people on this side of the House what the reaction was to the Premier's statements, or to the document which he filed with this House.

Now I want to turn, in the time available, to some of the statements made by the mover and the seconder of this motion. You know, they talk about the consumers' association as though that association were supporting this agreement. That is not, that is not the reality. I, myself, have met with the Saskatchewan section of the consumers' association, and what they say is simply not the reality.

The fact of the matter is — and it's substantiated in interviews with leading executives of department stores in this country — the fact of the matter is that this free trade agreement is not going to result in any savings in the stores for our consumers. *The Globe and Mail* sent out . . . the *Toronto Globe and Mail* sent out a reporter to speak to the most senior people of The Bay and Sears, and the reporter asked those gentlemen, what would be the effect of this agreement upon prices in your stores?

They got the same answer from both of those companies. The answer was, consumers ought not to expect to see any decrease in the price of goods in the department stores. They said two things. First of all, the amount of the tariff that is being reduced is a small amount indeed, and the tariff is being taken off over a period of ten years. And as a result, our consumers ought not to expect to see any reduction in the prices in the stores. Now, Mr. Speaker, that is the reality. The fantasy is what we hear from the other side of the House and from other proponents of the deal, as though Canadian consumers were going to be making money out of this agreement. That is not the case; in fact, the contrary is the case.

The member from Shaunavon asked a number of questions about why the New Democratic Party is opposed to this agreement, and I want to put it to him in a nutshell. The fact of the matter is that Canada is being hosed on this agreement; Canada is being hosed. I mentioned these points in the House the other day, but I'll reiterate them again.

First of all, we are losing complete control over foreign investment moving into this country. I'm not one to argue that foreign investment should be excluded; there are many situations in which we need foreign capital in order to go ahead with developments in this country. But we have for years retained the right to screen those investments. This is an important thing because we ought to retain the capacity at any time to say no, or to say yes, but . . . and attach conditions to foreign investment.

Under this agreement we are opening up our economy to purchases from Americans without any kind of a screening mechanism being in place. This is an unacceptable loss of sovereignty for our country. It is totally unacceptable to divest ourselves of the power to protect our economy from unacceptable levels of foreign ownership.

Thirty-six per cent of our economy is now owned by non-Canadians. This compares to countries in the European economic community where the average level is something just over 1 per cent. We in Canada are facing a crisis. It's a crisis that's been growing for years, and yet instead of taking steps to ensure that we retain the capacity to protect ourselves, we are going in exactly the opposite direction. We are opening up our economy. We're saying, come on in, boys, you can buy anything you like; we don't care; we'll take no steps to protect ourselves at all.

And so it goes through other parts of this agreement, Mr. Speaker. The energy section, the section on services, the provisions relating to culture, the provisions respecting government contracting, and many, many others — in all of these cases, Canada is just giving up the ghost.

This agreement gives up on the idea of Canada. This agreement surrenders the notion that we can develop here a strong independent country, a country where our children and our grandchildren will grow up to be Canadians, and grow up to be proud of it. Instead, attempts are being made to lead us into a regime under this agreement where government ceases to have any active role in the management of our affairs, ceases to be able to protect ourselves from any number of ills that can happen down the road. Rather, government is consigned to a corner of the room to sit passively by in a chair, watching the scene develop before it, hoping upon hope that someone in the private sector might do the right thing, might do something that will benefit our children and our grandchildren and take care of the things in our society that need caring for.

We've done a lot of things in this country, Mr. Speaker, and we've done them in a partnership between the private sector and the public sector. We've built, for example, the great national railways; we have a national airline; we have regional development programs; we have all kinds of regional development. These things could not . . .

**Mr. Speaker:** — Order. Time has expired.

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

**Mr. Martin:** — Thank you, Mr. Speaker. It is a privilege to participate in this debate today.

I would like to remark, first of all, in comments from the member from Fairview in Saskatoon who talked about American investments, somehow or other it's a bad word out here in western Canada for the NDP. Somehow or other it's okay for the General Motors and Ford and Chrysler to invest \$6 billion in Oshawa — that is the riding for Mr. Broadbent, the head of the NDP; and also vice-president of the NDP, Bob White, who is the head of

the auto workers' union. I can't quite understand how it's all right for the Americans to invest \$6 billion in the Oshawa area for Mr. Broadbent and for Mr. White, and it's not all right for them to invest any money out here in Saskatchewan.

I point out to them also that recently a Canadian . . . We don't, in western Canada, we don't . . . we're not concerned about American investment hurting us in any respect. We can do as well with the Americans as they can with do us. Just recently a Canadian became the largest holder of retail stores in the United States — a Canadian in United States. Americans aren't too happy about it, but that's the way it is.

At any rate, Mr. Speaker, I had the honour on Friday of speaking to the electrical and mechanical contractors' association and, not surprisingly, one of the things that they were most interested in was the subject of the free trade agreement with the United States.

Now these people, electrical and mechanical contractors, are builders. They earn their living by building with their hands and building with their minds, and they have a very important role to play in the building of this province. They're also a part of our effort at nation building, and more particularly province building. To build this province we need tools, just as each of these contractors must have tools for their particular projects which they undertake.

Of course, when you're talking about building Saskatchewan, the tools become broader and less easily defined in most circumstances. They include things such as a willing, educated, and energetic population that wants to build. They include the proper fiscal and monetary structures, sound financial institutions, a functioning infrastructure, and many other things.

But perhaps the most important tool of all to build any nation, and certainly to build this province, is a structure that allows stable and open access to markets for the products and services that its people create. Mr. Speaker, without a buyer for all of the things that we produce, all of the education, all of the energy, and all of the willingness will go for nothing. This province must have access to the supplies it must obtain externally, and it must have access to the fairest and most stable terms possible.

These facts are the main reason why for over 100 years the leaders of . . . western Canadian leaders and other leaders across this country have called for free trade with the United States. As a matter of fact, Mr. Speaker, back in 1984 the current government of the day, the NDP, supported free trade.

Yesterday the Premier introduced some research concerning free trade — a research document prepared by the NDP in 1974. And the current Leader of the Opposition, the member from Riversdale, at that time was of course the deputy premier and also, I'm sure, part of the planning and priorities organization at that time, so he would have been a big part of the preparation of that document.

His government prepared a document in favour of free

trade with the United States, and yet today they are opposing it. And we heard just moments ago that the member from Fairview was trying to deny that fact, trying to soften the impact of that research yesterday that hit them so hard.

So I'd like to quote from yesterday's *Hansard*, if I may. In the area where the Premier was speaking, on page 475 (457), that document prepared by the NDP in 1974 stated:

Saskatchewan is generally recognized as one of Canada's disadvantaged provinces (as a result of high tariffs). Employment opportunities have grown at slow or negative rates; incomes have become depressed in Canadian terms. The province's fiscal capacity has, over the long (haul), been below the national average (as a result of higher tariffs and tariff constraints).

On page 22 it says:

Saskatchewan is interested in seeing the major trading countries move towards free trade (— moving towards free trade). Saskatchewan would not endorse general increases or maintenance of protection, either at home or abroad.

And then he goes on to say:

Extensive trade liberalization at the international and domestic levels, such as will be recommended below, could result in savings to the Saskatchewan economy of more than \$130 million annually . . . and to the grain industry, more than \$50 million annually; to consumers, \$80 million annually . . .

If you put that \$130 million into today's terms, from 1972 to today's terms, you get \$335 million in today's dollars.

And now specifically for the member from Fairview who said that somehow or other that document that the Premier was talking about yesterday did not relate to United States but rather had broader terms, and I'm sure it did have broader terms, but it did state, specifically, free trade with the United States.

It says on page 23, section 3(c):

The reduction of United States tariffs on processed and manufactured forest, minerals and agriculture products would assist the Saskatchewan economy.

That seems to me, Mr. Speaker, very clear.

Interesting, however, that NDP document prepared in 1974 which strongly endorsed free trade with the United States did not mention in any place in that document, sovereignty, culture, or marketing boards. So how is it that all of a sudden these are the big issues for free trade. They're not even mentioned in 1974.

They oppose free trade today, at least they say they do, but they probably oppose it because our Premier was the

biggest player, one of the biggest players in putting this deal together. That's probably why they didn't support it.

But that's not surprising because they didn't support or help families when interest rates were 20 per cent. We did. They offered no help to farmers when they were losing their farms. We did. Oh, they offered to buy their farms and then take them back on as some kind of tenants, in some way going back to the old feudal system.

But even last week they would not support the 18,000 students who faced the prospect of not being allowed to write their exams if we did not get some legislation through to get their teachers back to work up in Saskatoon. They did not support the government's move in a non-partisan gesture, I might say, to solve the students' dilemma, so how can we possibly expect them to have any clear idea of what free trade is about?

Mr. Speaker, there is yet to come a day when we would be able to construct — if I may just get back again to my original topic of free trade — we will never be able to construct a building as inexpensively as the user would like it to be, with the ultimate amount of safety, with wire capable of carrying any load but steel of an infinitely small gauge, requiring no maintenance for ever, perfectly beautiful, with air conditioning that always senses what temperature the user wants and never strays from that temperature, and so on and so on. Perfection is not a possibility in this life, and I will say right up front that the free trade agreement is not perfect — crafted with all the complexity and challenges of a difficult engineering project, it is not perfect.

But, Mr. Speaker, it is a great piece of work. And I don't mind saying that some pretty talented contractors worked on that project on our behalf, such that Saskatchewan will benefit perhaps more than any other region of the country if this free trade deal does go through.

Let me go over some of the details with you. The first element of any building project, of course, is safety. In here, too, there are genuine trade-offs. For example, the safety, of course, of our nation lies in it retaining control over its sovereignty and its culture, and for Saskatchewan, protection of our agricultural marketing boards and security for our social programs is very important.

I think, Mr. Speaker, when we talk about cultural programs, something comes very quickly to my mind, something I used in a recent speech, and that is that if our cultural institutions and our culture is so weak that we have to be insulated from the influences of other countries, then our culture is really weak indeed, and we would never be able to save it from any kind of influences.

If you look at Australia and New Zealand — are the New Zealanders any less Kiwi than they were before they had the first deal with the United States? Are the French any less French? Are the Greeks any less Greek? Are the great Britons any less English because of the free trade they have with the European Economic Council? I say not. I say that our culture, which is growing every day, our culture isn't something that you can say today: this is our culture, and that's the way it's going to be.

Every day our culture is growing. It's getting stronger as new people come into our country. As more people become educated in this country and become more involved as a nation, our culture gets stronger. We're getting stronger and stronger and stronger. And I say to you, and I say to the people of this province, that a free trade deal with the United States will have no influence whatsoever on our culture unless we want it to be. We're a strong nation.

(1515)

Let me just talk for a moment . . . when I mentioned the other night, talking to the electrical contractors, I talked about some of the reductions that it meant to them. Let me give you a few specific examples of what it means to the contractors in the electrical mechanical field . . .

**Mr. Speaker:** — Order. Time has expired.

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

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, I am pleased to be able to enter into this debate on free trade today. I'm surprised how naïve the members opposite are. I'm surprised they don't give us some facts as how this trade deal is going to benefit our province. It's all rhetoric with no substantiation by fact.

I guess I'm also surprised at some of the coverage that was brought forward yesterday on the document that was tabled. I guess I was saddened a little bit by the fact that in its quest for popularizing print, the media sometimes has to do things that maybe they don't want to do, maybe they don't mean to do — or maybe they do, I'm not sure — to grab the attention of the reader. It saddened me a little bit, because I think this country these days is geared around the media. And I think they have a grave and great responsibility to be fair, to tell both sides of the story, no matter what the argument is, and to lay out the facts as they best can gather them. I don't think we saw that in some cases yesterday, and I would hope that that would improve in the future, because it's so important that the people of this province's country get the message and get the facts out in the best way possible.

I would like to now, Mr. Speaker, turn to some of the things in the free trade agreement that alarm me in agriculture. First of all, we see that we're losing the two-price system for wheat. This two-price system brought in about \$280 million. The thought was, or the commitment was, the message was, that we were going to see this \$280 million come back in the form of a subsidy.

But there's still no commitment. We haven't heard from the federal government that the farmers are going to get that money replaced in their pockets. So I think they're thinking out there that maybe there isn't going to be a replacement for the \$280 million they're going to lose.

I think that, also, the wheat board's powers have been reduced because with no import licences, how do we control the movement of grain? What's to stop two multinationals, one in the U.S. and one in Canada, maybe the same company, from promoting . . . having a sale if,

for example, the U.S. have an embargo from some country, from stopping them from taking their grain up through our market, through a multinational corporation into the market-place. There's nothing to stop that right now. The government has the option, but if they choose not to, it can go ahead.

There's no guarantees, Mr. Speaker, that our wheat board's going to remain. And that's another problem with this deal. The United States don't like our wheat board. So little by little over the years other people have been chipping away at it, and this is another attack on the wheat board.

The next point . . . and that's documented in this book, in this *Free Trade Agreement*. The next point I'd like to make in the agreement is the fact of subsidies. In this agreement, if you want to look on page 106 you will find a list of subsidies — subsidies identified in Canada and in the United States.

One of the subsidies identified in Canada is the Western Grain Transportation Act. And on page 79, article 701, it says:

Canada shall exclude from the transport rates established under the Western Grain Transportation Act agricultural goods originating in Canada and shipped via west coast ports for consumption in the United States of America.

Basically affecting canola-meal and oil. Mr. Speaker, this takes out of the pockets of prairie farmers in Alberta, \$25 a tonne, and out of the pockets of farmers in Saskatchewan, \$38 a tonne. And this government says it's supporting agriculture by supporting the free trade agreement. That is wrong; that is false. They're taking money out of the pockets of the farmers.

Especially now, Mr. Speaker, since we now have what's been accepted in the United States of the GRAS, or generally regarded as safe, the canola oil. I mean, we're just breaking into the market, and then hopefully can expand that market because the United States government has seen fit that this product is good. And we could probably ship more there, but in order to do that we're taking \$38 a tonne out of the pockets of farmers. We're subsidizing out of the pockets of farmers. And this government says that it's going to support agriculture. Well it's just not showing that, Mr. Speaker.

And the last speaker said that supply management, our marketing boards, were protected. Well that is pure, outright garbage, because in this deal, supply and management for poultry, and it's on page 84. It says:

. . . the level of global quota on chicken . . . chicken products as defined in Annex 706 for any given year shall be no(t) less than 7.5 per cent of the previous year's domestic production of chicken in Canada . . .

That's up from 6.3 per cent, so they've upped the amount of American chicken that can come in. But when we flip over to find out what the definition of chicken is, and we look on page 119, we see that chicken is:

Chicken and chicken products . . . chicken capons, live or eviscerated, chicken parts, whether breaded or battered . . . chicken products manufactured wholly . . . whether breaded or battered . . .

But what's not a chicken, and what's not covered by this agreement? There's a whole list, and I'll just read some of them: all the processed product, and that's the expanding part of our industry in Canada — it's the processed. And they're going to allow the American producers to put their chicken into our market in things like:

. . . chicken cordon bleu, breaded breast of chicken cordon bleu, chicken Kiev, breaded breast of chicken Kiev, boneless Rock Cornish . . . stuffed Rock Cornish, boneless chicken with apples and almonds, chicken Romanoff Regell, (and it goes on) . . . chicken TV dinners . . .

This is the chicken that's not a chicken, because it'll be allowed to come into Canada with no restrictions. And they say that they're supporting supply management. Well that is such a false statement. And they expect the people of Saskatchewan to believe them when they say, this is a good deal. Utterly ludicrous.

And I'll just . . . and it goes the same for the egg industry. The egg industry in this province, one of the only supply-management industries that is not subsidized by anybody — they do it on their own backs, they've got an excellent system worked out, and now they're going to up the imports of eggs. They're going to add on to that what the peak consumption periods . . . like we buy and sell from the United States so that we don't have to throw it away. We sell at a loss to us but we recoup in the good times. And then they add on to that, after they total those two together — the increase in the tariff and the increase in the peak periods — they add on to that again overall another amount which is a doubling of the peak period tariff. Now that is totally irresponsible, totally irresponsible when negotiating a deal for Canadian farmers and Saskatchewan farmers in particular.

Now, Mr. Speaker, I would like to turn briefly to the red meat industry. The red meat industry in this province is very, very important to us. We have to take our beef products and move them. But we have basically free trade in red meats right now. And if the dollar goes up to 85 cents or so, we won't have the advantage of the dollar, so they won't come up and buy them.

But I'll make the example of hogs. In this book it says — if I can find it — it says hogs . . . or what constitutes meat. But hogs aren't listed. Hogs aren't listed as what constitutes meat. It's beef, sheep, and veal. But hogs aren't listed. Now did you hear one of those members stand up and say that hogs weren't listed? Because they don't like to tell the truth. In fact we still have a tariff on hogs, 4.4 cents per pound.

And now I'll just wind up, Mr. Speaker, by saying that some American farmers and farm groups do not agree with this deal. And let me tell you why they don't agree with it. Tories will tell you they don't agree with it

because Canada got such a good deal. Well I'll just tell you, in the brief moments I've had here I pointed out just a few, just a few of the things that are going to be detrimental to Saskatchewan agriculture, and these Tory boys are supporting it.

The Americans, they say we still have a Wheat Board — that's an unfair subsidy. They say we still have stabilization plans — that's unfair. That's why they don't like the deal, not because we got a good deal, because they didn't.

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

**Mr. Martin:** — Thank you, Mr. Speaker. It's a privilege for me to address the Assembly on an issue as important as this, and I have for the past year become more and more a believer that free trade is one of the best initiatives that this government, the Government of Canada have initiated. And I am more convinced today than I ever was before that what we are doing as it relates to free trade is important for the people of Saskatchewan, it's important for the people of Canada, and it's important in various kinds of ways and I'm going to point out some of them here today.

Canada's free trade agreement with the United States is good for all Canadians and especially for those in Saskatchewan. The motion before the Assembly here today calls on us to express our support and we're going to take a look at some of the benefits. The position I believe, Mr. Speaker, that we ought to take as a legislature, and the people of Saskatchewan, is that this is indeed one of the most important things that we have ever done.

And I believe, Mr. Speaker, that the Premier needs to be congratulated for his efforts, he needs to be commended for the things that he has done. He has brought an international focus to the province of Saskatchewan that is unique, and that in itself is a very important trade opportunity.

When you speak about the impact of Canada on the United States, when you go about a mile on the other side of the border, people don't even know where Canada is. That is a recognition that is slowly fading away because of the involvement that we have had, not only by the Prime Minister of Canada, but the Premier of Saskatchewan. And I believe that we need to acknowledge that.

Trade has been a part of Saskatchewan and Saskatchewan's history. If you go back to the early times in Saskatchewan, trade was established by the natives who lived here. Trade was established by the fur traders who came and moved the furs from Saskatchewan across to the eastern part of Canada and into Europe.

Trade has become a part of who we are and what we are, and how we handle trade is extremely important. Saskatchewan relies a lot on trade. Every job that we have, a quarter of that is initiated by the trade component, and we have to be able to recognize that, that it is an important part.

Thirty-five per cent of all of the goods and services we

produce are part of trade. Indeed, Saskatchewan is Canada's largest per capita trader, and that, Mr. Speaker, is with Americans. And we have to be aware that these people in the United States who buy our products are people that could just as easily cut it off. And that so often, Mr. Speaker, is something that is not recognized by the NDP opposite.

Since trade is every job . . . one in four jobs in Saskatchewan is a part of the trade sector, we are dependent on trade as an engine to drive the economy, and I believe that there are examples. In the grain industry, we trade internationally and are well respected in our international trade.

And international doesn't mean just over the water; international trade means across the border. When you take a look at what has happened in the oats, for example, this past year, the contracts that went down to Kentucky and Missouri to the racing industry, it was Saskatchewan, Manitoba, and Alberta oats that went down there to do that. It was not imported from Japan; it was not imported from Europe. It was contracts that were initiated by people of western Canada to deliver that product down there. It's very important.

(1530)

Let's take the potash industry. We've just gone through probably an historic time in the potash industry, and the Minister of Energy and Mines has done an excellent job in providing that liaison with the companies and with the United States Department of Commerce. And I believe, Mr. Speaker, that that is a part of why we ought to be more intense and driving the point home, that trade is one of the most important features in dealing with the economy of Saskatchewan. One in four jobs is related to that.

The oil industry. So many times, Mr. Speaker, the people who do not understand the energy sector have said, this is a bad thing for Canada, the oil sector and the natural gas. Well I want to say to the people of Saskatchewan, to the people in the Morse constituency, because that is an extremely important issue in my constituency, that this is a very important item. The energy sector and the opportunity to market that anywhere in the world is extremely, extremely important.

And I, Mr. Speaker, believe that it is to the benefit of the people of Saskatchewan, not only in my constituency — in the Shaunavon constituency, in the Maple Creek constituency, in the Kindersley constituency, in the Lloydminster constituency, and everyone in the province of Saskatchewan gets a benefit.

Yesterday we heard the Premier say that \$700 million in energy benefits flowed to the people of Saskatchewan because of the kinds of things that we do. And those are things that relate directly to schools, they relate to hospitals, they relate to seniors' care. And those are the kinds of things that this trade package provides for the people of Saskatchewan.

I believe it, and you just go and talk to the people in the energy sector who deal on an international basis, how they respond to this trade agreement. They believe in it,

Mr. Speaker, and they think it is very, very important.

Let's take the energy sector in the uranium. Where were we going in uranium prior to October 4, 1987? We were down the tubes. Our mines were closed down, or about to be closed down, and we, Mr. Speaker, have the highest ore grade uranium in the world. We have the potential to deliver energy of that sort internationally to people all over the world.

And who, Mr. Speaker, are the biggest buyers? They're United States, France, and countries like that. These people need energy, and where are they going to get it? Where are they going to get it? They're going to get it from oil, they're going to get it from water, they're going to get it from uranium. And, Mr. Speaker, this free trade agreement probably put more people to work at one single stroke of the pen than anything else that we have done since we've been elected. And I believe, Mr. Speaker, that it is very, very important.

Now going to something else that I feel very strongly about is the livestock sector. Mr. Speaker, 70 per cent of the hogs in Manitoba go to the United States; 30 per cent of the hogs in Saskatchewan go to the United States. Is that going to impact on us positively or negatively if they would begin to close some of those borders off?

I believe, Mr. Speaker, that it is very, very important to the meat industry in Canada, and in Saskatchewan specifically, that we deal with this and deal with it accurately. Mr. Speaker, the meat producers in Saskatchewan believe that it is a very, very important thing to do, and I'll tell you why.

If, for example, you were to take and reduce exports by that 30 per cent, and those people in Saskatchewan would be affected — let's take hogs in Saskatchewan, 30 per cent of the hogs. What would that do to the chicken industry in Saskatchewan? It would go right down. What would happen to the beef industry? It would go down. Just think of the prices that we have today established in the beef industry. They are probably the highest that they have ever been in my history.

And you take a look at last year, for example, in the last quarter, meat was trading 154 a hundred. Today it is between 145 and 150. Mr. Speaker, that's almost unprecedented in our history. And that, Mr. Speaker, is because we have an opportunity to trade on an international basis, and that is with the United States. International does not exclude the United States, and I believe that it is very important for us to address that.

Our forest products is another particular part that we need to take a look at. What are we trading in our forest products where we could have a benefit? And I have studied a number of economic books on how this international trade impacts as it relates to the United States and to Canada. Forestry, for example, under the agreement that we had with Canada and United States, the forest industry had a very, very negative tax placed on it in 1986. Why? The same arguments that were dealt with in 1982, as it related to the forest industry, were the same guys to use it in 1986.

**Mr. Speaker:** — Your time has expired.

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

**Mr. Solomon:** — Thank you, Mr. Speaker. I'm very pleased to enter this debate about the supposed merits and the tremendous shortcomings of the proposed Canada-U.S. free trade agreement.

Before commenting on the deal though, I want to make a very important point. No one in Saskatchewan, including New Democrats, are opposed to increased trade between Canada and the United States. Everyone knows that our province must trade to prosper. That is not the issue, and that has never been the issue.

The issue is whether this particular deal, the Mulroney-Reagan trade deal, meets the needs of our province and our country. The issue is not our desire for more trade with the U.S. and the world, the issue is this particular deal. And I maintain that this agreement is not satisfactory because it goes well beyond the normal terms of a commercial trade deal and requires Canada to give up control of an important economic and social decision.

The member from Pelly and the member from Regina Wascana falsely accused as of supporting the abolition of the auto pact. What they said is just not true, Mr. Speaker. In fact, the auto pact is a clear example of not being free trade; it is not a free trade arrangement. It is, in fact, an example of managed trade with production guarantees. And there is absolutely nothing wrong, or nothing free about that deal except that the freedom that it was bargained in. And under this agreement with Mulroney and Reagan's agreement, the auto pact would never happen.

The other comment I want to make, Mr. Speaker, before I get into some other relevant notes, is with regard to the Premier. Yesterday the Premier in this House was an unbelievable example of a man in desperation. He was a man exercising a desperate act. He's faced with two by-elections in this province for May 4, in Saskatoon Eastview and Regina Elphinstone. He knows, Mr. Speaker, that the polls are not very good for the Conservatives. So here he is, he takes this little document from 1974, a document which is 14 years old, which the NDP government had put together and commissioned to have it put together, which supported the importance of the GATT and supported and promoted a reduction of tariffs.

And here's a Premier using a document that's 14 years old, but refused to table, and refuses still to table, any documents that this government in the last six years has put together on free trade and any statistics therefrom.

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

**Mr. Solomon:** — What kind of a Premier is that, Mr. Speaker? It's an act of clear desperation, in my view. His party's in trouble, and I maintain that they're very desperate to win these by-elections in Regina Elphinstone and Saskatoon Eastview, and they'll try anything to win the by-elections.

But that's only part of it. The other part of it, Mr. Speaker, is the media. We've heard about the journalists previously. The CBC reported on this statement of the Premier almost verbatim. And it seems to me that the Canadian Broadcasting Corporation, the way they've been reporting on the Premier lately, in particular from yesterday, should be named perhaps the Conservative Broadcasting Corporation.

Whenever they want to get on the media, the Premier gets up there and he says a statement and they report it. And that wouldn't be so bad if it was a balanced story, but the radio report I heard, Mr. Speaker, was totally almost verbatim from what the Premier had said. And everybody knows, everybody knows, Mr. Speaker, that the Premier has on many occasions made statements that require balanced reporting because on many occasions he stretched the truth so badly it's nowhere resembling the truth.

However, some media do report fairly and in the public interest on the free trade agreement, Mr. Speaker. A Toronto newspaper, I believe it was the *Toronto Star*, printed a leaked document, a government document, confirming that it has been the deliberate strategy of the Mulroney Conservatives in Ottawa not to inform Canadians of the details of this so-called free trade agreement.

This is disturbing news, Mr. Speaker, coming from our government. It can only mean that the more you know about this deal, the less you will like it. And as one reads through this document, as one reads through the document, Mr. Speaker, Canadians like the deal less and less, because it means in some areas we have surrendered our country and our independence without so much as even a whimper or a battle.

This agreement is far worse than a simple agreement to reduce tariffs. It deals with far more than just tariffs. It deals with things like the elimination of the two-price wheat, unfettered U.S. purchasing of the Canadian economy, American influence on whether certain public services can be offered to Canadians by Canadian governments, and of course our future ability to use our resources, in particular energy, to diversify our economy as we see fit.

The U.S. want and wanted the removal of Canadian tariffs; they wanted guaranteed access to our energy supplies and the elimination of Canadian government involvement in our economy so that they could gain better access to Canadian markets. The U.S. got those objectives, Canada, on the other hand, wanted the removal of the U.S. trade remedy laws to gain better access to the U.S. market, and we did not obtain that. The U.S. got what they wanted; Canada did not.

This deal will make the Canadian economy more like the U.S. market economy, I maintain, and will integrate the two economies eventually. Supporters of the deal, the Conservatives opposite, say the deal is good, because they know the U.S. market system allows the rich to get richer.

Opponents, including the New Democrats, say the deal is

bad, because they know the U.S. market system means more inequality, more poverty, less prosperity for ordinary farm families and working families, and fewer and weaker social programs, and of course, eventually, a significant loss of Canadian independence. In short, opponents say the deal is a sell-out to Canada.

This agreement, with regard to energy, is about a continental energy policy which forces us to share our resources on a guaranteed basis with the United States. There are serious restrictions on our power to use one of our greatest assets, energy.

Articles 902, 903 and 904 of the final agreement state clearly that Canada cannot discriminate against Americans with respect to the price of Canadian oil, natural gas, coal or hydro power. This suggests that Canadian governments can no longer offer special rebate programs which give farmers or small-business people a competitive edge on the price of energy.

Cheap energy has always been Saskatchewan's hope for economic diversification, diversification that would support a host of local Saskatchewan-based businesses, serving our needs and employing our people. Under this agreement, that hope is dashed, because we would no longer be able to sell our energy to ourselves, to Canadians, for less than we charge the Americans.

In addition, if the agreement proceeds, there will be limitations on our power to drastically restrict energy reports and exports to the U.S. in times of shortage. During these times, whatever energy we have left must be rationed between Americans and Canadians in the same proportion as prior to any shortage.

The fundamental ownership rights of being able to set the price of the product and the rate at which that product enters the market have been given up under this deal. They've been given up and surrendered, Mr. Speaker.

And I want to . . . don't take my word for it, but I want to quote from one article in *The Globe and Mail*, January 22, 1988. And the title reads "Trade deal likely to hurt Canada on energy, (an) official says". And I quote:

The proposed free-trade deal would . . . force Canadians to pay more for oil, natural gas and electricity and make their supplies of these energy sources less secure, while giving them very little in return, a senior official in Ontario's Energy Ministry said yesterday.

And it was a report by an assistant deputy minister. He goes on to say:

Producers who support the deal, which would reduce the ability of federal and provincial governments to regulate energy prices and supplies, "are . . . the same guys" that want government to stay out of their business when times are good, but demand help when market forces drive prices down. . .

(1545)

"They want to have it both ways." The article continues, and I quote:

I resent the double standard they're presenting. They're saying we don't want the Government to regulate what we do with the energy (and), on the one hand, they're the recipients of tremendous amounts of Canadian taxpayers' (dollars and) incentives and encouragement to find the resources.

So here we are, Mr. Speaker, a country and a province, in a western province like Alberta, providing millions and millions of dollars annually in terms of incentives for the oil industry, yet we can't even determine the price of our product in Canada.

So why are taxpayers subsidizing all of these incentive programs to seek new oil, to find new oil, to bring new oil reserves onto production, yet all we can do is export at one price — charge Canadians the same price.

What we've done there, Mr. Speaker, is surrendered any economic advantage that we've been able to achieve over the years with the two-price oil system. And that, Mr. Speaker, I maintain, will hurt business in this province. It will hurt business and production in Canada, throughout this country.

And as far as I'm concerned, Mr. Speaker, this deal is a sell-out to Canadians. It's a sell-out and surrender of our independence, and I maintain that we should fight as much as we can to amend the deal so that some of these advantages that we've given away for nothing in return are straightened out for the benefit of Canadians.

**Mr. Speaker:** — Time has expired. Motions.

**Mr. Martin:** — Mr. Speaker, I ask leave to move to Motion 16.

**Mr. Speaker:** — Is leave granted?

**Mr. Tchorzewski:** — Mr. Speaker, we are quite prepared to provide that leave, and we have discussed it with the government side previous to this, but on the understanding that we revert back to the normal business afterwards.

**Hon. Mr. Andrew:** — That is the understanding as set out by the Opposition House Leader.

Leave granted.

## MOTIONS

### Resolution No. 16 — Appreciation of Ducks Unlimited Canada

**Mr. Martin:** — Mr. Speaker, I take pleasure in bringing forward this resolution to the Legislative Assembly of Saskatchewan. My cousin, Dr. Ken Martin, is a past president of Ducks Unlimited. His father was a president of Ducks Unlimited, and as an outdoorsman, a conservationist, and as a person who's concerned that we preserve our wetlands and our wildlife, I am most grateful

to the dedicated people who make up the organization, Ducks Unlimited.

Mr. Speaker, I will take a moment to read the motion.

That this Assembly extend to Ducks Unlimited Canada its congratulations upon the organization's fiftieth anniversary and acknowledge the contribution made by Ducks Unlimited Canada toward the preservation of essential natural resources of this province, and for ensuring a more balanced and healthful natural environment.

So, Mr. Speaker, as an outdoorsman, a conservationist, and a person who is concerned that we preserve our wetlands and our wildlife, I'm most grateful to the dedicated people who make up the organization Ducks Unlimited.

Mr. Speaker, Ducks Unlimited is a major player in combating the effects of drought in our province. Every project that enhances the preservation of wetlands represents such a contribution. Indeed, Mr. Speaker, the preservation of our wetlands is done in such a way as to accomplish many worthwhile objectives, including flood control for local communities and, in some cases, the enhancement of water supply of such communities.

Ducks Unlimited has completed about 500 wetland projects in Saskatchewan since 1938 in all parts of the province. I'd like to mention just one. That is one that is currently under construction, and that is Lucky Lake project near Lucky Lake on the South Saskatchewan River. This is part of a \$20 million sprinkler irrigation project being developed by Saskatchewan Water Corporation and Ducks Unlimited, a 6,000 acre wetland that dries up every summer, but now will be blessing for farmers in the area and also for water-fowl — Agriculture and Ducks Unlimited working together.

The work of Ducks Unlimited also contributes to the populations of many species of wildlife totally aside from water-fowl. Moose, beaver, muskrat, and many other fur-bearing animals; thousands of species of insects; and many fish and crayfish; thousands of species of plants, from the microscopic to towering grasses; and of course, the numerous song and shore birds that inhabit wetlands of the prairies — an ecological community unto itself, Mr. Speaker — all of these benefits from the work of Ducks Unlimited.

I know, Mr. Speaker, that you were proud of the wildlife sanctuary in your constituency near Govan, the Last Mountain Wildlife Sanctuary. It's the first sanctuary in Canada, which last year celebrated 100 years as a wildlife sanctuary. And while Ducks Unlimited had no part in that project, they have been active in this province since 1938, as I said, with the creation of some 500 projects.

As the MLA for Regina Wascana, I'm proud of Wascana Waterfowl Park, again preserved since 1913 and a bird sanctuary since 1956. Ducks Unlimited was involved in the creation of this marvellous bird sanctuary, and indeed there is a cairn to honour that occasion on the shores of the lake.

The organization of Ducks Unlimited, Mr. Speaker, also contributes significantly to the economic development of the province and of the country. To the end of 1987, Ducks Unlimited had invested \$333 million in Canadian wetlands development. Of those hundreds of millions, Mr. Speaker, 70 millions of dollars was invested right here in Saskatchewan. Seventy millions of dollars is a big chunk of change, a big investment, for which I want to say, thank you, on behalf of the people of Saskatchewan. And they will spend 7.5 million in Saskatchewan this year.

Canadians, of course, are contributing an increasing amount of money to Ducks Unlimited Canada. Much of that money is raised through Ducks Unlimited dinners held in communities throughout Canada. In Saskatchewan alone there will be 35 Ducks Unlimited dinners this year. These dinners are well attended and are a major source of income for Ducks Unlimited in Saskatchewan. They will raise nearly a million dollars in Saskatchewan this year alone from those 35 dinners.

And you should know, Mr. Speaker, having just had a little debate on the free trade agreement, you should know that the vast majority of the funding that has come into Canada comes directly from contributions of individual citizens of the United States.

Americans have been exporting investment to our province with their only return being the continual survival of our duck population. And I want to thank those American citizens with my motion as well, Mr. Speaker.

The history of Ducks Unlimited is an impressive one. On this 50th anniversary it is appropriate to reflect a little on that history. For example, the first Ducks Unlimited project in this province goes back to 1938. It was in that year that the organization undertook a project in the riding of my friend, the member from Kinistino, the development of Waterhen Marsh.

As part of the organization's celebrations there will be a special dedication at Waterhen Marsh this year, and I know the member for Kinistino is proud to have that marsh in his constituency.

Ducks Unlimited was also involved in the development of Waterfowl Park, the Wascana Waterfowl Park, as I mentioned a few moments ago.

From 1938, Ducks Unlimited in this province rapidly expanded, undertaking ever more and larger projects in every corner of the province. In its first 50 years, the organization has developed and maintains almost 500,000 acres of water-fowl habitat, 500,000 acres of water-fowl habitat, half a million acres of wetlands and habitat, Mr. Speaker, and that is an impressive record indeed.

They've grown from a small Regina operation to one where they now have 31 volunteer committees operating all over Saskatchewan, with over 4,000 individual financial contributors. To each member of those communities, and to each of the financial supporters of Ducks Unlimited, I say, thank you.

I say, congratulations for just a super job, and with my motion invite all members of the Assembly to demonstrate unanimous support for this valuable and worthy organization. Indeed, Mr. Speaker, I would ask members to allow this item to come to a vote so that we can send Ducks Unlimited Canada a copy of a passed resolution, rather than just a debated one.

Mr. Speaker, I move, seconded by the member from Athabasca. Thank you.

**Mr. Thompson:** — Thank you very much, Mr. Speaker. It gives me a great deal of pleasure to join with the hon. member from Wascana in seconding the motion congratulating Ducks Unlimited Canada on their 50th anniversary.

As we know, Ducks Unlimited Canada plays a very important role in the conservation of our water-fowl in Canada, and it's part of a larger continental or international organization made up of three countries. And I think it's very important to point out, Mr. Speaker, that Ducks Unlimited Canada came into being 50 years ago, and the United States was the first country to join, and they celebrated their 50th anniversary in 1987.

Approximately 10 years ago, Mexico also joined Ducks Unlimited, so now we do have the formation of the three countries — Canada, the United States and Mexico.

And the main reason for the formation of Ducks Unlimited, Mr. Speaker, was to monitor the breeding patterns of the water-fowl in the three countries — not only to monitor the water-fowl, the breeding patterns, but also to monitor and to improve the habitat for the water-fowl, and that has been done. And it's very important today, Mr. Speaker, to protect that valuable water-fowl habitat as more and more of our valuable wetlands disappear for one reason or another, and a lot of it is due to the expansion of agriculture in our province.

I want to turn to one project in particular in my constituency, and that is the Ross Lake project, which is in the community of Green Lake in my constituency. That project has been competed in the last two years, and is considered by Ducks Unlimited Canada as a success. It is proving that it is a worthwhile project.

Also involved in the Ross Lake project is a committee that has been set up, a local management committee, and sitting on that local management committee is the president of the trappers' association in the Green Lake area. And I think that is very important, Mr. Speaker, to have that type of local input.

Not only — and the member alluded to that — not only does Ducks Unlimited improve the breeding grounds for water-fowl but it also enhances the commercial value of other types of animals, and especially the fur-bearing animals, and I speak in particular of the muskrats. Ducks Unlimited has created many ponds that have improved the muskrat trapping for residents who are in the fur industry.

At one particular area on the border of Manitoba and

Saskatchewan, a project that had not one rat house on it, after it was completed . . . and still has 7,000 rat houses. And I say to you, Mr. Speaker, that is an accomplishment in itself, because many rat houses will have 15 to 20 rats in each house. So this one particular project went from zero to 7,000 rat houses.

Another important area in northern Saskatchewan is the Cumberland House delta. That is another project of Ducks Unlimited. So they improve not just the water-fowl but also the fur bearing animals. And when you have the fur bearing animals that are coming in, then you also have other animals such as the mink and the fox and the deer and the moose, as the member from Wascana alluded to. And we're very proud of that.

On behalf of the official opposition, Mr. Speaker, I want to congratulate Ducks Unlimited Canada on 50 years of progress, and we sincerely wish them continued success in the years ahead. Thank you very much.

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

Motion agreed to, *nemine contradicente*.

(1600)

## Resolution No. 2 — Handling of Farm Production Loan Program

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, I rise today in this legislature to impress upon the people of this province just how this government has betrayed the rural and farm families of Saskatchewan. In days gone by . . . and Mr. Speaker, I will at the end of my remarks be moving a motion that reads similar to this:

That this Assembly condemns the Government of Saskatchewan for its betrayal of Saskatchewan farmers in its mishandling of the production loan program, and its decision to impose a new and unfair security provision encompassing a wide range of farm assets.

Now, Mr. Speaker, you'll remember I was talking about the free trade agreement earlier today, and I just want to make one more point, if I can, for those members who may not have opened this agreement between Canada and the U.S. I want to make a point about the livestock industry, and I'll show how this government, as my motion will read, has betrayed the farm population of this province, because they're saying that this free trade agreement is going to be better for farmers. Now I say that they're betraying them when they say that, as they have betrayed them in the past. I say that, because when they got up one by one, they give no factual information to this document. They're saying . . .

**Mr. Speaker:** — Order. Why is the member from . . . the Deputy Premier on his feet?

**Hon. Mr. Berntson:** — A point of order, Mr. Speaker. There is a motion, I think, that's going to be put. He alluded to the motion in his opening remarks that was dealing very specifically with the farm credit situation in the province, and all of a sudden he has drifted back into

the previous debate, rule 16, dealing with the free trade agreement and I . . .

**An Hon. Member:** — You don't like that.

**Hon. Mr. Berntson:** — I don't mind at all. I've heard . . . I mean, I think it's a great agreement. I think it's just a wonderful agreement, but I've heard enough of it for one day. And I'd kind of like to hear a little bit about the farm production loan; I think that's a great program too.

**Mr. Speaker:** — I've listened to the hon. member's point of order and considered it. It is a point of order well taken. And the hon. member who is speaking from Humboldt, I would ask him if he can relate directly what he's referring now, then it's acceptable, otherwise, he's certainly off the topic.

**Mr. Upshall:** — Yes, Mr. Speaker, I will. I will do this by stating that the production loan program ties in with every other aspect that the farmer has to put up with. I mean it ties into what his assets are now, if he has any; what his payments are to his creditors; what his prospective financial state will be in the years to come. And that's why I have to use this one example, Mr. Speaker, and I hope you'll accept that, because the production loan ties in to his financial charts for the future. And he has to be able to know why a government promotes a document or doesn't promote a document or says what it does say.

And for that reason I would just like to briefly return to this agreement on page 83 in article 704. Now this government's saying that the farmer has to, through this agreement, will be able to increase production, have access to the U.S. market for livestock. And article 704 says, market access for meat, and it states that:

Neither Party shall introduce, maintain or seek any quantitative import restriction(s) or any other measure having equivalent effect on meat goods originating in the territory of the Party except as otherwise provided in this Agreement.

But when you turn over to the definitions it says, article 711: definitions for purposes of this chapter, and it states a number of things. One of the definitions is meat goods. And for those members who may have not read this:

Meat goods means meat of cattle (including veal), goats, and sheep (except lambs), whether fresh . . .

**Mr. Speaker:** — Order. Order. I do believe that after listening carefully to the hon. member that he is drawing a rather long bow between what he's saying and the production loan, and I would ask him to get back to the production.

**Mr. Upshall:** — Yes, thank you, Mr. Speaker, I will not tie it in. I was just about to do that.

Because this farmer has a production loan to pay and has many other bills to pay, he has to know what his income will be in the future — or vaguely anyway. It's very difficult these days. But this government says that this free trade agreement is going to give you access to the American market and therefore more money in your

pocket possibly to pay off the production loan.

And I say that is not true, because under the interpretations . . . and especially the hog farmer, and a lot of hog farmers have production loans. Under this agreement they are not . . . hogs are not included in the definition of meat products. And yet the government goes around saying, yes, hog farmers, you're going to be able to produce many hogs and ship them to the United States with no cap on your production, and so you can take that money and pay your production loan possibly.

But that's false. Because there's no mention, and I would invite any members opposite to show me where it says that there's no restriction on hogs in this agreement, and yet in the rhetoric that's what they're saying.

Now, Mr. Deputy Speaker, I had to make that point. And I would like to go on and on about this free trade agreement because there's so many things, there's so many things in there I could spend my whole time talking about it: how it betrays the people of this province, how it's going to take money out of their pockets, and how it's going to decrease, decrease the farm population — help to decrease the farm population, those farmers who have production loans that this government has to collect somehow.

Now I'll take you directly to the production loan, and I will wander off at times and relate other things to this production loan. On November 22, 1985 the Premier of this province unveiled the new production loan program. And he released the details — \$25 per cultivated acre, it's a cash operating loan at 6 per cent interest, and an estimated \$1.2 billion cost to the government. Then on December 2, 1985 the minister of Agriculture, the member for Weyburn, released further details — \$25 per cultivated acre to be based on 1985-86 permit books. There was a cap of \$100,000 for individual farmers and \$200,000 for multiple farm operators and there was a deadline — deadline was July 31, 1986. Also application forms were made available to the country elevator managers.

Well, Mr. Deputy Speaker, there's a few things in there that I'd like to address. First of all, it was an election promise. The need was there — I give the members opposite credit — I knew the need was there, the farmers knew the need was there, and I guess they did at the time. Give them credit for that.

I do not give them credit, however, Mr. Deputy Speaker, for the process that they went through to put the money out. As much as it was to help the farmer at the time, it was that or even more to help reinstate the Tory government in Saskatchewan.

And aside from that, there was no rules. You go to your elevator and you sign up a promissory note saying, here's your money; pay it back over three years.

Now I'm sure the thought went through many people's minds. In fact some people didn't take it for the fact that they said you'll never, ever borrow yourself out of trouble. But that's what this government's solution was. They were going to lend the farmers out of trouble. When

they knew all the indicators were saying the prices of wheat were going down, inputs were going up, the markets, the production in other countries were increasing, so therefore, Mr. Deputy Speaker, they did not put any thought into an orderly method of distributing this loan. And that's why they got themselves into the mess that they have today.

I'll tell you, Mr. Deputy Speaker, there's another thing I'd like to speak about and that is the deadline of July 31. I've had many, many people come to me saying, the way things are, my renter took the farm production loan. The next year he turned the land back to me because he couldn't make any money on it. He said, look I just can't do it. So he had to pay his production loan back. Fair enough.

But then this farmer who is basically most of them were retired people, or trying to retire, they say, I'm discriminated against because I don't get the advantage of that loan. And there was no thought put into that of how to use the \$25 per acre to help the farmer if that's what they wanted to do. Another indication of how they just didn't think this thing through clearly. They just put it out there and all they wanted to do was buy themselves another election. That's why there was no rules put on it — 6 per cent, go to your elevator and get it.

And we have to ensure, Mr. Deputy Speaker, the farmers of this province took out that loan knowing they would have to pay it back at some point in time. But the government was trying to trick them. And boy did they ever trick them, and I'll go into that a little bit later.

The farmers signed a promissory note to repay the loan in three instalments. And everybody did that, about 57,000 — 6 per cent interest on one-third of the principal on the outstanding part during the previous year. So 6 per cent over the first year.

Now on December 2 the Agriculture minister, the member for Weyburn, said this program is a direct response by our government to maintain the main . . . by our government to one of the main problems facing farmers — interest rates — as we said on December 2, 1985. The same day he called it the same . . . the minister called it "hassle-free cash."

Now at the time everybody said, fine, you know, that's good. And during the election campaign in October '85, or '86 rather, because things were tightening up — the price of grain dropped 20 per cent — they said we'll only have to pay back the interest this year, and most of the farmers did that. I mean, they recognize that fact, and that was good, despite the fact that I didn't believe it was set out properly in the first place. They postponed it because a 20 per cent drop in income, they knew the farmers couldn't pay it back. You can't get money out of people when they just don't have it.

But let's look at the situation now. Last December '87, they announced an extension to the production loan program. They had two options — option one, option two. Option one, to maintain the three-year pay-back period, 6 per cent. Option two, to extend it over 10 years at nine and three-quarters per cent interest averaged in

and a tough security agreement. Didn't say anything about the higher interest rate; in fact, just . . . in December of '85 the minister was saying, we're addressing the number one problem — interest rates. And then in December '87, they upped the interest rates after two consecutive years of 20 per cent drops in price.

That's the response of this government to the farm crisis. And it's beyond me. It's beyond me to know why anybody who was put into power largely by the rural farm population — and I'm the first one to admit that — that why they would now turn on them, and expect them to have their support. It's totally impossible, because the farm people out there know the true colours of this government right now, and I think maybe this government knows, but I think it's void of ideas and just doesn't know how to administer, handle, or promote new ideas and policies for rural Saskatchewan.

That's the problem. They're bankrupt of ideas. They're either bankrupt of ideas or they're following the Premier's philosophy, back in 1970 or something, where he was going to reduce the number of farmers; 1977 again he says that 80 per cent of the productive farmers should go, or non-productive farmers.

It's a total betrayal of the farm population in this province. And I know that for a fact because I hear people — they're calling me, and they're saying, why are they doing these things? People say, why are they doing them? I supported them.

(1615)

And I said, I don't know why. Because when there's a crisis you have to have good management, you have to have good ideas, and you have to have good government. We have a crisis; we have poor management; we have poor ideas, and we have poor government.

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

**Mr. Upshall:** — And that's what I tell the farmers out there. And they're saying, yes, I think you're right.

Then, Mr. Deputy Speaker, the nine and three-quarters per cent interest — upping of the interest when things are tough makes no sense. All they had to do was again postpone the principal payment and farmers wouldn't have cared.

That's what makes me think that there's an ulterior motive. The Grant . . . Sorry, Mr. Deputy Speaker, the Premier's motive of moving people off the land because he likes to see corporate farms. I'll give you an example of how he likes to see corporate farms.

In the budget, \$8 million to partnerships and corporations for livestock. When the people in the production loan program can't pay it back and they're forcing them to pay higher interest rates and take security, they're giving corporations \$8 million to promote livestock in this province.

That's their vision. They could care less. At the same time they're cutting back the cash advances 25 per cent of

what they were. I mean you sit back and you look at everything that's happening in little bits and pieces, you know: \$8 million over here for large operations; cutting back support programs for farmers by increasing their interest rates; by tough security agreements; by not having a farm land security border or calf program that has the power — they haven't given it the power to do anything. In fact the calf program speeds up.

That is what's happening. When you sit back, Mr. Deputy Speaker, and when the farmers of this province sit back and just see how the puzzle is falling into place, I don't have to scare them because they know the writing's on the wall from this government saying that they are no longer needed. We can farm this country with a half a dozen or a dozen corporations. No problem.

And we could, but that's not the vision that I have of this province, and that's not the vision of the majority and probably all of the rural people out there in this province, because we have a rural population base based on numbers of farms supporting local communities.

And that's the vision that we need out there. We don't need the vision of large corporate production units. We don't need that in this province. We have large feedlots now, and that's okay, but I'll tell you, very few are \$8 million. I mean, this is an incredible amount of money.

Now let me turn to another portion of this production loan program, Mr. Deputy Speaker, and that is the part on the security. Now we have, in the early stages of the loan, a promissory note. You don't have to . . . A lot of farmers were saying, and this is the Tory . . . this was the Tory buzz before the election: don't worry about it; they'll write off part of it. They'll write off the first hundred. And they were propagating this out in the country, trying to again use the same program to buy some more votes.

But then they turned around, drew the knife, and put an "X" on hundreds and hundreds of farmers out there. You're gone. You're gone unless you don't sign the security agreement. You're gone if you don't pay back the loan.

Now when we look at the security agreement, Mr. Deputy Speaker, or Mr. Speaker, there's no doubt that when you're giving out money that the institutions require security. But in this security agreement, in this security agreement, this government is saying that it will take every stitch from the farmer aside from real assets and even then.

Now why would they do that? They're taking . . . And not just now, but they'll follow you till eternity, till the day you die, to get that money out of you. And they do that, they do that when the banking institutions themselves don't have to do that. The banking institution comes under The Exemptions Act, Civil Liberties Act, and they . . . and also The Executions Act, and they are required, they are required to, you know, leave the farmer with something.

But not the government. No, the government, it can say, you're gone, we'll take the chairs out of your living-room and the dishes out of your cupboard and the food off your

table. I mean, that's what that agreement says.

Why would they not consider something less? I mean, they had an option. They didn't have to say, you have to sign the security agreement which takes everything from you. Bankrupt of ideas, I think. So they went ahead and did it. I don't understand it, and neither do the farmers of this province understand it, and that's why the heat's on this government over the production loan — just one thing; there's many more that I'll be getting into.

And now we see that when there's a new . . . on a quit claim, when you sign away, and I'll just read from this article:

The borrower understands and agrees that they will not in future be entitled to receive and shall not apply for any grant, loan, cash advance, guaranteed loan, financial assistance, or benefit whatsoever provided by ACS or its successor corporations under any Act of the legislature of Saskatchewan or the regulations thereunder.

And that includes . . . ACS includes most, or the large part, of the programs of assistance to farmers. But if they've got no money and they have to leave the land and sign a quit claim, they're signing away their right to farm. And let's just look at that for a minute.

**An Hon. Member:** — They're broke.

**Mr. Upshall:** — That's right; the member says, they're broke. But who are those people? Are they retiring, 55? Not for the most part. For the most part they're the young, productive element of our agricultural economy, and this government is going to have them sign away their right to farm again.

Even if he does go broke and goes and gets a job in the city or somewhere else, but a couple of years later his uncle has a farm that he wants to give him — because he loves to farm; he wants to get back at'er — this agreement says this guy can't use any of the agriculture . . . ACS or its future corporations, he can't be a recipient of those programs. So they've cut him out. Why would anybody do that? They don't have to have this. They have options; they have options. They know in these tough times people are going to go under. People can't afford to make their payments. But they're not satisfied with that. And this is worth another chip, another block of the puzzle — get that guy off of there so we can get the large corporation operations in this province. It's so clear, so clear in my mind.

The young farmer, that's the one who's going to be hardest hit. And another thing, one mistake. Let's say he bought a machine, tractor, combine, or a piece of land at the wrong time — paid too much. We were all doing it. Or I shouldn't say we were all — a lot of farmers were doing it because of the advice we were getting and because they thought things were rolling along pretty well. And it was just a snowball effect, and people are going to get caught. But for many of these farmers who are going under now, it was one mistake, Mr. Speaker, one mistake. And this government's saying, you're not allowed one mistake, fellow; you're gone and you won't

come back.

Now, Mr. Speaker, putting the young farmers of this province off the land and not allowing them a chance to get back on is not my idea of building a rural economy in this province. And it's very, very clear right now that the Tory government has no policy, has no policy how to keep farmers on the land, because we're seeing more and more and more foreclosure actions started. It has no policy to see how to keep farmers on the land, but, Mr. Speaker, they have a policy to keep them off the land. And that to me is a total betrayal of every man, woman and child in rural Saskatchewan, and that's what's coming out of this government.

And I repeat, they have options and they don't exercise them, because the puzzle is falling into place, and it's falling into place faster and faster, I'll tell you, Mr. Speaker. And I know that they think it has to, because come next election, if they don't have all the puzzle pieces in place, they won't have a chance to continue doing that, because the farmers of this province will be betrayed only once.

Now The Exemptions Act, The Executions Act, and the Civil Liberties Act. I want to turn back to that just for a second. Now The Exemptions Act, and I'll just read from the *Western Producer* article of June 4, 1987:

The Exemptions Act prevents lenders from seizing a broad range of goods debtors need to feed and shelter their families and to carry out their trades and plant the next crop.

It protects ordinary clothing and furnishings, farm produce needed to support the family until the next harvest and plant the crop, equipment and seed needed for the next crop, and a house or trailer. It also provides some protection for the homestead.

But Saskatoon lawyer Audrey Brent says she has had several cases which ACC has taken the position that it isn't bound by The Exemptions Act. In one case, she said, ACC used the argument to seize a vehicle that was the farmer's only form of transportation.

Now this is what's happening. The banks have to play by the rules, the credit unions have to play by the rules, as do other lending institutions. But because of the government's master plan, they exempt themselves from playing by normal, natural rules, because the power is in the hand of this government, and they exercise their power much to the detriment of rural farm families.

And I'll just go on to say:

Now that they have a court saying this (and that's, that they can seize anything), I imagine no farmer is safe from ACC, Brent said.

And, Mr. Speaker, that is why I introduced my private member's Bill a few days ago. It amazes me that the government wouldn't do it automatically to make themselves an equal player in the game. So I introduced a

private member's Bill to bring the government to play by the same rules as all the other lending institutions. And what did they do with it, and what will they do with it? They'll bury it. They'll bury it because they don't want to help the people of this province, or rural families; they've got their plan.

I just don't understand, Mr. Speaker, I don't understand, again, why anyone in their position would turn around and knife the farm families of this province. What is it that they would even think about; why would they think about doing that unless they have a master plan?

I give them credit for very few plans, but I think they have a master plan.

Now, Mr. Speaker, the production loan has another aspect of it. We have people like Peter Pocklington . . . (inaudible interjection) . . . Thank you, Mr. Deputy Premier . . . who was given \$21 million in guarantees, and \$10 million of that a gift, a "givee" — 10 million — 21 in total.

Now this government is saying, come on in, Peter; we'll give you 21 million bucks, help you out. We're going to get the hog industry moving in this province, so we're going to have a great, huge hog plant up in North Battleford in maybe the year 2050, or maybe 2250, or maybe never. But anyway, we're going to have this big hog operation, and we're going to give the farmers 8 million . . . or the corporations \$8 million to produce these hogs — taxpayers' money, at a low interest rate — but just to heck with the farmers out there who are on six, eight quarter farms, hog operations, who will put thousands of dollars into pig barns, thousands of dollars into feed mills, and this government saying, uh uh, you don't count any more.

But they give it to Pocklington; they give it to corporations; they take away. Their plan is not family farms. This is why it's so hypocritical — they talk about the family farm; they talk about families and compassion and priorities. Well I'll tell you, they have no compassion. Their priorities are all screwed up, and it's killing the family farm in this province.

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

(1630)

**Mr. Upshall:** — Another example, the farm families are paying nine and three-quarter per cent interest on their production loan program right now, and the government has a program whereby people in this province can have \$10,000 at 6 per cent interest to buy their hot tubs.

Did the hot tub money go up to nine and three-quarter per cent? I ask, why not? When many of those people, and I'm generalizing, have far higher income, more secure positions of job than the farmer does . . . I'm not taking away from them, but this government takes away from the farmer. And why would they do that, I ask again?

And here's the classic example, Mr. Speaker — Weyerhaeuser, Weyerhaeuser comes into this province and is given a 248 . . . for \$248 million the Prince Albert

pulp mill, and many others. Just said, come on in boys, it's a fire sale price, take it away. It was losing \$90,000 a day. The only reason, Mr. Speaker, it was losing \$90,000 a day is because this government couldn't run a telephone booth, as someone said today. But they bring Weyerhaeuser in, give them a sweetheart deal, and they say, Mr. Farmer, you'll pay nine and three-quarters per cent on your production loan whether you make a profit or not . . .

**An Hon. Member:** — Or Mrs. Farmer.

**Mr. Upshall:** — Or Mrs. Farmer.

But Weyerhaeuser, you can make a substantial profit, and before you hit that level you don't have to make any payments to us. There's another chip of the old puzzle, isn't it, falling back into place now. Where's the support. And they come back and they say, we support family farms, we have morals and priorities. That is so, so low when on one hand you're talking about morals and priorities, and the other hand you're knifing the farmers of this province.

That is disgusting, and the people of this province know that, and that's why the slip in the country is beginning to come. That's why the slip is coming, because they know they have no ideas.

So Weyerhaeuser's up in the North farming the trees. The farmers are down in the South, or in other parts of the province, farming their land, farming the grain. Weyerhaeuser doesn't make a profit; they don't pay anything. Farmer doesn't make a profit; he pays anyway. A double standard. The double standard comes out again.

That's why this province is going the direction it is. It's giving away money to those people who don't need it. It's giving away assets that would generate a profit for the people in this province who need it. And if they built on that, as was done in the past, they could give the production loan away and we'd still be better off. But they choose not to do that because they are in line, they're geared up with the large, corporate multinational. People who are their friends, they line them up, give them this and give them that, and take away from the working, taxpaying people of this province.

Mr. Speaker, I honestly don't understand that. Maybe I'm naïve, but in the way that I view things, it doesn't work for Saskatchewan. I may work somewhere else, I don't know, but it doesn't work for Saskatchewan because we have a tradition and a history in this province where we've built up our operations on the farm, where we've built up our small businesses, where we've built up, where necessary, corporations, public and private.

Why does this government believe that they have to tear it all down? Where do they think the tax money is going to come from with their tax structure of reducing taxes to corporations? The squeeze is on the people who are paying taxes. The squeeze is on the people, the farmers of this province who, when they up their production loan, they up their taxes.

We have health care institutions now coming out and

asking for money, to the farmers who can't pay back their production loan, but they have to decide . . . well, I mean, we need hospitals and if the government won't run them, the money has to come from somewhere, so they're putting out that way too.

And they're saying: I have a production loan to pay, if I'm a dairy producer or a livestock producer, and I have to go and get my feed tested in Saskatoon — they cut that. And out of his pocket, the same pocket that the production loan has to come from, the same pocket that all the other costs have to come from, this government cuts the program, because they're giving it to Pocklington; they're giving it to empty office space in Regina; they're giving it to those people who don't need it, and taking it from the people who can't afford it.

And I can give more examples. Like last year, 25 per cent of the agricultural budget cut; 25 per cent, after a 20 per cent decrease in income from grain — the price of grain fell 20 per cent. Like, what kind of a commitment is that? That's where their rhetoric annoys me, because they're standing there talking out of both sides of their mouth. I'd like to just have one of those members stand up and tell me why, tell me why it's a good thing that the production loan program is up to nine and three-quarters per cent interest. I mean, I want one reason why the interest rate went up. I want one reason why they needed to take security of everything. I want one reason why they should treat Weyerhaeuser and Pocklington with one set of easy rules and the farmers of this province with one set of hard, hard rules.

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

**Mr. Upshall:** — Now, Mr. Speaker, the farmer's pocket only runs so long. I'll give you another example of how this government dips into the farmer's pocket, and this example is very clear of how this government operates, and that's the one of the community pastures.

Those farmers with livestock in the community pastures had a policy dropped on them with no forewarning, with no consultation. At the same time they were saying, we meet with all the people of this province and we consult. With no consultation, a policy that costs the farmers more money for a program that was breaking even, a good program, one thing the Tories hadn't messed up until last year. No, they messed that one up too.

So taking more money out of the farmers' pocket, taking away a bull program so that in seeding time when the farmers have to move their animals to community pastures, they are busy trying to look for bulls and get organized with neighbours and set up organizations to possibly buy bulls; more money out of their own pocket — take away the insurance plan, up the fees for tagging, no services at the community pasture gate.

So these farmers, who have to worry about repaying their production loan of nine and three-quarters per cent interest and wondering what their banker is going to say about their operating capital in the spring, have to now go out and buy a bull. And only for extreme pressure put on by those cattle people.

They came in and they saw me and they said, what can we do to make these people change their mind. And I said, well all we can do is highlight the issue in the media and let people know what they are doing. So we did that. And then they started to back-pedal because those people over there can feel it slipping and they have to back-pedal.

But it's sad, Mr. Speaker, it's sad when people out in the rural part of this province have to take time off from their work to come in and beg a government to leave something alone that was working. What a sorrowful statement for an operation of a government — what a sorrowful statement.

And then they're not satisfied with that, they said, well next year we'll consult with you. Next year's too late, Mr. Speaker. Next year's too late for many people in this province. And do they care? Obviously not.

The security agreement is going to be too late for many people, because the people out in rural Saskatchewan who now have an agreement with ACS for the production loan again had to pick up the issue and we had to fight like mad, saying look, you take the security, the bankers are saying they're not going to give you operating capital. Great forethought put into that one. I mean I don't understand how any government would put in a policy, a program in place, without thinking it through clearly, without weighing all the options.

Anyway, set that aside. So the government says, goes to the bankers and says, we have to have an agreement because, you know, farmers are saying that you may not give them their operating capital. And the bank says, yes, that's right in some cases, because I mean things are tough out there, we can't extend any more than we are now, we have to have some security and you got all that security.

So they worked out a little deal. So you have the farmer right here with a deal with ACS, an agreement; you have the ACS and the bankers with an agreement; but you have the farmer and the banker with no agreement because they didn't finish the triangle. And I'll tell you, that triangle will not be finished until it comes time when a farmer's foreclosed upon and the banking institution says no, no, you said we could get first security in this case. And this is another thing, it's going to be a case-by-case basis. And the government says well no, no, we didn't say that, we want some money out of this too. So what's going to happen? The triangle won't be completed until the farmer goes broke, when it's too late for him to know what his role in this triangle was.

This is how clearly these people think things out. They don't have any idea, they don't have any idea how to go about putting in place a policy that will help farmers out. I see nothing that they do that's preventing farmers from going off this land, and I can say that in all sincerity. I mean, they have little programs here and there, but it's not stopping the accumulation of farmers going off the land, and the production loan is just another example of that.

Mr. Speaker, this government . . . I'm sad to say, because I

have many, many friends out in rural Saskatchewan who tell me they don't know even now if they're going to be here this fall. They have families; they contribute to the community; they have wives and themselves with jobs, trying to support the farm. They're doing their utmost — those farm families are doing their utmost to stay on the land. And this government is not helping them one stitch; in fact, it's driving them off the land.

That's compassion? That's priorities? That's morals? That's garbage, is what it is, and the farmers are telling me that. And this government knows that, but they've got nowhere to go. The cupboards are bare. They've worked themselves into a hole, and all I can say is, thank God, because next time they'll be out and there'll be a good New Democratic government in this province to help farmers.

Now, Mr. Deputy Speaker, before I sit down I would like to move, seconded by the member for The Battlefords:

That this Assembly condemns the Government of Saskatchewan for its betrayal of Saskatchewan farmers in its mishandling of the production loan program and its decision to impose a new and unfair security provision encompassing a wide range of farm assets.

I so move.

**Mr. Anguish:** — Thank you, Mr. Speaker. I'm pleased to second the motion put forward this afternoon by the . . . the resolution actually, by the member from Humboldt:

That the Assembly condemns the Government of Saskatchewan for its betrayal of Saskatchewan farmers in its mishandling of the production loan program, and its decision to impose a new and unfair security provision encompassing a wide range of farm assets.

Now by seconding this resolution, Mr. Speaker, I would like to express on behalf of not only our colleagues on this side of the House, but on behalf of many Saskatchewan farmers, their total disgust with the government in terms of how they've handled this program that was offered in the beginning as a helping hand, some hassle-free assistance to Saskatchewan farmers who were having a difficult time in the face of the agricultural crisis. And it offered some hope for operating capital that many farmers didn't know where they would be receiving it from.

(1645)

And I must say, it was a very popular program at the time. It was well received by Saskatchewan farmers, and it was announced back on November 22, 1985 by the Premier of the province, and I think showing some importance of the program and the dire circumstances that farmers were facing. It was the Premier instead of the Minister of Agriculture that announced this program — the production loan program.

And the Premier of that time, I would summarize by saying that he stated three things: first off, that the money

would be repayable as a cash operating loan and that they would receive \$25 per cultivated acre; secondly, that the loans would carry a 6 per cent interest rate, an annual rate of 6 per cent; and thirdly, that the program would be estimated to put into the economy in the province some \$1.2 billion — a very large sum of money.

And then, Mr. Speaker, back on December 2, about a week or so later, December 2, 1985, the minister of Agriculture, the hon. member from Weyburn at the time who was minister of Agriculture, released some further details on the program: the \$25 per cultivated acre would be based on the 1985-86 permit books; secondly, that there would be a cap on the production loan program of \$100,000 per individual producer and \$200,000 for multiple-operated farms; thirdly, that the deadline for applications was July 31 of 1986; and fourthly, that the application forms would be made available through country elevator systems throughout the province. And the term "hassle-free cash" was correct, and many farmers appreciated that they didn't have to go through a long, complicated procedure to get the money.

And at that time, I think that the program was fairly well thought out. And one of the reasons it was fairly well thought out — there was a political strategy, but it was also thought out well in terms of a program to assist Saskatchewan farmers — and the reason for that was that we had a full-time minister of Agriculture in the province of Saskatchewan. The member from Weyburn, who's now the Minister of Education, was the minister of Agriculture, and he devoted full time as being minister of Agriculture.

The difference is, now with the changes that have come in the production loan programs, we have a part-time Minister of Agriculture. Something that we've never seen in the province of Saskatchewan before, is that we have the member from Estevan living on Albert Street South, being a part-time Minister of Agriculture. If it's not a full enough time job being the Premier of the province, he must not be doing a good job as Premier — and many people in Saskatchewan will tell you that — but yet he adds on the responsibility as being Minister of Agriculture.

And farm groups, individual farmers, but especially farm groups, tell us time and time again, they can't get to meet with the Minister of Agriculture. They might meet with a committee or they might meet with a Legislative Secretary, but they can't get to meet, when they need to meet, with the Minister of Agriculture.

And so I would question, if I was a back-bencher on the other side of the House with an agricultural background — they must have, Mr. Speaker, 14 or 16 farmers over there. I see many members in the back bench that are farmers, or at least have farm experience. What is wrong with their ability? Do none of those members over there have the capability of performing the role, the very important role, as minister of Agriculture in the province of Saskatchewan? Because obviously the present Minister of Agriculture is not paying the attention that agricultural issues and programs deserve in the province of Saskatchewan.

And so I say to the back-benchers opposite: ask your Premier why you're not qualified to sit in the cabinet; why is there not a full-time Minister of Agriculture in the province of Saskatchewan? There definitely should be, and you should wonder as to why at least one of you has not been appointed to the cabinet to act in that very important capacity in our great province, when agriculture is our number one industry — always will be our number one industry.

But it's hard to recognize it as being the most important industry in Saskatchewan, because of the lack of emphasis that the government opposite is putting on the planning and the programs in the very serious situation that we have now. They've attempted to put a band-aid here, a band-aid there — very popular at some points in time because of the infusions of cash, but certainly offering no planned direction for agriculture in the province.

In the farm production loan program itself, Mr. Speaker, some 57,474 farmers in the province took advantage of the production loan program, and the Agricultural Credit Corporation — or ACS as it's more commonly become known — would administer the production loan program in the province.

Now farmers signed a promissory note — they all agree to that — and that they would repay the money in three instalments over the following three years of having signed the promissory note and received their money for the operating capital they needed so badly. And the payments would be due either on or before the anniversary date of the loan, and payments would amount to one-third of the principal plus the 6 per cent interest on the outstanding balance during the previous year.

Now in a news release by the minister of Agriculture, currently the Minister of Education, it said that this program is a direct response by our government to one of the main problems facing farmers today — interest rates.

And during that same time, as they were bringing in legislation into this Chamber to approve the production loan, they referred to it, and I'll say this again, as hassle-free cash — that there was no hassle being put up. All the farmer had to do was go to the elevator, get the application form, send it in, and you'd get back \$25 per cultivated acre to help you through the difficult times.

But then as time went on, it drew closer to election time and the hype of this hassle-free cash lingered on, and in fact during the election campaign in October 1986, the Conservatives announced that those producers with production loans could keep their loans current by paying only the interest. And again, it was very popular. A vast majority of farmers involved with the production loan program opted for that, and they would pay the interest and the principal would be set aside for yet another year.

Well that was during the election campaign, and it was popular not only in terms of relieving some financial stress on our farming population but it also translated, in some areas at least where some people looked at it in a

very short-term way, it was reflected in the ballot boxes in many places in Saskatchewan.

But then what happened? The situation now has changed very dramatically, Mr. Speaker. In December 1987 the government announced the extension of repayments, in which they called it Option 11 under the production loan program. Now what was Option 11? A dramatic change from what farmers have been told during the hassle-free cash period.

First off, that the loans would be repaid over 10 years instead of three years. Well that sounds not too bad, only you're extending your debt for an extra seven years, extending that debt on some of our most efficient, youngest, brightest farmers. So they thought, well maybe that would be okay.

But what else happened? They changed the interest rate, Mr. Speaker. They went from 6 per cent to nine and three-quarters per cent — increased the interest rate. And so when you increase the interest rate and put it over a longer period of time it compounds the problem. And what this government is doing now is they're giving farmers more indebtedness, that they're having less ability to pay because of the falling commodity prices.

In addition, the . . . I should say, for example, Mr. Speaker, the interest charges on an \$18,000 loan under Option 1, the original hassle-free cash, the interest on that would have totalled \$2,160 over a three-year period. Under Option 11, a farmer with that same \$18,000 under the production loan program, will pay in interest \$8,302 — an additional \$6,100 in interest that they have to pay now to the Government of Saskatchewan, to the Agricultural Credit Corporation. On top of that, there's administration fees and a fee, I believe, to change from Option 1 to Option 11, and again increasing the indebtedness.

And what else happened under Option 11, Mr. Speaker? Well the security agreement — the security agreement I could hardly believe. And I want to read from the form, from the Agricultural Credit Corporation of Saskatchewan, section D(5). It says:

To secure payment of my existing Production Loan my Extended Production Loan and any future loans under the Production Loan Program that may be granted to me by ACS (Agricultural Credit Corporation, Mr. Speaker), I hereby grant to ACS a present and continuing security interest in all of my present and after-acquired personal property of whatsoever nature and kind, whether tangible or intangible, and all proceeds derived therefrom, including without restriction any interest whatsoever I may have in goods, chattels, livestock, livestock products, fixtures, machinery, equipment, vehicles, supplies and inventory, now owned or hereafter acquired and wheresoever situate.

Now, Mr. Speaker, I can hardly believe that the government would impose such a strict security arrangement on Saskatchewan farmers when prior to the last election everything was hassle free. And now it seems what the government wants to do is to drive our brightest,

youngest, best educated, most able and productive farmers off of the family farms in Saskatchewan.

And also, Mr. Speaker, also, Mr. Speaker, is that it seems by what they're doing is that if there's a quick settlement of some kind with the provincial government or their financing arm, agricultural credit corporation, that they want to never allow those people back into farming again. So that if I was to be on the farm, have a quick settlement for my indebtedness, leave the farm, go out and earn some money, farming turns better again and I want to get back into farming — if I get back into farming I have to do it without any help whatsoever from the government opposite. And to me that tells me they're going the big agri-business, the big corporate farm direction, and changing the face of rural Saskatchewan.

I heard one of the members opposite — let me get into this, I think was the expression I heard over there. We'd like some of you to stand up and participate in this debate because you're ruining the face of rural Saskatchewan. You have an obligation to stand up in this House and tell Saskatchewan farmers why it is you're doing this to them at the present time.

When things were bad, they gave money. When things get worse and farmers don't have the ability to repay in many situations, they want to take the farm away — take the farm away, drive them off the land.

Many of the things that have been said in this House are certainly, Mr. Speaker, contrary to the facts. The facts are not substantiated by what comes out of the mouths of the members opposite — statements that are contrary to the facts.

I think that farmers in Saskatchewan should have the ear of the Minister of Agriculture, because what are they asking? They're asking, why was a promissory note all right prior to the last election, and now you want to secure everything that I have on my farm? Why is it like that? And do you know, the pity of the whole thing, Mr. Speaker, is that the agricultural credit corporation is not subject to The Exemptions Act in the province of Saskatchewan. They can seize anything they want from the family farm. The Exemptions Act, Mr. Speaker, is set out to prevent lenders from seizing a broad range of goods . . .

**Mr. Speaker:** — Order, order. It being 5 o'clock, this House now stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.