

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### INTRODUCTION OF GUESTS

**Hon. Mr. Maxwell:** — Thank you, Mr. Speaker. It's my pleasure to introduce to you and through you to all members of the Assembly, a group of 41 grade 11 and 12 students seated in your gallery, sir, from Leoville Central School in the Turtleford constituency. They are accompanied by teachers Keith Spencer, Brian Goota, and chaperon, Rita Fee. We'll be meeting at 10:30 for discussion. In the meantime, I hope you're enjoying your visit to Regina.

We wish you a very safe trip home. Thank you for coming down. I know it's a very long trip. We enjoy having you here. I would ask all members to join in welcoming you to the Assembly.

**Hon. Members:** — Hear, hear!

**Mr. Lyons:** — Thank you very much, Mr. Speaker. Mr. Speaker, I'd like to introduce to you, and through you to the other members of the Assembly, school students from Ruth M. Buck. There are 42 students here today. They are accompanied by their teacher Jim Sewell, and by Clover Duperreault. They are seated in the gallery — west gallery, and, Mr. Speaker, I would ask all members of the Assembly to join with us in welcoming them to the Assembly here today, please. Thank you.

**Hon. Members:** — Hear, hear!

**Mr. Solomon:** — Thank you, Mr. Speaker. I would like to join with my colleague, the member from Regina Rosemont, in welcoming the students from Ruth M. Buck School as well. My daughter Jennifer attends the school, and many of her friends do, and I note that, from looking at some of the children in the gallery, that they live on my street.

The school is on the boundary of Regina Rosemont and Regina North West, and I'd like to extend a welcome to you, and I look forward to meeting with you after the question period with my colleague, the member from Regina Rosemont. Welcome.

**Hon. Members:** — Hear, hear!

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I'd like to introduce to you, and through you and the other members of the House, a very special friend of mine who is sitting with his family up in the Speaker's gallery this morning, Mr. Jordan Cooper, his mother Marion, his sister Jolene, and his brother Lee. And I hope that they will find the proceedings this morning interesting and informative and enjoy their visit to Regina. And I would ask all members to welcome them this morning.

**Hon. Members:** — Hear, hear!

### ORAL QUESTIONS

### Hospital Waiting List — Special Case

**Ms. Simard:** — Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, the day before yesterday I brought to your attention the case of Mrs. Klotz from Unity, a 76-year-old woman who's been waiting for a hip replacement surgery for nine months, and that a long hospital waiting list has interfered with her obtaining this surgery. I'm wondering, Mr. Premier, whether you have reviewed her case, and whether you or the Minister of Health has contacted her personally?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, the case was brought to our attention initially by the member for Wilkie, the MLA for the area referred to by the member, and the case was brought to our attention again, as the member has stated from Lakeview. Yes, we are looking very carefully at the case. But no, neither the Premier nor I, at least — I can't speak for the Premier, but I don't believe he has — I haven't phoned her directly, but the case is under review and will be looked after forthwith.

**Ms. Simard:** — New question to the Minister of Health, Mr. Speaker. The member from Wilkie received a letter I believe dated March 28, Mr. Minister, and you received a letter, a copy of a letter written to the Premier some time last week. No contact has been made with Mrs. Klotz. It's my understanding she has not been contacted about this.

Therefore, Mr. Minister, in view of the fact that her condition is rapidly deteriorating because her mobility is restricted, I am asking you whether you will personally contact her and look into the situation of the hospital waiting list and do something about getting this woman her surgery.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — What is happening, our people in the Department of Health are dealing with the particular lady's doctor and with the folks in the health care system where she will obviously need these services. And once we have that finalized, obviously there will be a contact made to Mrs. Klotz regarding her care and when it can be received.

**Ms. Simard:** — Mr. Minister, you have a situation where two members of the family have contacted you, and you haven't even had the courtesy to personally contact them. I say, Mr. Minister, that you've lost touch with the people of the province of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

**Ms. Simard:** — Now, Mr. Minister, how many more thousands and thousands of people are going to have to suffer as a result of your long hospital waiting lists, and when are you going to resolve this problem, Mr. Minister?

**Hon. Mr. McLeod:** — This particular problem, Mr. Speaker, we will do everything possible to resolve the particular problem as soon as we can. There's no

question that that's true. Mr. Speaker, the member will, you know, continue to talk about the thousands and so on and hide behind the numbers, or the anonymity of numbers.

I just say to you, Mr. Speaker, and I say to the member and to all members of the House, we are doing what we can to look after this particular case since it has been brought to our attention, and we will continue . . .

**Mr. Speaker:** — Order. Order. The minister is attempting to answer the question. He's having some difficulty. Order.

**Some Hon. Members:** — Hear, hear!

### Summer Closing of Hospital Beds

**Mr. Romanow:** — Thank you very much, Mr. Speaker. My question is also to the Minister of Health and it pertains to the Saskatoon hospitals' long hospital waiting lists, numbering now in the thousands; not now, but numbering for quite some time in the thousands — more than statistics — men, women and children desperately in search of much-needed hospital care.

My question to the Minister of Health is this: can you advise the House whether or not, in addition to the announcement that City Hospital in Saskatoon would be shutting down 45 beds over the summer months, approximately a third to a quarter of its operating capacity, will you be able to advise the House whether or not Saskatoon St. Paul's Hospital is also going to be forced to close — stories are from Saskatoon — up to 40 beds also due to lack of funding by this government?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, in fact, Mr. Speaker, I don't confirm with the House that although there is a press report that said Saskatoon City Hospital would have 45 beds closed, I do not confirm with the House that that will in fact be the case for this summer. I don't confirm that. The member will take it from the press report, and so on. So, Mr. Speaker, I do not confirm that there will be 45 beds closed at City Hospital, as he said.

And, Mr. Speaker, the negotiations are ongoing with those hospitals, and we would like, to the greatest possible extent, to have hospital beds open throughout the summer. There are several factors involved in this, several factors involved in this. And while the hon. member and members of his team over there will often say it's because of a lack of funding from the provincial government, Mr. Speaker, there are several factors involved which we are trying to deal with, not the least of which is the holiday schedule, which is there for physicians and for nursing staff and so on. But, Mr. Speaker, all of those factors are into consideration and there's no question, there's no question that what we would like to have happen, and I believe will happen, is that those hospitals will be open for the summer.

**Some Hon. Members:** — Hear, hear!

**Mr. Romanow:** — Mr. Speaker, a supplementary

question to the Minister of Health. The minister, as I heard his answer, neither denied nor confirmed the report that we have that St. Paul's Hospital would be closing upwards to 40 hospital beds. My specific supplementary question to the Minister is this: will you deny, can you deny categorically that there will not be any hospital bed closures, totalling 40, at Saskatoon's St. Paul's Hospital on top of the 45 already that City Hospital has announced — closure? Will you categorically deny that?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, what I have said is that we would like to have no beds closed over the summer in those hospitals or in the ones in Regina, frankly. We'd like to have that's the case. Mr. Speaker, there are several factors in this, and the hospital administrations are trying as best they can to deal with their holiday schedules, to deal with their surgeons who are scheduling their time away, and so on. That's a thing that's gone on for 17 straight years, Mr. Speaker — 17 straight years in this province. And what I'm saying is that we are trying at what we can to be sure that those hospital beds are not closed over the summer, for some of the very reasons that members on all sides of the House have cited here on other days.

**Mr. Romanow:** — Mr. Speaker, a supplementary question to the Minister of Health. The Minister of Health says that there are several factors involved here. One of the factors that the minister failed to mention is the human factor that there are hundreds of people, thousands of people in Saskatoon who are waiting to get a hospital bed.

My question to you, supplementary, Mr. Minister of Health, is simply this: what in the world is gone wrong with this government? Why is it that you cannot provide, at least as a short-run solution, funding to make sure that St. Paul's Hospital will not close any hospital beds; why can't you do that for this summer at least?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, the member says that the human factor is forgotten. What I'm saying to you, Mr. Speaker, the reason, the very reason that we are curbing the number of beds or trying to eliminate beds being closed over the summer — dealing with some of those other factors which are the difficult ones to deal with with the folks that are working in the hospitals, in terms of their time off, and the way to do it. But the reason we're doing it is for that very human factor because we recognize with the technology that's around in some of these surgical procedures and the numbers of people waiting for things like — and we've heard about hip replacements, those kinds of things, orthopedic surgery, cataract surgery, those things which are causing the blockages in the surgical wards — those are the things which are causing it, and those are the things which we are trying to address. Those are the things which we did address with the million dollars last year in Saskatoon, which brought that down.

Mr. Speaker, there are more surgical procedures going on, and there were more surgical procedures performed

in Saskatoon last year than at any other time in the history of that city or in the history of this province. It's going up at a significant degree, 12 per cent more increase last year.

So, Mr. Speaker, while we recognize that those are the case, we also recognize that with those demands that I cited earlier, there are those kinds of demands, and we will do what we can to be sure that hospital beds are not closed over the summer and that people are in fact performing surgery, and that patients do in fact fulfil the appointments that they have, to come and take their surgical procedures when they can get them if it is in the summer-time.

**Mr. Romanow:** — Mr. Speaker, I have a new question for the Minister of Health. Mr. Minister, according to the statistics that we have, in total in Saskatoon, as of March 31, 1988, there are 9,582 people waiting to get into hospital, for a hospital bed — 9,582, an unprecedented record at any time.

My question to you, Mr. Minister of Health, is simply this: does this government have any specific long-term game plan? We know that it has no short-term game plan in terms of funding. Do you have any long-term specific game plan to tackle this serious problem for the people of Saskatoon and area, nearly 10,000 waiting to get into health care? Is there any game plan at all, other than being governed by polls and political expediency on a short-run basis?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, I hear the earlier questions and I took the early . . . (inaudible interjection).

**Mr. Speaker:** — Order. Order. I've asked the hon. member to allow the minister to give his answer, without interrupting on a rather continuous basis.

**Hon. Mr. McLeod:** — Mr. Speaker, I heard the earlier questions as it relates to the particular people that are waiting, and I have that same concern for particular people who wait. That's the key in waiting lists at all times is how long will an individual wait, any individual, for whichever procedure they're waiting for. That's the key, not the number that are waiting. The key is, how long will any individual wait? And anybody knows that, and anybody in the health sector knows that.

The member cites numbers. We want to talk about numbers and we'll talk about numbers. And I've said that there have been more procedures done in Saskatoon than ever before, and that is an increasing number, through some of the initiatives of the extra million dollars for those three specialty areas. Okay, that's one thing, Mr. Speaker, and I need a couple of other things to explain.

The day surgery unit at the Saskatoon City Hospital has had a tremendous impact — a tremendous impact — on lowering the time that people have to wait and on the number of procedures performed in Saskatoon.

And now, Mr. Speaker, as it relates to a long-term plan, and that's key, and that's the one question I could not

believe coming from the mouth of that Leader of the Opposition, and it's this. The long-term plan, Mr. Speaker, is what should have been there before we assumed office in this government, because St Paul's Hospital has a major regeneration project which is obviously part of a long-term plan; the new City Hospital is part of a long-term plan, and it must be the long-term plan that's in place. Mr. Speaker, the cancer clinic, the new one opening in June, is part of a long-term plan, and the additions to University Hospital are a long-term plan.

Now the last point, Mr. Speaker, is this — the last point is this. There must always be two tracks that we are on: one, the long-term plan which you did never have, which you never, ever had, a long-term plan, which we now have.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — And obviously in the short term on the day-to-day they annualize; the year-to-year budgeting, we have some difficulties. And those people cause many of those difficulties. It's not a matter of . . . So, Mr. Speaker . . . (inaudible) . . .

**Mr. Brockelbank:** — Mr. Speaker, I have a question for the minister in charge of long-term answers on health care, but little action.

**Some Hon. Members:** — Hear, hear!

**Mr. Brockelbank:** — Mr. Minister, by now even you will have to admit there is a hospital waiting list crisis in Saskatchewan's base hospitals, particularly in Saskatoon.

You will know, Mr. Minister, that your budget cut-backs last year caused the elimination of 33 full-time teaching specialist positions at the Plains hospital centre in Regina. Your cut-backs, Mr. Minister, caused the elimination of 33 specialist positions and caused the specialists to leave Regina. They included southern Saskatchewan, Mr. Minister, Mr. Speaker, they included southern Saskatchewan's only infectious disease specialist on AIDS (acquired immune deficiency syndrome) and the only endocrinologist — all gone.

Will you confirm today, sir, that at University Hospital in Saskatoon, several of the orthopedic surgeons are leaving the department? Will you confirm that?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Well, Mr. Speaker, I won't confirm that, but, Mr. Speaker, what I will say to the hon. member, he talks about the case in southern Saskatchewan in terms of specialists. We have had some successes. There have been some successes in terms of recruitment, in terms of recruitment of specialists in southern Saskatchewan. It is not the case, as that member has just said, that it was related to the Department of Health's funding or, in fact, to the government's funding that the University of Saskatchewan, more specifically the College of Medicine, hold specialists back to that college. It's for this reason, Mr. Speaker, and it's a very good reason as it relates to the College of Medicine and the service that that College of Medicine provides to this province, not only to Saskatoon but to this province.

The College of Medicine in Saskatoon has been an excellent college over a good number of years. As we've said, with increasing technology and increasing specialization, the College of Medicine has been for a good number of years providing training in specialty areas in a wide variety of areas. The College of Medicine must decide and has taken it upon themselves, with the co-operation of the university and the Department of Education, a look at themselves in terms of: what can we be and which areas will we be centres of excellence in?

They've asked those questions. Those are responsible questions, Mr. Speaker. Those are the kinds of questions that must be asked, and those are the kinds of questions that the College of Medicine is doing in a responsible way for the long-term plan that those members pay lip-service to when they ask questions, to which they never paid any real attention or active attention to when they had an opportunity to do something about it in government.

**Some Hon. Members:** — Hear, hear!

**Mr. Brockelbank:** — Mr. Speaker, a new question to the Minister of Health. Mr. Minister, your hollow excuses and assurances are of no value to this House or to the people of Saskatoon who are on waiting lists.

**Some Hon. Members:** — Hear, hear!

**Mr. Brockelbank:** — I simply asked you, Mr. Minister, whether there are orthopedic surgeons at University hospital who are leaving. Do you know the answers or not? You said there was blockages in orthopedic surgeons situation in Saskatoon. How many are leaving, and when are they leaving?

Your policies have forced specialists to leave in Regina; the waiting lists are getting worse; the waiting lists . . .

**Mr. Speaker:** — Order. Order. Order. Order, order, order. The hon. member has asked him several questions and is going to provoke a long answer. I'd ask him to get to his next question.

**Mr. Brockelbank:** — Mr. Minister, at the end of February the hospital waiting lists at University Hospital in Saskatoon have increased — increased — from the end of February to the end of March. How much worse must this situation get, Mr. Minister?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, the waiting lists at none of those hospitals has increased in recent months. The hospital waiting lists in terms of numbers, which you continue to talk about, is going down, Mr. Speaker, and I have said that before that the number is going down, and is going down not as quickly as I would like it to be, or as any citizen in this province would like it to go down, because of some of the reasons that I cited earlier in this question period.

Mr. Speaker, as it relates to the orthopedic surgeons at University Hospital, I will not confirm that that's the case, but I will say this; there have been surgeons in various

specialty areas who will leave from time to time — that's an ongoing thing — and there are others who will come in from time to time.

A good example, Mr. Speaker. We have a physician in this city, a specialist by the name of Dr. Sherman, a Regina boy, a Regina person, who was trained and as well-trained as any orthopedic surgeon in this country, has chosen to come back and is now practicing in the city of Regina — a very excellent practice and has his roots here, obviously, and will be here for some good, long period of time.

Those are the kinds of recruitment programs that are going on, and we are having some successes in recruitment, Mr. Speaker, in many of these areas. And those successes in recruitment are what are necessary for the long-term plans as it relates to specialized services in both of our major hospital centres in the province.

**Some Hon. Members:** — Hear, hear!

**Mr. Brockelbank:** — A final question to the Minister of Health. The hospital waiting lists at University Hospital were 2,168 at the end of February. At the end of March there were 2,180. They've gone up, Mr. Minister.

Mr. Minister, will you admit, will you admit that the orthopedic surgery department in University Hospital by the end of June will be gutted? And I want to know: what's your plan to solve that situation?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. McLeod:** — Mr. Speaker, I'll say this: I do not accept the inflamed rhetoric and the terminology — this program will be gutted, and so on. I don't accept that inflamed rhetoric from that member or any of his colleagues over there.

Mr. Speaker, those hospitals and the base hospitals who are under regeneration in this province, much needed and much overdue regeneration in this province, will have the kind of equipment and will have the ability to recruit excellent specialists as it goes on.

Now, Mr. Speaker, I don't confirm what the member has said. I don't confirm what he has said, but I deny directly, I deny directly that kind of inflamed rhetoric from that member who does nothing but talk politics about anything, nothing but politics about anything for his long career in this House, nothing but politics to everything that he ever asked a question about.

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — Order. The member for Regina Rosemont sits in his seat, points at the Chair, and makes accusations. I ask him now to rise and apologize to the House.

Order, order. I asked the member for Regina Rosemont, who makes a habit in this House of hollering at the Chair, to rise now and apologize to the House.

**An Hon. Member:** — Mr. Speaker, on a point of order

here. It is required . . .

**Mr. Speaker:** — No point of order, no point of orders. There are no points of order until after question period is over, at which time points of order are accepted.

**Mr. Lyons:** — I'm willing to apologize to the House for any improprieties. Could you please tell me which improprieties I committed?

**Mr. Speaker:** — The hon. member from Rosemont, as I said earlier, makes a habit of sitting in his seat and hollering at the Chair for one reason or another, which he was just doing again, which he was just doing again.

Order, order. Order. Order, order.

I ask the hon. member for Rosemont, for the final time, to apologize to the House . . . (inaudible interjection) . . .

I'm sorry, I didn't hear the hon. member for Rosemont.

Order, order. I ask the hon. member from Rosemont once more, with due respects, to stand and apologize.

**Mr. Lyons:** — Mr. Speaker, please humbly accept my deepest apologies.

**Mr. Speaker:** — It is accepted.

Order, order. Order, order.

#### Privatization of Moose Jaw Wild Animal Park

**Mr. Thompson:** — Thanks, Mr. Speaker. I direct my question to the Minister of Parks. Yesterday, Mr. Minister, you announced that you had privatized Moose Jaw Wild Animal Park. The people of Saskatchewan know the results of your previous sell-offs of our public parks. It means higher prices for the public, poorer services also to the public, and lost jobs.

I am therefore asking you, Mr. Minister, if today in this legislature you will admit that in this case, as well, as in the case of the Moose Jaw Wild Animal Park, we are going to see an increase in prices, poorer services, and lost jobs. Will you admit that, Mr. Minister?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Maxwell:** — No.

**Mr. Thompson:** — Supplementary, Mr. Speaker, to the Minister of Parks. Mr. Minister, you didn't say very much. And if you are so sure, Mr. Minister, if you want to boast so much would you please do this: would you agree to table here in this Assembly today the privatization agreement you have signed with the developer? And would you point out the specific written guarantees you have that there won't be higher prices, poorer services, and less services to the public, and lost jobs? Will you table that document in this legislature today, Mr. Minister?

**Hon. Mr. Maxwell:** — Well, Mr. Speaker, the hon. member says I didn't say very much. One minute they're

bitching and complaining that we give long answers; then they get up and complain when they get short answers.

Mr. Speaker, they want to know if there are jobs lost . . .

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

**Mr. Calvert:** — Mr. Speaker, my question also is to the minister responsible for Parks, and I sincerely hope he will calm down. Mr. Minister, I don't need to tell you that the people of Moose Jaw are very proud of the Moose Jaw Wild Animal Park. We're proud of it as a place to take our families, proud of it as a place to take visitors to our city and province, and we're very proud of the men and women who have worked in that park for many years.

Mr. Minister, my question is very simple: why did you feel it necessary to terminate the employment of those that worked at the wild animal park, some of whom have been there many, many years?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Maxwell:** — Mr. Speaker, jobs are not being lost. Alternative employment has been offered to the employees. Secondly, nothing is sold off in terms of the park — it is a lease. Thirdly, the proponents have agreed to put in \$800,000 of capital improvement to that park, no expense to the taxpayers of Saskatchewan or to the taxpayers of the city of Moose Jaw.

**Some Hon. Members:** — Hear, hear!

**Mr. Calvert:** — Mr. Minister, we have a number of questions about this agreement, this lease that you've signed, but we're not going to have time to ask them all today. We do want to know if the quality of the park is going to be assured. We want to know if admission prices are going to be kept affordable. We want to know if the indigenous nature of the park is going to be maintained. Mr. Minister, will you answer these questions by tabling the agreement that you've signed?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Maxwell:** — Mr. Speaker, we are satisfied that the lease agreement that has been worked out is in the best interests of the taxpayers of Saskatchewan and of the taxpayers of Moose Jaw, and the park will be opening as scheduled. It will run as a wild animal park. Those guarantees are built into the lease agreement.

And once again, all I can reiterate is that we are seeing massive improvements to that park, a park which was losing \$250,000 a year to the taxpayers. One year it lost \$290,000, and now we're getting \$800,000 of capital improvement, no expense to the taxpayers of Saskatchewan. Mr. Speaker, that's a good deal for the taxpayers of Saskatchewan.

**Some Hon. Members:** — Hear, hear!

#### POINT OF ORDER

**Mr. Tchorzewski:** — Mr. Speaker, I rise on the point of

order on the matter of grave concern on the proceedings in the House today. I bring to your attention the example of the Minister of Parks who stood in his place in answer to a question and used unparliamentary language and you chose not to hear him, whereas the member from Rosemont, to whom you would not say what it is he was supposed to apologize for, somehow you requested an apology.

Now, Mr. Speaker, it seems to me that this paying attention to one side of the House to the other, I think, is becoming very obvious, is unacceptable, and needs to be corrected in order for this House to function. Mr. Speaker, any member of the House who is asked to withdraw or apologize needs to know what it is he needs to withdraw or apologize for.

I ask you then, Mr. Speaker, two things in my point of order: will you review the record as to the parliamentary language used by the Minister of Parks and ask him to withdraw and apologize to this House, with children sitting in the gallery he used that language; and I ask you also to review on what basis we are not able to ask for a point of order or a clarification when a member of the House is asked to apologize for and you are unable to tell him.

**Some Hon. Members:** — Hear, hear!

**Mr. Speaker:** — Order.

**Hon. Mr. Maxwell:** — I'd like to respond to the point of order raised by the House Leader of the opposition. Perhaps in the heat of the moment I wasn't thinking very clearly of which precise word I used, and which thereby was using, and it has caused some offence in the benches opposite, obviously. Therefore, I have no hesitation whatsoever, Mr. Speaker, in apologizing to the House, and I respectfully withdraw the comment.

**Some Hon. Members:** — Hear, hear!

**Mr. Tchorzewski:** — My point of order had nothing to do about whether he chooses now to apologize. My point of order, Mr. Speaker, is that this member was supposedly heard and that member was not heard . . .

**An Hon. Member:** — Using foul language.

**Mr. Tchorzewski:** — . . . using foul language in this House, and I think that that is wrong, Mr. Speaker, and this House cannot tolerate it and function properly.

**Mr. Speaker:** — Order. Would the member for . . . Minister of Parks . . . Order. Would the Minister of Parks and Renewable Resources please calm down.

Regarding the member's first point of order, according to rule 35(3):

Mr. Speaker shall not entertain points of order during the oral question period. Points of order may be raised later on in orders of the day.

Regarding the second part of your point of order, I must quite frankly admit to the House that my attention was

distracted and I did not hear the member's statement. However, having said that, I'm certainly prepared to review the verbatim record and certainly take any action which that record deems to be necessary.

Order, order, order. I'd ask the hon. member for Quill Lakes to please allow the proceedings to continue without interruption.

**Mr. Lyons:** — Mr. Speaker, I just asked for a point of order as a point of clarification. Is it the correct interpretation of the conduct of the rules of the House that members are not heard from their seat, but are heard when they stand in their place? And if that is true, if that is true, then I wonder if the Speaker would take the opportunity to supply me, either orally or after or by way of letter, precisely what it was that I had to make an apology for?

**Mr. Speaker:** — Members don't have latitude to make comments or any remarks from their desks just because they're not being recognized. I think that all hon. members would agree that, if that was case, we could quite easily have chaos in this House.

Secondly, as I said earlier, unfortunately the hon. member from Regina Rosemont does on many occasions make comments towards the chair from his desk relating to the actions, etc., and I think that members in the House, including himself, do recognize that. I simply asked him this morning to apologize for those actions and that was the basis of my request, and I think it's a reasonable request and I think it applies to all members who continue to do that.

**Mr. Brockelbank:** — Mr. Speaker, it's a well-known parliamentary rule that members cannot accumulate breaches of the order and then deal with them all at once. They must deal with each breach of the rules of order as it occurs.

Mr. Speaker, I distinctly heard you say — referring to the member for Regina Rosemont — and it sounded suspiciously to me, Mr. Speaker, like you had an accumulation of grievances. I can understand that, having been in that Chair. But, Mr. Speaker, I think the Speaker and any member of the House cannot accumulate breaches of the rule and then use them all at once in a omnibus ruling. They have to deal with them as they occur. That's my point of order.

**Mr. Speaker:** — I've heard the point of order. I've heard the point of order and it's a point of order well taken, and I thank the hon. member for raising it.

The hon. member does realize that several members — and of course we're not going to go into names at this time — have, from time to time, made remarks towards the Chair, and that is unparliamentary and not acceptable. And it's not forgivable either. Those are actions that should not go on, and all hon. members I'm sure recognize that. And I'm bringing it to their attention again this morning that they desist from that, or this House will not be able to function.

I ask the hon. member for Regina Rosemont, whom I said had been part of that in the past, to apologize this

morning. And that's what I have done, and I think that the best thing to do is to put that matter to rest and let it serve to a warning to all hon. members that they are not to make derogatory remarks to the Chair, regardless of who is in it.

**Mr. Tchorzewski:** — Mr. Speaker, another point of order. And I want to say to you, sir, Mr. Speaker, that when you apply that ruling, it is important that you apply it across the House and not have one single individual singled out. Because if those comments are made, they're made on the other side of the House as well.

I raise with you this, sir. The Minister of Health was on his feet. You stood in your place and you tried to call him to order; he refused to take his seat. He stared you down and you took your seat. All you had to do, sir, was press your button and cut his mike (microphone) off. That never happened.

I ask you, Mr. Speaker: why do you allow that kind of action to take place, where the minister can abuse the ruling of this House and the functions of this House and you don't call him to order?

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Berntson:** — In speaking to the point of order, I'd just like to point out that it is improper, inappropriate and, I suggest, unparliamentary that that member or any other member can question the rulings of the Chair as to imply motive, Mr. Speaker.

The only thing that they can do — and it's been done once previously in this House — is to move a substantive motion to censure the Chair. They have no right to question the ruling of the Chair, Mr. Speaker. And I would ask, Mr. Speaker, to check that out and ask whether or not that member who has just raised the point of order has not called the motives of the Chair into question.

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. My point of order simply was this: why does the Speaker not ask the member to yield when the Speaker is on his feet? Because I am saying to you, sir, and you will know that the Minister of Health was on his feet, stood on his feet, and stayed on his feet while you were on your feet, and in fact you took your seat and he did not.

I'm saying, Mr. Speaker, is it not required under the rules that you ask the Minister of Health to take his seat when you get on your feet, or any other minister?

**Mr. Speaker:** — Well, that's an interesting point of order. Perhaps I'll take it under review.

(1045)

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

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

## Item 1 (continued)

**Mr. Upshall:** — Thank you, Mr. Chairman. Well, Mr. Chairman, today I would like to begin with some specific questions to which I'm hoping I'll get some specific answers, and it concerns the community pastures and policy change to the pasture system. Mr. Minister, first of all, how many pastures are there in the province?

**Hon. Mr. Devine:** — Fifty-four for cattle.

**Mr. Upshall:** — And those 54 pastures, Mr. Minister, how many patrons are involved in the community pasture program?

**Hon. Mr. Devine:** — Approximately 4,000.

**Mr. Upshall:** — Mr. Minister, could you outline for me the structure of the pasture management, from lands branch down to the patrons?

**Hon. Mr. Devine:** — Mr. Chairman, there are four regional supervisors, and under the regional supervisors there are 22 land reps. And each land rep supervises the pasture under his or her jurisdiction — sometimes it's more than one; sometimes it may not be any. Each pasture has a pasture manager, and the patrons in each pasture provide an advisory committee to help manage the pasture at the local level.

**Mr. Upshall:** — Well, Mr. Minister, what was the date on which the policy was actually changed on the community pastures?

**Hon. Mr. Devine:** — Early November, Mr. Chairman.

**Mr. Upshall:** — Early November. Do you have a date? You don't have a date on which the actual policy was changed? Like one day it was the old policy; the next day it was the new policy. Was that date specific?

**Hon. Mr. Devine:** — All I can say it was late fall, early November that the policy was discussed with people, and I don't have the date, specific date. It was over a period of time when we reviewed it with people who were in the industry.

**Mr. Upshall:** — Well, Mr. Minister, I have a copy of the . . . from Saskatchewan Agriculture, the policy lands branch in Walter Scott Building, provincial community pastures, livestock allocation management and fee schedule, and it says: effective November 1 '87, this is the department's policy. Was that the precise date that the change took place?

**Hon. Mr. Devine:** — Well it was . . . it would be at that time, and I think I said in November that the policy was taken out to the patrons and to others to have their advice, because earlier people had asked us to modify the policy to allow their private and own breeding stock to go into the pastures. So we said in November we will begin to review it so that in fact when we start the whole process this spring, they can be ready with their own breeding stock, and that's exactly what's taking place.

**Mr. Upshall:** — Mr. Minister, were the patrons notified of

this change by way of letter, so that they would have some time to respond and maybe make suggested changes to the policy?

**Hon. Mr. Devine:** — Mr. Chairman, the policy was discussed at patron meetings and with the staff — that is the people that are involved in the management — and obviously in the fall so that they could prepare for next spring, so that they literally had months to examine it and find out how many patrons would be interested, how many might not be — all of that time necessary because we're just starting, obviously, to look at using the pastures now. So it gives them five or six months to accommodate any changes in the breeding patterns they want, or their own private stock, or breeding capacity that they want to build up.

**Mr. Upshall:** — Well if the patrons weren't notified by letter, were at least the advisory board notified, the advisory boards to the pastures? Were they notified of the pending policy change so that they could have some input into the policy before it was actually written?

**Hon. Mr. Devine:** — Well as has been the custom in the past, any policy changes that are taking place are normally after the fall round-ups and after they begin to close the pastures, which is in late fall. So if you have suggestions for a policy change that said that we could go as much as 50-50 in terms of the flexibility, we would take it to the meetings as they wind up the pastures and they can have patron meetings, and that's what we do.

So we could put out the concept in November 1 and then take it out to the meetings when they're closing up the pastures and talk to the people, and we've talked to them, obviously, in November and December, and they've given us the suggestions they want.

Many of them have taken advantage of it. As I pointed out yesterday, approximately 200 bulls have been purchased that are private breeding stock because people thought it was a good idea. We purchased, I believe, 275 last year and only purchased 95 this year, which is an indication that people were quite interested in providing their own breeding stock as a result of the suggestion we go as far as 50-50, which is the flexibility that they want them to see.

**Mr. Upshall:** — Well, Mr. Minister, it seems to me that the processes were being reversed. You told me that . . . are telling me that you put out the policy, you wrote the policy in the department and then you went out to the patron meetings. You didn't give the patrons or the advisory board forewarning of a policy change.

You have now a policy number 0109, if that's the first of the . . . if that's the date, I don't know, but that's the number on this policy that I have. And you say that they were allowed to make their recommendations, to input at that time — not before the policy was written. Then you say they have patron meetings in the fall whereby they can discuss the policy and recommend changes. Mr. Minister, I know for a fact, and you know, that there were a number of changes recommended. In fact people were very upset at the policy change.

Can you tell me if this policy from the lands branch, dated effective November 1, has been changed to reflect the needs and wishes of the community pasture patrons?

(1100)

**Hon. Mr. Devine:** — What the patrons wanted was flexibility. And they talked to us throughout the summer and the early fall and said — and those that were interested said, I would like to put in my own breeding stock because I've got a special breeding program — could I do that? And we said, well, we're at 70-30; we'll have the flexibility to go to 50-50. so in November we write them and say, we can go 50-50; it's completely flexible.

The second part of the program, it's up to them. If they want to participate in it, fine; if they don't, we provide the bulls. It's as clear as that. If they want their own, they can have them. If they want government bulls, we provide them.

So, on, it's on the basis that they ask for it. And secondly, if those that don't want to participate, they don't have to. If you want your own breeding stock, you can. So there's no imposition.

It says we have changed the policy. We will have flexibility to go to at least 50 per cent personal breeding stock if you want. In some pastures it'll be 100 per cent government stock, and some pastures will have a large percentage of private stock. That's the flexibility they want.

In your community pasture, maybe you want all government bulls. If that's the case, we have the capacity to provide all government bulls. In other places, in other jurisdictions, they might want mostly private breeding stock. The flexibility is there. They asked for it — it's not an imposition; it's open-ended. They can respond if they like.

**Mr. Upshall:** — Well, Mr. Minister, the policy is remaining the same. And the policy says that you're going to reduce the number of bulls by 35 per cent per year until the bull program is eliminated. And the policy hasn't changed, and yet you're saying you're saying you're giving them flexibility.

First of all, when you say they asked for it, Mr. Minister, that is not true. They, being the majority of the patrons in the pastures, do not want the bull program to be eliminated over the next three years, and you can ask them. Obviously you didn't ask them that before you made the policy change, and that's why you had the backlash, and that's why you have to backtrack. But the fact remains, the policy remains the same.

Are you going to eliminate the bulls on a 35 per cent basis over the first three years? And has the first year's objective been reached, with bull reduction?

**Hon. Mr. Devine:** — Mr. Chairman, I've said it very clear, and I've said it to any patrons. It's a voluntary program. We targeted that we could move that fast if they wanted



to. If they don't want to, we won't move that fast. The first year, we've met the targets, people have picked up on it, they like it. I've just responded, if they want to use their own breeding stock then we won't use government. That's all it is and if they follow that target, fine. If they want to go faster, they can come in and say, this is really good, I get to put my own breeding stock in the community pasture, and that's exactly the kind of program they want.

We've had to buy up about 200 less bulls because people have picked up on it. So obviously it proves that your observation, that they didn't want it, is wrong. They like it — they like it. At least they like it to the extent that we've had to back out — we don't need 200 bulls because they've used their own breeding stock. We only had to buy 95. Now that 95 may be for a pasture here or one in your area.

I said, we can target as much as 50-50, but it's completely up to the farmer and the rancher. If they want their own breeding stock, they can have it. If they don't, fine, we'll provide the bulls. So that policy is there, they know it, and I particularly said for small operators, you won't be forced to buy your own breeding stock; if you've got 15 or 20 cows, fair enough, we'll provide that, but if you want to have your own, we will allow you to have your own breeding stock and not just be forced to use government bulls. You don't have to use the government bull, you don't have to. That's all I want you to know and understand, you don't have to use it, you can use your own in community pastures.

That's what some patrons wanted, was that flexibility. That's what they got and it seems to be working fine. For those that don't want them, they can use the government bull. For those that want their own, they can use their own. You don't have to use the government bulls in community pastures.

**Mr. Upshall:** — Mr. Minister, this year's reduction of 35 per cent was, I believe, nearly completed some time ago. Could you tell me on what date that the reduction, the 35 per cent reduction for this year was, let's say, 90 per cent complete?

**Hon. Mr. Devine:** — Well as of this month, April when you go through the winter and find out how many people want to have their own breeding stock, then we find out how many we have to purchase. So as of April 18, we were at 35 per cent, and it takes the winter to decide how many you're going to buy and they make up their mind and they have the flexibility. So by this month we've reached the target totally dictated to by the patrons. They either want government bulls or their own. And they've reached the target the first year. They've bought their own; they like it.

**Mr. Upshall:** — Well, Mr. Minister, in February when we had a meeting and the member from Kelvington-Wadena came over, he was telling the farmers, the 25 or so farmers that came in to meet, that the 90 or 95 per cent of the 35 per cent reduction had already been achieved. And you're telling me now then that farmers still have the option to have a government bull. Okay then, if 95 per cent of the reduction had already been received, they've

been culled, what position would that have left farmers in?

And what I'm saying to you, Mr. Minister, is you made the policy decision; you made the change; you made the reduction; and you sent the land reps out to tell the farmers that they have to buy their own bulls. And I know that happened and you know that happened — or you should know that happened. So what you're saying now is — your backtrack is to say — well farmers can have their government bull if they want. That's what you say now.

But you've already accomplished reducing them by 35 per cent, putting many farmers in a scramble to organize themselves to buy bulls at great cost to themselves, a program that was functioning very well. So how can you stand here and tell me that they still have the option when in fact you've already reduced that 35 per cent? And are you going to reduce the 35 per cent next year? Is that your objective?

**Hon. Mr. Devine:** — Mr. Chairman, I don't know how often I have to say this to the hon. member, the farmer . . . (inaudible interjection) . . . Well, then we'll be here for a long time and I'll keep saying the same thing: the farmers can choose to buy their own bulls if they like, and they can have government bulls if they like. We have that complete flexibility. The farmer wants the flexibility.

Over the winter we have found out that they have bought almost 200 of their own breeding stock, or have used them — maybe they didn't buy them, they had them at home. Now they can put them in the government pasture. They like to do that — obviously they do. They had their own breeding stock, they can now put it in the government pasture as well as their own pasture. It doesn't cost them any breeding fees to us their own bulls. They like that a lot better.

Maybe many of them had a bull anyway and so rather than pay government fees they could use their own and they can run it in the community pasture and they think this is a tremendous deal — complete flexibility. And you can't seem to understand that.

The farmers want that. They don't want to be obliged to just using government bulls — they don't want that. Now I don't know what you want. What do you want? Do you want all government bulls? What do you want? I mean, tell me what you would like to have in terms of the breeding program — do you want all government, all private? You know, make up your mind.

What we have is flexibility. If you want to use your own bull that you have in the barn all winter and you want to turn him out in the community pasture with your cattle, you can do that now. And you can do it more so than you did before because we have said we'll go as far as 50-50. I mean, we're complete flexibility.

Why are you against people having the freedom to decide what bull they want to use? I mean, how many times do I have to say it? They have their choice. They can use their own bull that's tied up in the barn and they can take it to the community pasture. They can do that, and they want

to do it, and evidently about 200 more of their own breeding stock is being used because we didn't have to buy them — we only had to buy 95.

So we are accommodating those that want the flexibility, and those that want government programs and those that don't. So it can be one year you may find, or over a period of a decade, you may find people are into a new breeding program; they want to go at it with vigour, and others they may back off for whatever reason. I mean, that flexibility is there.

**Mr. Upshall:** — Well, Mr. Minister, let's get the facts straight. you had put out a policy and you intended at that time to reduce the number of government bulls to zero over a period of approximately three years. That was the intention, because that's what the land reps were telling the patrons.

You can sit in here and tell me all you like about the options. We know the option was there before — some of the pedigreed breeders wanted their own bulls; that's fine. But what you're doing now is forcing everyone to — that was your intention — forcing everyone to have their own bulls. And what that does is causes great havoc and great cost to farmers, especially if I'm a farmer with a split herd and I have part of my herd in the pasture and part of my herd at home, I need two bulls.

How's that supporting the farmer? I mean, what you're doing is putting extra cost on them. So I'll tell you, Mr. Minister, I'll ask you this: are you going to maintain the bull stations that are presently located in the province? Will they be maintained throughout the next five years or so?

**Hon. Mr. Devine:** — Yes, we maintain the bull stations, and we will be doing that. That's where we winter the bulls.

**Mr. Upshall:** — You maintain the bull stations now? Your intention was to eliminate government bulls. Was it your intention to maintain those bull stations? I don't think it was.

And do you realize — you say you're a farmer — do you realize what happens when patrons put their bulls into a pasture? The first week, all they do is fight. I mean, you should know that. There's going to be a lot of problems caused because these bulls, like somebody said, if they're any good at all they'll fight. And there's going to be damage done to the bulls; fences mean nothing to them in cases like that. Whereas in the bull stations when they're wintered all together, they know each other and there's no problems. I mean, these types of things you never even considered when you were making changes to the policy.

I'm not advocating all government bulls. All I'm doing, Mr. Minister, is trying to again tell you what the patrons of this community pasture program want. And they don't want you to eliminate the bull program, and that was your intention.

And your policy still remains the same, although we backed you up. Thank heavens at least we backed you up on this one. But it took a lot of fight to do it, a lot of letters

and a lot of organization from patrons of the pasture to make you back up to say that if they want a bull, they'll have a bull. But the fact remains you've taken out 35 per cent of the bulls.

So, Mr. Minister, you say as of April 1 you've reached your 35 per cent reduction. Have there been any requests for you to buy new bulls to supply pastures that don't have a government bull?

**Hon. Mr. Devine:** — Two observations. There's no real evidence that bureaucratic government bulls fight any more or any less than private bulls, whether they're good or not. And when you turn them loose in the spring, if you want to argue about which bulls fight more . . . I mean, they're going to have some fun reading *Hansard* 50 years from now, trying to figure out where you're coming from with respect to the kinds of things that you're talking about.

Secondly, let me say that we monitor the program for the bull sales in March and April. We find out how many we need. We had to purchase 92 bulls. We did that.

And again, I go back and say that we are prepared to respond to, and always have been prepared to respond to, the farmer and the rancher. If they want most of the bulls to be their own, we're prepared to do that. That's why we laid out the policy. they said how far would you go. I said, I'll go as far as you like. And many people said, well I would like to have this community pasture; and the patrons, you talk to them and say, I want to use my own bull, so he said, fine. So we laid out that flexibility.

Now whether they want it 70-30, 50-50, or 25-75, that's up to them. We run the community pastures. They have the complete flexibility to use their own breeding stock, and we will certainly let them do that. And we have our own bull stations, and we will maintain bull stations as long as there's a demand for public bulls. It's as simple as that.

So we can chase our tail around here a long time trying to decide what you really want. What would you like? Tell me what you would like, and then I'll have some idea what you're after. Do you want us to have all government bulls, or do you want just the flexibility? If you want the flexibility, you've got the flexibility. That's what you got. It's there. We have government bulls, opportunity for private breeding stock. But you've got complete flexibility at the discretion of the patrons. If they want to go to all private bulls and they want to use their own bull in the community pasture, they can do that. They've been told that. Some don't want to, we'll accommodate them, but I'll live within their recommendations.

(1115)

**Mr. Upshall:** — Well, Mr. Minister, you're right, we can go around this a hundred times. but I think I've made my point.

You can say you gave them flexibility, but I'll tell you, Mr. Minister, that was not your intention, and you're not telling the whole truth. The land reps went out to the meetings — and you know their mandate, and I'll tell this

for the record — they went out there to impose a policy that you unilaterally put forward to reduce the number of government bulls to zero, cutting them at a rate of 35 per cent per year. And that was the policy and that's what the patrons were told. And you can shake your head no, Mr. Minister, but that's the truth and the patrons know it so I don't have to talk about it here any more.

And I'll just add one more thing. Your little whimsical comment about government bulls fighting more than private bulls. Well, I mean, that's about as much as you know about it. These bulls are wintered together, they live together in the bull programs . . . (inaudible interjection) . . . And you should know that; the member from Kelvington-Wadena knows that. And when they're not wintered together, when they come into a pasture, they fight. I mean, you should know that, and obviously you didn't. It doesn't surprise me, I guess.

Another little question that I want to talk about is the compensation insurance. You took that away. I mean, that's another cost onto the farmers. Now they're going to organize their own compensation program or whatever. You know, this . . . you ask what I want. And what I want is what the patrons of this province are telling me. They want the old policy back because it was working well. It was a good program, and you wrecked it.

Tagging, you're changing the tags, and the new tags they lose about 4 per cent of the tags. They also have . . . you've increased the breeding fees at a time when, you know, there's not real logic to why you would do that. The program wasn't losing money. The only cost it was costing you was the administration charges I understand.

I mean, the whole policy change was not necessary. A little item like salt, another 20 bucks per patron it's going to cost. I mean, you're talking money out of their pockets again, money that they don't have.

So, Mr. Minister, I will ask you: in light of all the discussions that we had, the letters and calls, and the resolutions that I read off to you yesterday from different community pastures, will you . . . if you say now that the bull program will get . . . they can still have public bulls, or private bulls, will you now please revert to the old policy before November 1, '87 to satisfy those patrons? If you say it's no different now, the patrons are asking the old . . . saying the old policy was good; we want it back.

Will you give them . . . You know, you didn't consult with them in the first place. They've consulted now. Will you listen? Will you please listen to those people in the community pasture program who want the old policy back, and comply with that?

**Hon. Mr. Devine:** — Mr. Chairman, I will reiterate the policy once more — and I will say this regardless of what land reps said what to some particular patron group — the policy that came from cabinet and the policy that came from caucuses, that was we're going to have complete flexibility for the farmers and ranchers out there. And if they want to go to private bulls in a pasture, in a community pasture, they want to use all their own bulls, they can go to it.

So if you want a target of 100 per cent, they can have it. It's up to them. That was the policy. So I'll just make that very clear. So make it absolutely sure what cabinet and caucus said is that we're going to have flexibilities for farmers and . . . flexibility for farmers and ranchers out there so that they can use as much of their own breeding stock as they like.

Secondly, with respect to the whole question of insurance, I want you to know that we were making a small profit on the insurance program. We were making money on it — making money. Now why should we be doing that with patrons' money?

So we said to them . . . Previously they came in to us and they said, three pasture operators have their own compensation program, running it very successfully. They get to share their own dividends and they get to keep the premiums. They keep their own. By you're telling me I got to do in government, so that the government can manage it, when I've got on-pasture operations that do it on their own and they get to keep the surplus for themselves. They get to run it; they can have lower rates; they can shop around. They know what's going on. It's just like running your own farm versus you're farming for the government. You know that.

So here you're back and say we should have all government bulls. That's what you're saying. and you should have all government programs and government insurance. And your argument is that, well government bulls don't fight, and the government can run it better. I mean, nobody believes that. Okay? Nobody believes it.

When the pasture patrons can use their own breeding stock, they like that, because they know that they can pick and choose the kind of breeding stock they want. When they can have their own insurance programs, they get to run it; they get to share in the dividends and the premiums.

Now you say no, it's got to be in government. Well look, obviously we don't agree. I mean, your philosophy is a lot different than mine. You would take it . . . I mean, you'd like them all to be farming for the government. You would want them all to be government bulls and you'd want all the insurance.

You know, if you want to talk about insurance, farmers complain to me about insurance, a lot of insurance. They reminded me that it was the NDP administration that had hidden taxes on insurance for farmers and people all across this province.

Money was taken from senior citizens, for example, who didn't even own vehicles, and diverted \$20 million annually to the SGI auto fund. Farmers had to pay that, even farmers that didn't have driver's license contributed to the SGI auto fund in terms of insurance. But you had to have your government insurance, and you had to take money from people who didn't even drive. Then you had to have up to \$20 million you'd take from gas tax and divert it.

What else did they do? Well you covered up the bureaucratic bungling managing SGI. You funnelled 6 to

\$8 million annually from the auto fund right into SGI. I mean, the record of government insurance under your administration is not good.

So when patrons come in to us and they say, can we have our own insurance program, we say, you have your own insurance program. You keep the dividends; you share in the premiums; you can carry it from year to year. You get to choose. and they said, well that makes some sense. All right?

So you want it all government. You want all government bulls. We've gone the other way. If the patrons can set up their own compensation programs and insurance programs and they get to keep the money, then, for Heaven's sakes, why would you want to keep it in government? I mean, it's just more expense to the taxpayers. They've got to keep more people doing those things when the individuals can do it. and if we were at the same time to cover all different circumstances and all pastures, ending up with a situation where they're paying too much money, then why not let them do it if they want to.

So again it's the flexibility, and it makes sense to everybody — to the people that run it, to the taxpayers, to the general public.

**Mr. Upshall:** — Well, Mr. Minister, it amazes me how you can go on and off the topic. When you talk about insurance, the cost of running the insurance program through the government to 53 . . . or to 54 pastures would be significant less cost, significantly less hassle for the farmers. now they're going to have to go round and 54 pastures are each going to have to find their own insurance, work their own insurance program. And what do you think the cost of that will be out of their pockets? There won't be any dividends for them to share.

And if you were making money on the insurance program, then I say, Mr. Minister, that is a problem that you should have rectified if you say it as a problem, and you should have reduced the premiums to just on a cost of supplying the insurance. Why didn't you just reduce the premiums and keep the program? It's much more effective and efficient to run it from a central location than it is for each pasture to have to now go out and organize.

And when you . . . One more point I'd like to make on the bulls. Do you realize now that right — in many areas of this province — in the middle of seeding, the farmers are now going to have go take time off and get their bulls organized to get them to pasture, and there's going to be problems when they get in those pastures and they're going to have to have more time.

And I think, Mr. Minister, you were right when you say that we differ in philosophy here.

And I think that this move — and I'll ask you it in form of a question — is this move of changing the policy the initial stages of privatizing the community pasture program?

**Hon. Mr. Devine:** — This is complete flexibility to allow the farmers to use their own breeding stock. And in the case of compensation or insurance program, they can

receive the benefits directly as they manage it. And it makes sense for them; it makes sense for the taxpayer; it's less bureaucracy; it's more efficient; it's more effective, and it's better for the farmers because they get to choose.

Now I don't know how you could get it any better for farmers and for the taxpayer, when the farmer gets to choose his breeding stock. And we will be there with public breeding programs if he wants to use it, and it's less costly to the taxpayer. You can use the money for other things. I mean, the rate you're going on we would have . . . it's like we got a money tree and we just keep adding more government programs and all this stuff, and yet you still want more money. Where would you think you'd get it? I mean, you have never talked about the international market; you've never talked about any combination of things that would be necessary to provide revenue for people — nothing.

I mean, you don't like \$30 million that we get from Weyerhaeuser or the \$300 million you get for the pulp company. You don't like that money. You'd rather lose \$91,000 a day. And you say, well it's privatization. You have no idea what privatization is — no idea at all.

I will say to you that when we privatized the pulp company in Prince Albert . . . the member from Moose Jaw North could probably learn a lot about the pulp company that was losing \$91,000 a day and now converted into a profitable operation that gave us . . . will give us over \$60 million this year, and a brand-new paper mill with another 140 jobs and half a million dollars a month in salaries, and you say, oh well, that's privatization. Well I guess I mean, that's tremendous for the taxpayer. They stopped losing \$91,000 a day and got \$60 million in revenue this year alone, and the debentures for \$230 million, and on top of that they get 60 million because they can't make a payment against that debenture until the paper mill starts. We just keep getting more and more money, plus a new paper mill. And you're talking about privatization.

I mean, we can spend a lot of time here in Agriculture estimates on privatization. Okay? It's good for the people who work there, the employees at PAPCO (Prince Albert Pulp Company) and at the paper mill think it's a good idea. The patrons of the pasture want their own breeding stock and have them — they think that's a good idea. Why would you ever deny them the right, like you did in PAPCO and other things, to let them participate?

I mean, when you go back and look at . . . I mean, all kind of utilities . . . You wouldn't allow people to participate in the Sask Power Corporation and buy bonds, right? Government over there never thought about it. You wouldn't let them do it.

**An Hon. Member:** — High taxes.

**Hon. Mr. Devine:** — You wouldn't let them do it. And he mentions taxes. Income taxes went from 34 per cent to 58 per cent, and the farmers in rural Saskatchewan, Mr. Chairman, really didn't like that. Income tax for farmers went from 34 per cent to 58 per cent.

Senior citizens never had a heritage program; they never had a chiropody program, and you know what? — senior citizens in rural Saskatchewan said, do you know what? — it was half a decade, a half a decade where the NDP wouldn't build one new nursing home bed, not one new nursing home. Well, Mr. Chairman, rural people said, I think it would be a good idea if you built nursing home capacity. So obviously that's the thing that they supported.

So I would, Mr. Chairman, I must remind the members opposite that when we talk about privatization and taxes, please go back and look at the NDP taking income tax from a 34 per cent of the federal to 58 per cent. And they were rejected — rural and urban across this province. People in this province, they remember that.

The NDP tax because they want everything in government. They increase taxes and rates because they want everything in government. They increase taxes because they want to control everything. Well, Mr. Chairman, I'll say to the hon. member, he wants to talk about choices for people — I'd be glad to talk about public participation and privatization.

Mr. Chairman, let me just remind the members opposite, any time we start getting to the truth, they will speak from their seats, and those in the gallery can listen to them now. They chirp and they chirp and they talk. Just listen. The member from Quill Lakes can't stand to listen to the truth. It's great to listen. The public in Saskatchewan should be here to listen to these people; they sit in their seats and they don't even have the courtesy, Mr. Chairman, to listen to the response. They will just talk and talk and I'll leave it up to you, Mr. Chairman, to decide if, in fact, the decorum in the legislature is what it should be, given the way they talk on the other side.

**Mr. Upshall:** — Well, Mr. Minister, I didn't think you were going to go goofy on us today, but I see that thought failed. I think the taxpayers of this province would enjoy the \$88 million that Weyerhaeuser made, that PAPCO could have made this year, as opposed to the 30, but we'll leave that aside, we'll leave that aside.

Mr. Minister, my question to you that you failed to answer was this, and I'll simply repeat it again and I'll ask you to give me as accurate an answer as you can on this. Is it your intention to event over the next few years to privatize, completely privatize the community pasture system, as the moves that you've made in your new policy would indicate?

**Hon. Mr. Devine:** — No.

**Mr. Upshall:** — Well thank you for that, Mr. Minister. So in other words, that you will not be asking the patrons or anyone else to purchase any of the pastures, the land, and the facilities in those pastures, so that the government will no longer own them. Is that accurate?

**Hon. Mr. Devine:** — If farmers and ranchers want to buy land and if they want to use their own breeding stock, we've sold more government land back to farmers and ranchers in this province than since it was started. And we're very proud of that. If the people want to own the

land, then we will certainly have the flexibility to allow them to purchase farm land. You, on the other hand, bought land for the government. That's completely the opposite. Where you were buying land, we are selling land. People came to this country to own their own farm and to run their own pastures, not have the government do it.

So, Mr. Chairman, I will say to the hon. member: he believes in land bank and he believes in tenant farmers; he believes in all the kinds of things that he's getting out of socialist Europe from some place — we don't. We think the farmer should own the farm, and we'll do everything that we can to back him up and to help him out.

Mr. Chairman, when you look at land you'll find that when you go back and look at the NDP, what did they have? They had death taxes, the widow tax, succession duties, and they kept taking the farm, taking money out of people. When you had a death in the family, the NDP would come in there and grab several hundred thousand dollars. Mr. Chairman, it's pathetic — it's pathetic. The NDP would just stand in there and take the farm. They would actually take the farm at a time of death in the family — succession duties and death tax.

Well, Mr. Chairman, we're not going to do that. We sell the land back to the people. We help them finance it. We let them operate in their community pastures. Mr. Chairman, we look after senior citizens. We will protect the people as much as possible, and will continue to do that in agriculture, rural and urban, Mr. Chairman.

**Mr. Upshall:** — Mr. Minister, I was afraid that you were going to say something like what you just said. And one of . . . the key phrase that you said is if the patrons or people want it, if they want to buy land. Well we've seen a classic example here in this policy change where the people didn't want it. You said you talked to some, a few. I don't know if you did or not, but I'll tell you, Mr. Minister, it wasn't the majority of the patrons. And you said they wanted it — well, they don't want it. And you're shoving it down their throats on it. And that's why I asked you about privatization, because I know your ideology. You're running on your ideology and you, I think, will at the right point in time say yes, we're going to get rid of this program — privatize it. And that's not what the people want right now. That's not what they want in the community pasture program.

So, Mr. Minister, you have taken a good policy prior to November 1, '87, a policy that was not costing the government any money — the community pasture program — except for administration, which was not significant. You have changed that policy from a policy of where patrons had reasonable pasture fees, where they had good services.

You've changed that policy, that their fees have increased, their services have decreased, meaning more dollars out of their pocket. You've made a decision without consulting them as to the number of bulls that the government will supply — without consulting them.

You say they have flexibility, that they can have their own private bulls or public bulls. They had that flexibility

before, because there was about 25, 28 per cent, I understand, of private bulls in there already. That flexibility was still there without a policy change.

But you've made the change for some reason. And I believe the major reason was, first of all, you're unloading some of the cost. You're trying to . . . I don't know what kind of cost you're going to unload, but it's going to cost the farmers money. It's going to cost the farmers more money out of their own pockets.

It's going to create a situation where farmers who are going to be eventually forced into buying their own bulls, farmers who don't necessarily have money and who will possibly put a lesser quality bull in the program than his neighbour simply because he can't afford it. And I'll tell you, Mr. Minister, those bulls aren't selective when they're breeding.

You're going to have a situation where you're going to have dissension between farmers, possibly because they're going to . . . you know, if your neighbour puts a poor quality bull in, puts a \$1,500 bull in, and you put a \$3,500 bull in, I mean, this is the type of thing that's going to happen.

You're going to lose good pasture managers eventually because in the past year the number of reduction of bulls, government bulls, is going to be that there's no longer going to be a need possibly for pasture managers. And we have, I understand, excellent pasture managers right now, and you're going to put that position in jeopardy.

You've reduced services as far as staff go and that reduction in the last year, reduction of staff, has caused more death because the numbers of riders were reduced and they weren't able to cover as much area. You've taken an insurance program that was running well centrally for 54 pastures, and you're going to tell the farmers now that they're going to have to run their own program in 54 different locations.

Mr. Minister, they don't want that. And it's summed up by another little letter that I had and it says, and I'll quote, "To make it fair for all pastures we do not want any changes in policy." I mean, I've read these off, signed by many patrons. We have meetings here. I've had calls from people, and surely you have too. But you refuse to put the old policy back in that was working well. It wasn't broken.

That's why I say to you, and my fear is that it's your intent, just because of your ideology, to privatize the community pasture system.

Well, Mr. Minister, that is not the right direction for you to be taking, and the patrons of the community pastures know what you're trying to do. They know of a reduction of services, they know the increase in prices, and they know the problems the bulls are causing. And they know how they've had to fight to get you to back track. They know you have a hidden agenda.

So I say, Mr. Minister, that I would again just ask you, please, on behalf of the patrons of the community pasture association, would you throw out your policy, new

policy, and reinstate the old policy prior to November 1, '87.

**Some Hon. Members:** — Hear, hear!

**Hon. Mr. Devine:** — Mr. Chairman, we are going to maintain a policy of complete flexibility for farmers and ranchers to use their own breeding stock, and I'm not going to change that. They've asked me to have that flexibility. So if they want to use their own cattle, they can use them, and that'll be there.

And I think it's unfair that NDP lawyers sitting across the way here can gloat in their seats when people are in trouble, thinking about the foreclosure actions that they can get into. I mean that's pathetic. And the member from Humboldt should know better, the member from Quills should know better than others. They sit there and they take this lightly. They take the difficulties lightly, because they can look at the foreclosure and say, well there's another source of income for me. That's very unfair. They should be concerned about farmers and ranchers. They should be concerned about families — not waiting in anticipation to foreclose in them. That's not fair. And even if they are NDP, they should not succumb to that.

The member from Quill Lakes sits there and he gloats in his place. He gloats in his place because he can say, well look at these poor people' I can foreclose on them, because he is a lawyer. Well that's very unfair, very unfair, Mr. Chairman, and I think that they should review their policies a great deal because all over the province now people are saying that the NDP lawyers foreclose on home owners and farmer.

And the member from Humboldt, he knows very well, he knows very well that when farmers and ranchers were facing thousands of dollars — some cases thousand of dollars a month — in increased costs because of high interest rates, the NDP did nothing for them, nothing. And he's concerned now because he says, do you know what, they get to use their own cattle in the community pastures. And when they were losing thousands of dollars a month in 20 per cent interest rates, the NDP could do nothing but buy their land and go get some more money out of them in succession duties and death tax.

Now they shouldn't gloat from their seat. They shouldn't gloat from their seat just because they're lawyers and because they're NDP because they can go out and foreclose on people. It's not fair. They should treat people right. They should be kind to them.

See, they sit in their place and they can just hardly wait to count the money, count the money that they could get if they went out there and foreclosed on people. I will just say, Mr. Chairman, the member from the Quill Lakes, the member from Quill Lakes should not, should not go out there as an NDPer and say, here I am as a socialist; I'm sorry to do this, but I have to foreclose on your farm.

I say, Mr. Chairman, they know better. We're going to provide the flexibility for community pastures. We provide the protection against low interest rates. We provide counselling assistance. We've provided the deficiency payments for farmers and ranchers. We're

going to continue to back up for farmers, and we're not, Mr. Chairman, we're not going to sit there and gloat and wait for foreclosures so that the NDP leader can go out there and make a living with his law firm, foreclosing on home owners in Regina and Saskatoon, and farmers and ranchers across the province.

And I read letters yesterday into this legislature, to the leader of the Opposition, saying, please don't do this any more; it's unfair. And God forbid if you ever took over government. The people know how you feel, how you really feel, because they have . . . as you said yesterday, you have a long history, a long history of CCF-NDP, and they know you very well now. So they know.

And the answer is, Mr. Chairman, the answer is they don't want any part of your kind of policy, and they don't want any NDP lawyers foreclosing on them any place in the province — Regina, Saskatoon, rural or urban.

**Some Hon. Members:** — Hear, hear!

**Mr. Upshall:** — I think I know that speech off by heart now. That speech you've given, you gave me about five times yesterday and starting off again today a couple of times.

Mr. Minister, I would like to now change to the production loan program. I think we've established the fact that you're not standing up for farmers as regards to community pastures, and you're charging them more for less services and intending probably to privatize at some point in time.

Mr. Minister, with regards to the production loan program, can you tell me on what date the production loan program was implemented and what the rules of the loan were?

**Mr. Chairman:** — Item 1 agreed?

**Mr. Upshall:** — I have asked a question, Mr. Chairman, and I'm patiently waiting for an answer.

**Hon. Mr. Devine:** — The production loan program . . . Well I'll just go through the several categories. The purpose is to provide low interest loans to help farmers plant the 1986 crop. Assistance were provided. Farmers were eligible to receive loans of \$25 per cultivated acre as listed in their 1985-86 Canadian Wheat Board permit book.

The interest rate is 6 per cent and loans are repayable over three years. Individual farmers could receive up to \$100,000, and multiple operators up to \$200,000. Farmers may elect to defer principal repayment for 1987 by paying the interest only. The original was 6 per cent, then the next year we said that you didn't have to make any payments at all, except interest, and then after that we extended it to 10 years.

**Mr. Upshall:** — Yes, I believe that is right. But let's just take it one step at a time. First of all, in November of '85 you announced the program; in December of '85, I believe, approximately, you announced the details of the \$25 per acre at 6 per cent. The next year you asked for the

interest only on the principal — the first repayment of interest on the principal.

And then, Mr. Minister, could you just describe to me what happened in grain prices from 1986, 1987 and now 1988 crop years?

(1145)

**Hon. Mr. Devine:** — I believe, Mr. Chairman, they went down in '86 and '87 and up in 1988.

**Mr. Upshall:** — Well, yes, I knew you were going to say that. The fact remains that the grain prices after the first announcement of the production loan program dropped 20 per cent. They dropped again . . . or then you asked for only the interest back . . . (inaudible interjection) . . . which was fair; I agree with the member from Kelvington-Wadena. Then the grain prices took another 20 per cent drop, but you changed the rules, then you changed the rules. The grain prices took two consecutive 20 per cent drops, and then you changed the rules.

Mr. Minister, could you explain the rule changes for me with regards to interest, the security and the repayment?

**Hon. Mr. Devine:** — Mr. Chairman, the farmers asked us if they could postpone the principal payment in 1987, and we said we'll allow that so they could just pay the interest. Then the SARM (Saskatchewan Association of Rural Municipalities) and the Saskatchewan Wheat Pool and others said, how about you extend this program over 10 years and leave a choice for farmers that they could either go with the original three-year program, or they could go for a 10-year program so they could cut their cash flow requirements. And that's exactly what we did — so an either choice — and it's up to the farmer. He can use 6 per cent for three years, and he's got that either in the three-year or the 10-year program. He can pay it back without penalty. So he can take advantage of 6 per cent money and he can pay it off whenever he likes, and he's got the complete flexibility of three years as originally was there, or 10 years, which is 6 per cent and nine and three-quarters, and over the 10-year piece, approximately 8 per cent fixed interest rates for 10 years.

**Mr. Upshall:** — And what consultative process did you go through before you made the decision to change the production loan repayment over a 10-year program, up the interest rate to nine and three-quarters per cent, and take the security from the farmers? What consultative process did you go through before that?

**Hon. Mr. Devine:** — Well, Mr. Chairman, we had a very specific recommendation from the Saskatchewan Association on Rural Municipalities, which is probably the most widespread, comprehensive local political organization in Saskatchewan in that the municipal councillors come from every community and they're all over the place, and they normally give us very good advice and recommendations. I'll say this: we listen to them very carefully, whether it's on the rat program or whether it's on municipal problems or it's on taxes or with respect to production loan. They said, extend it over 10 years and keep the interest rate as low as possible.

The wheat pool came in and did the same. They said, I think you should extend this program for 10 years — they talked to their delegates all over the place — and we said we would be glad to do that. And so we designed a mechanism that we could implement that gave complete flexibility to the farmer, so that they could go right through and say they could have it just as they had it before at 6 per cent money for three years, or they could extend it to 10 years with the option of nine and three-quarters, knowing that the rate overall was at approximately 8 per cent for 10 years.

And the people that we talked to, rural and urban, across the piece said, that sounds like a good idea. Because of the 10-year extension, the taxpayers advised us, as well as their own financial people said — because it's a 10-year period it could go through one or two administrations — have security there so that in fact the taxpayer is protected. And so that we did and people had the choice, and they could sign up. Obviously the financial institution says, it's no problem on existing loans, but for new loans we want to make sure that we have security. We signed an agreement with them, the credit unions and the financial institutions. We did that and everybody was perfectly satisfied that the extension was fair. It's long; it's over time; it's the lowest, fixed-rate interest rate program any place in Canada.

**Mr. Upshall:** — Well, Mr. Minister, it's interesting that you said the pool was onside because on February 3, '88, I have a clipping from the *Leader-Post* saying "Pool against loan repayment changes" — Pool against loan repayment changes. It says:

The original program was put in place on a promissory note and didn't have the security clause in the option available now.

We don't think the farmers' situation has improved since the implementation of the original program and it's difficult to see why they (were) becoming more difficult at this time.

Larsen added that the original requirements to get the loan were too lax, given the further collapse of (the) grain prices in 1986-87.

So, Mr. Minister, here we have a case again of you saying that you consulted with some people, and yet the people that you're consulting with say that they were against the changes that you made to the loan program.

And I'll tell you, Mr. Minister, it's beyond me to realize why you would, at this point in time, not just again ask for the interest back on the principal. Mr. Minister, why did you not do that?

**Hon. Mr. Devine:** — Mr. Chairman, we wanted to make it absolutely clear that this was not a grant, and when you provide loans to people, you're expected to pay them back. And the advice from the farmers and the ranchers and the wheat pool — the wheat pool, including the SARM — said, no, you're right. You've got to ask people to make payments. You can't just write it off or else nobody would make any payment. So they said, extend it over a long period of time; make it as easy as possible.

We cut their payments by over \$200 million the first year. Cut their payments, on an average case, from about 7 - or 8,000 a year to less than . . . to about 3. So it cut it in half. It's exactly what they wanted us to do. And, Mr. Chairman, we allow people to have that option and at the same time we've said to them, for Heaven's sake, you know, you've got to pay your bills. We can't just write them all off or else nobody would pay their bills.

The farmer, ranchers, the SARM — Saskatchewan Association of Rural Municipalities — and the wheat pool, the flax growers and the cattle growers, and others said: extend it over time; ask them to make a payment; reduce the payment; make the interest rate as low and as fixed as possible. That's precisely what we did.

**Mr. Upshall:** — Well, Mr. Minister, I have three file folders here with I don't know how many letters from people who were upset with the changes to the loan program. And they're saying, look, we don't have the money. Grain prices have dropped. You said that they increased in '88, and that's another story. That's a political story I'll tell you, maybe today — maybe not.

But they're telling you that they don't have the money. They're telling you that the rules were, under your first initial attempt to convince them to vote for the Tory party before the '86 election, the rules were nice and easy. And then all of sudden now, when things have gotten, the economy has gotten worse, you're tightening up the rules on them.

And the problem was, Mr. Minister, that initially, right in the first instance when you put this production loan out, because it was such a political manoeuvre, you didn't address the problem of repayment. And what's happened is you have now become a sixth . . . that production loan has become a sixth of the debt problem in Saskatchewan — one-sixth. Your doing.

Now many of the farmers needed the money, and they were glad to have that money. And then you changed the rules on them. And they're saying, how can we trust this man? How can we trust this man when he said he's going to give us at 6 per cent and then now bump it up to nine and three-quarters per cent and take security?

And what's happened is that it forced the banks into a situation where they had to say, look, if the government's going to take security on this loan . . . you never ever thought this out. It amazes me what process goes through your department when you put these loans out. You never even thought it through as to think, well maybe we'll dry up some of the operating capital for farmers. And so then you had to go and scurry around with the banks.

So, Mr. Minister, I ask you this; what did you do in order to alleviate the problem of security with the banks and with the government — from the government with the banks, rather?

**Hon. Mr. Devine:** — Well, Mr. Chairman, let's make sure that the public knows exactly what the program is so that you don't mislead them.



The program was 6 per cent money for three years. That's originally designed — 6 per cent money for three years, \$25 an acre. Then we said, if you can't make your payment, we will say, we will postpone the principal payment one year, just pay the interest.

People come into us and said, could you extend it for 10 years — change the rules; that's what they said. We said, no, we're going to say this: you can have your original option of 6 per cent and you've got it for three years and you can hang on to that or you can go for 10 years for an average of 8 per cent. Now you choose, and I'll let you know.

As of April 22, 1988, we find out that 54 per cent have chosen option one, just to stay with it as originally; and 46 have selected option two, which includes the three years at 6 per cent and then the rest of the term at nine and three-quarters for an average of 8. And they can pay after the second or the third with no penalty so that they could take advantage of that 6 per cent money as the guys that took the first option. So you've got 6 per cent in both options for three years which is exactly what we promised them, and they've got it. And if they want to go for longer, then it averages 10 per cent . . . 8 per cent.

So, Mr. Chairman, let's just make sure that we know and the public knows that we sit at 6 per cent for three years on both programs. That's exactly what it is. There's no penalty to repay it. If you want to pay it off faster, you can. So if you opt for the 10-year program and you pay it off in two years, you get the money at 6 per cent and you've got that complete flexibility and no extra cost.

So what we did, Mr. Chairman, when we talked to the financial institutions, they said that's fine with us, that's fine with us. On existing loans all we want to know is that we can have collateral when we have new operating loans over 10 years. And we said we will allow that and they signed off and they said terrific, go do it. And that's why people have responded. So you can get access to credit from the credit unions and the banks because it applies just like the original one. It's 6 per cent money for three years whether it's on the three-years program or the 10, and they have the option of going 10 years.

Now, Mr. Chairman, we've responded exactly the way the farmers wanted but not the way the NDP wanted. That's their problem. The way the NDP wanted okay?

He talks about the price of wheat going down and he won't ever talk . . . that's the first time he's talked about the market, the international market, in two days. He says why don't you just give it all to them? Give them a billion dollars, right? Write it off; that's what the NDP said, just write it off. And you can have anarchy out there that it was fine. The government will just go borrow more money. Just give it to them and they don't have to pay. That's what he keeps telling people.

Well, I mean, is that the advice you're giving the Liberal candidate in Elphinstone? Is that the advice you're giving him? The public should probably be interested in knowing that. I mean, it's extremely interesting, that the Liberal candidate in Elphinstone, the Liberal candidate, is a former NDP editor of *The Commonwealth* and he's

seen coming out of the NDP caucus here, getting marching orders in the legislature. What kind of a coalition have you got going now? The Liberal doesn't have any money, so he's seen coming out of your caucus office, seen coming out of your caucus office. So the Liberals and the NDP are working like this, hand in hand.

**An Hon. Member:** — In bed.

**Hon. Mr. Devine:** — . . . in bed together. I'm sure the people in Saskatoon will be glad to know that too, that the Liberal candidate here is a former editor of the NDP *Commonwealth*, and he's seen consulting with the NDP in the caucus in the legislature here. They're running like this, the NDP-Liberal coalition, again and again. I mean that's what you're after, right? Why don't you admit it — why don't you admit it? That's what you're after.

Mr. Chairman, I will only say to the individual that we provide all . . .

**An Hon. Member:** — Mr. Chairman, point of order.

**Mr. Koskie:** — I would ask the Chairman to consider the remarks of the Premier, and whether he was talking in respect to the question of production loans in his comments recently made. You sat there, Mr. Chairman, and I think it's your duty to call him to order, or else there will be no discussion of the agricultural policies which he is afraid to discuss.

He is so terrified of our new leader, the member from Riversdale, that he is absolutely obsessed with it, and he is going to not address any problems of the agricultural in his estimates.

And I ask you, Mr. Chairman, to certainly consider whether his remarks were appropriate. If not, then it's wide open.

**Hon. Mr. Devine:** — Mr. Chairman, can I just respond to the point of order? It is well known, Mr. Chairman, it is well known, that the NDP policy with respect to loans and land and land bank has been an NDP-Liberal coalition policy for a long time, and it applies to agriculture and it has for years. So I will look at the policies coming out of the federal Liberal government and the NDP government on agriculture policy.

(1200)

**Mr. Chairman:** — I think probably both the questions and the answers have been ranging a little wide, and maybe members on both sides of the house will concentrate a little closer on the subject at hand. And with that, the point of order is not well taken by the Chair, and I give the floor back to the member from Humboldt.

**Mr. Shillington:** — I'm going to challenge that ruling and ask the Speaker to come back. Mr. Chairman, I listened with care to the questions put by the member from Humboldt. They were on point and specific. I listened with some care to what the Premier was saying, and he was talking about a Mr. Eistetter, who's a candidate.

Mr. Chairman, for you to say that everybody's at fault is to avoid your responsibility. I therefore, Mr. Chairman, challenge the ruling that you just made, that the point of order was not well taken, because if you're right, then we can talk about anything in this Chamber — we can say absolutely anything. If I want to talk about the by-election, or if I want to talk about the 1987 election, the 1982 election, or any other, that's wide open. Well that is not the rule of the Assembly. The rule of the Assembly is when your agricultural estimates are here, Mr. Premier, you're supposed to deal with it. So for those reasons, Mr. Chairman, unless you're prepared to reconsider your ruling, I hereby challenge you.

**Mr. Hopfner:** — Mr. Chairman, I would like to speak in regards to the challenge there. All members of this Assembly recognize the fact that the chairman runs the committee and calls the committee to order at a particular time.

I have been sitting in this Assembly this morning and I realize that your first ruling was accurate — the questions have been wide-ranging and therefore, the answers are deservedly. And I therefore suggest that it's the waste of the House's time to call the Speaker back in, and I think that all member in this Assembly should honour the chairman's ruling.

**Mr. Chairman:** — Order, please. Order, please. Order, please. Order, please, on both sides of the House.

I'm informed by the Clerk that it's traditional in this House that during debates in estimates, that questions and answers both get to be wide-ranging, and I think there's members here that will attest to that. With that, we'll let the ruling stand as it is and the member still has the prerogative, if he so wishes, to challenge that decision. If he elects not to, I give the floor back to the member from Humboldt.

**Mr. Shillington:** — I must say, sir, your ruling is incorrect. On reflection, it seems to me that you're quite right; Liberals are coming to the NDP, so are a number of Conservatives, and I find nothing wrong with that.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — The more I think about the Premier's allegation, the more I think you're quite right. And if you're a little sensitive about it, I can understand it, because it's going to cost you your job whenever you call the election. We are building a coalition of the New Democrats, Liberals and Conservatives, and it's going to be a new tomorrow after the next election.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — So, Mr. Premier, if the odd Liberal candidate gets caught up in the rush into the NDP offices, that's understandable, that's understandable. And I can understand why you're a little sensitive about it.

Mr. Premier, I also wanted to get into the question of the production loans. I wonder, Mr. Premier, for old-time's sake if nothing else, when I ask you a question, if you could avoid — to use the language of the member from

Quill Lakes — going goofy on me and talking about the nursing homes and Eistetter and foreclosures and a number of other things.

You either, Mr. Premier . . . you have been doing one of two things for the last day and a half. You either go goofy on us and get into an utterly irrelevant discussion of heaven only knows what, or you escape into the pedantic and tell us things that the detail, of course, we know. I wonder, Mr. Premier, if you'd deal with the issue.

The issue, it seems to me, with respect to production loans, is twofold. The whole program was badly flawed from the beginning. It strikes me, Mr. Premier, and I think it is self-evident, that one of the major problems with the agricultural industry was it was undercapitalized. It was carrying far . . . at the onset of the agricultural recession it was carrying far more debt than was healthy.

Mr. Premier, the last thing that the farming industry needed was a whole lot more debt. When you added a billion dollars in loans . . . when you gave a billion dollars in loans to the farmers, you added a billion dollars in debt, and you therefore added very significantly to the key problem.

So I say, Mr. Premier, that by giving \$25 an acre loan to anybody, whether they needed it or not, whether they could pay it back or not, was a very badly flawed program.

I sit in the desk of the former member from Assiniboia-Bengough. That was in the days when Assiniboia-Bengough had some representation in the House. Mr. Premier, I recall that member saying with clarity that the whole system of granting loans at \$25 an acres was badly flawed, and it proved . . . and it turned out to be accurate.

And lo and behold, you found that out. It took you three years to come to the same conclusion that the member . . . former member from Assiniboia-Bengough came to within a few days.

**An Hon. Member:** — Assiniboia-Gravelbourg.

**Mr. Shillington:** — Assiniboia-Gravelbourg. I'm sorry, Assiniboia-Gravelbourg. It took you a few years to come to the conclusion that he came to in a few days, but eventually you both arrived, I think, at the same conclusion and that is that the program was badly flawed.

Mr. Premier, if it wasn't bad enough that you took and added to their problem, Mr. Premier, then when it came time to pay, the obvious was true, that you weren't . . . that a lot of them were not going to be able to pay it.

Mr. Premier, I suggest to you that you have been harsher than private banks. When a private bank has a loan that they've got a problem with, they're happy if they just get interest until the situation improves. Mr. Premier, you wouldn't settle for that. You had to have the principal back.

Mr. Premier, I suggest to you what you should have done

was allowed the loans to carry on and just collected interest. I also want to suggest to you that secondly, Mr. Premier, you should have left the interest rate at 6 per cent for an indefinite period of time. I say that, Mr. Premier, for an indefinite period of time until the agricultural problems improve.

Mr. Premier, the price of grain is considerably lower than it was when you gave out those loans. Now the price of grain might improve over the next period of time, and if it did, that would be time enough to collect the principal, but those farmers are in worse shape now than they were when you gave them the loans. It is therefore nonsensical to ask them to pay back, not only the interest, but the capital as well.

Mr. Premier, your program was badly flawed from the beginning. Then when the obvious hit you that this program should never have been introduced in this fashion, then, Mr. Premier, you made two mistakes. You've increased the interest rate, and you've demanded that they pay back the capital portion of the loan at a time when they're worse off than they were when they got the loan. You're a lot harsher than if they'd have dealt with the Royal Bank or the Bank of Commerce or any one of the private banks. You're harder to deal with than a private bank, Mr. Premier.

And if you wonder why there's Liberals, including Liberal candidates, streaming into NDP offices, it might have something to do with the fact that you've been a lot harder to deal with than a private bank, and that doesn't say much for you.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I didn't think that I would see the NDP in the house in this legislature defending Liberal policy and Liberal candidates, but now we see it.

I can say to the hon. member when he talks about the problem of the production loan, we've got to go back and say, what caused the problem? The problem was caused by two things: one, national policy at that time; and local policy at that time. The national government was under Mr. Trudeau; the local government was under NDP, and what did we have? We had 20 per cent interest rates. The prime minister, Mr. Trudeau, said, I won't sell your wheat.

**An Hon. Member:** — Sell your own.

**Hon. Mr. Devine:** — Sell your own wheat. You had death taxes and succession duties in Saskatchewan. You had land bank and you had foreclosures and you had a policy that got people into trouble.

Now what was it? You say . . . And I have to say this, Mr. Chairman, but the NDP voted with Mr. Trudeau time and time again in Ottawa, keep propping them up and propping them up. And we had no marketing policy; we had a high interest rate policy. We had foreclosures and we had land bank. That's what caused the problem.

So by 1982 the combination of the Trudeau policies and the NDP policies here as a coalition had people absolutely frightened because they couldn't handle the

20 per cent interest rates on farms. And they said, nobody's going to sell my wheat, because Mr. Trudeau come out here and he says, sell your own wheat. I mean he just give you the finger, as opposed to saying I will help you.

And the NDP propped him up, and we remember that, okay, that old coalition. That's why I throw it up today in terms of the policy. Agricultural policy and interest rate policy and monetary policy affects agriculture. It affects farmers. And that coalition is evident in Elphinstone and it's evident all over the province — that coalition.

So when the Liberal candidates come out of the NDP caucus office in Elphinstone, people in Saskatoon should know that. That's the old Trudeau-NDP coalition that says, we can have high interest rates, we can have succession duties, we can have all this stuff. That hurts farmers.

Now the reason that the production loan was even necessary is because of old NDP-Trudeau coalition policies. and you know that. You know that. And people now are starting to realize it. So you prop them up and they prop you up. You're like this. Okay, the two of you are like this. You'd do anything — anything — to make sure that the kinds of policies that we present could not be accepted by people.

I will say the production loan program was asked for by farmers and ranchers. The NDP didn't come up with a production loan program. The Liberals didn't. They didn't come up with anything like that. They'd foreclose on people, they wouldn't sell their wheat, and they'd have 20 per cent interest rates. And you stood right there as a cabinet minister, with 20 per cent interest rates, and did nothing, not a thing.

Every home owner in Regina and Saskatoon . . . (inaudible interjection) . . . You listen. Every home owner in Regina and Saskatoon that cost them 2 or \$300 a month when interest rates were 20 per cent, the NDP sat here. Not one dime would you give them.

And if they're sitting here in Saskatoon or Regina today at lunch time, they know what it cost at 20 per cent interest rates. Okay. They know. and they know that the NDP did nothing. And in agriculture policy, the Trudeau policies and the NDP policies of 20 per cent interest rates and no sale of wheat was pathetic. That's what got us into trouble out here. It wrecked the oil industry, the potash industry, the agriculture industry.

Agriculture — agriculture depends on good monetary and fiscal policy and marketing policies, and what we experienced in this country was a combination of bad policy, and it was the Trudeau policies with the NDP policies and we remember them well.

All I say to you is when they're in trouble, they come to us. They said, would you protect us against high interest rates, and we said, yes, protect us against high interest rates. Would you provide us low interest loans at \$25 an acre at 6 per cent, and we said, yes. And then would you go and say, would you extend it over 10 years, and we said, yes, and you can have the choice of three years or 10

years. And always they have the choice, and there's no penalty of paying it off. And they said, now that's the kind of a government we like to see responding to us.

I go back — and again I will go back and say, your policies, with Mr. Trudeau, wrecked and crippled agriculture in western Canada, and you know that. It was pathetic. And everywhere in Canada, nobody will elect an NDP in rural Canada because they know those policies hurt them. They remember them.

Now I will say, when you had the chance, when you had the chance you had succession duties, death taxes, foreclosures, land bank, and you were like this with Mr. Trudeau, and you voted for all those policies. Well you've come back to reap it.

(1215)

It may be popular in downtown Regina Victoria, in your riding, or Centre — Regina Centre. They say, oh well, that's very nice, Mr. Member, the NDP member couldn't help me at 20 per cent interest rates; he didn't know how, but he's a nice guy. That's what they'd say.

We said, look we'll help you. We'll come in there and we will actually help you. We'll make very sure that the banks and other financial institutions don't foreclose on your home because of 20 per cent interest rates — that's what we do.

We stood in there. We said, it's nine and three-quarters or it's thirteen and one-quarter or it's 8 per cent for small business, and stood our ground. And we didn't just agree with Mr. Trudeau to say, I won't sell your wheat, or you can have any kind of monetary policy, so interest rates go to 20 per cent. No.

And we didn't blame the international markets for interest rate. We said, I don't care, we should have a change in the federal government and a change in the provincial government. And thank goodness we changed them both, because we've got lower interest rates and better protection for home owners and families than they've ever seen in the history of this province. Now that's action and that's protection.

So when you talk about production loan, we designed it to help people — for farmers; we've designed it for home owners, and we're not going to have as you do, NDP lawyers foreclosing on people when they're hurting. We're going to make sure that we protect them and provide the interest rate protection, and the production loan protection, and the deficiency payments, and all those things that real families need, because if you are compassionate and sincere, you'll put your money where your mouth is. You won't just stand there and say, talk about it.

You talked about the fact that you were a cabinet minister at 20 per cent interest rates and didn't do a thing. Nothing, nothing. How could you feel compassion, how can you stand there today and say the NDP cares when you wouldn't give them a dime? Wouldn't give them a dime. That's the reason the production loan was necessary to start with because of those bad policies. They have been

rejected.

And I say to you, I say to you, rural people, rural people, Mr. Chairman, know what caused the agricultural problem. We see, Mr. Chairman, and I think I can point it out, rural people know, even if they're NDP. The president of the NDP riding of Melville, which is rural, has resigned because of NDP policy. He knows the truth about the Trudeau-NDP coalition and what it means in term of family values, agriculture policies, communities, all those things.

He's not my president. He's your president, and he quit over that. He understands that the NDP have lost the soul, the heart, the compassion. All they can talk about is foreclosing on farmers. All they can talk about is how nice it was when we have high interest rates. Well when the NDP presidents start quitting it tells you something.

And across this country agriculture policy was in deep trouble in the 1970s and '80s because of the Trudeau-NDP coalition. We see it evident in Elphinstone today, and the hon. member stands up there and he's proud of it. Well, maybe he is. But you've got presidents and people ripping up their NDP memberships because of your policy, and if you haven't got the message yet, I think it's just fair that somebody should share it with you.

**Some Hon. Members:** — Hear, hear!

**Mr. Shillington:** — Mr. Chairman, I too, if I had not rose, would have applauded that answer. For the first time in a day and a half there was at least a germ of truth in what you said because you said that the member for Regina Centre was a nice guy. At last a germ of truth. Nothing more than that, but at last a germ of truth, Mr. Premier.

Mr. Premier, I wonder if we could get away from showering the member for Regina Centre with accolades, and if we could get back to agricultural estimates. Mr. Premier, I didn't suggest . . . I may say just in passing it'll come as news to Mr. Trudeau and Mr. Blakeney that they were fast friends. That wasn't quite how they saw the relationship at the time, but no doubt with your magical powers, you could rewrite history.

Mr. Premier, I would really like to return to the agricultural estimates, and specifically these production loans.

Mr. Premier, I don't think I alleged that you caused the problem. I don't think I alleged that the Conservative Party, not then in government, was responsible for the high interest rates, which were in international phenomenon, or the overcapitalization . . . or the undercapitalization of farms, which was something of a west . . . something of a North American phenomenon.

What I think you're to be faulted for is not having dealt with the problem, not having created it. You didn't create it and we didn't create it. And I doubt that you could fill a Volkswagen with people in Saskatchewan who actually believe that we created high interest rates and the undercapitalization of the agricultural industry. But you'll try. You're not going to find a Volkswagen full of people who will believe what you've been saying about the

member from Riversdale either, but you'll say it.

I may say the member for Quill Lakes said it all last night in the very last sentence before he closed down: if you were half as worried about the agricultural problems as you are about the member from Riversdale, you wouldn't be in the trouble you're in, and the farmers wouldn't be in the trouble they're in. So let's worry about the agricultural problems and not about the member from Riversdale.

Mr. Premier . . .

**An Hon. Member:** — I worry about him; he might . . .

**Mr. Shillington:** — Yes, you worry about him. You sure do. You sure do. Because after the next election you're going to get an opportunity to ask him questions.

Mr. Premier . . .

**An Hon. Member:** — No, he won't be around.

**Mr. Shillington:** — No, you may not be around. That's true.

Mr. Premier, I didn't suggest you caused the problem and I would suggest that we try to keep the level of debate such that you don't suggest we caused it. Nobody did. Nobody in this province caused that problem; it was there. You are to be faulted, however, for not having dealt with it.

Let me, Mr. Minister, describe your agricultural policy. If you like a somewhat flippant, but I think largely accurate terms, your agricultural policy consists of throwing money at the farmers before the election and letting the chips fall where they lay afterwards.

Before the election you gave them hassle-free cash. After the election you raised the interest rates and you want the capital back. That is your policy, Mr. Premier — to throw money at them before the election and to let the chips fall where they lay afterwards.

It is your vision, Mr. Premier — and if it isn't, I'd like you to correct me, but I think it is — it is your vision now as it was 20 years ago that there are too many farmers and there needs to be a family farm rationalization plan, to use the phrase of someone who thought a lot like you.

I suggest, Mr. Premier, that that is your goal — fewer farmers — and that's why you're simply letting the chips fall where they lay while you don't deal with the issues, and why you go bananas on us when we ask you some relatively serious questions, like why did you increase the debt on farms with that program, and why are you now so harsh in insisting that capital be repaid in addition to interest. I don't think you could find a private banker who would do that in the circumstances.

**Hon. Mr. Devine:** — Mr. Chairman, let me try this again for the hon. member. He says it's nobody's fault that there's 20 per cent interest rates. That's not true. It is a monetary policy of a country that decides the interest rate, and you're looking at your exchange rate and your interest rates. And you can change that policy.

My only point was, through the Trudeau administration . . .

**An Hon. Member:** — Where did you get your degree in economics?

**Hon. Mr. Devine:** — I have a Ph.D. in agriculture economics. I don't believe that you have as many degrees in economics. Okay. So all I can say is that . . .

Monetary policy and fiscal policy make a big difference. And you can have an influence on interest rates.

My whole point was, in the 1970s and early '80s we had a Trudeau-NDP coalition in Ottawa that said that they were going to have a very loose monetary policy, that they were going to have a high interest rate policy. And that's how we ended up with a 20 per cent interest rate, and the NDP propped them up.

Now what did that mean? That meant people here — your family, mine, and others — had to experience 20 per cent interest rates. And you stood in your place here and said, that's not my fault. Well it is your fault because you supported Mr. Trudeau. The NDP voted with them. They continued to support them year after year after year, and we got hurt out here. We had to face 20 per cent interest rates.

Then we said, all right, you can't do anything down there, would you do something locally? And we asked the NDP, and people begged on their hands and knees all over the province. They said, I'm going to lose my home, I'm going to lose my farm. They were afraid for their children. They couldn't pay their bills.

If you've taken out a mortgage at 10 per cent and the interest rate to 20 per cent, your payments doubled. And I want the member from Regina Centre to understand how it hurt people in his riding. Their payments doubled at 20 per cent interest rates. And you said, it's not my fault. And they said, well that may be. Could you do anything about it? And you said, no. They said, somebody should do something about it. That's when we came in and said for home owners, I don't care whether the Trudeau-NDP coalition doesn't know what they're doing, we're not going to stand for it. And in this province it won't be above thirteen and a one-quarter for all the homes, for everybody, and made it universal. And they said, well finally somebody got a hold of it.

Now I've got to go back and ask: why is there problems in agriculture to start with? It's because they wouldn't sell our wheat, because they didn't care, because the monetary policy that drove interest rates up to 20 per cent. I mean, who can live under 20 per cent interest rates?

**An Hon. Member:** — Who can live under a Tory government?

**Hon. Mr. Devine:** — Well under a Tory government we dropped the interest rates; we dropped the interest rates. We got them down to 6 per cent. And they stand in their place now, Mr. Chairman, the member for Quill Lakes and the member from Regina Centre, complain to us

about 6 per cent interest rates. We've locked them in a 6 per cent for three year, 8 per cent for 10 years, and they complain.

They allowed it to be 20 per cent and didn't lift a finger — didn't lift a finger. How can you stand there and say that 6 per cent is too high, or a 10-year program of 6 per cent, and an average 8 per cent is too high, when you let it go to 20 per cent and you endorsed the monetary policy and the sales policy that caused the very problem.

No wonder people get upset when you say, I'll help people in Regina Centre. I would like to know what you've done for the people of Regina Centre to protect their homes against 20 per cent interest rates — nothing. You didn't do anything. You didn't stand in there and protect them.

**An Hon. Member:** — They don't own homes.

**Hon. Mr. Devine:** — Well he says they don't own homes. Well if the interest rates are lower, they could own homes; that's the very point. See, you don't understand that people suffer with 20 per cent interest rates. We've got them at 6 per cent.

We said in this program, because of these bad policies and because of the international unfairness of the wrong policies in Europe and the United States, we will come in and provide 6 per cent money for farmers. And we've kept that program exactly the same. That's why 50-some per cent of them didn't budge at all. They've accepted that 6 per cent money. And we said, if you want it longer you can still have the 6 per cent money for the same three years and it'll be averaging eight for the period of 10 years. And they can have their choice. It's fixed, it's locked in, and they bought that.

Now all I can say to you is that you can prop up the Trudeau Liberals all you like. Okay, you can do it on Meech Lake; you can do it on all kinds of things, on interest rate policy and monetary policy. The people here in Saskatchewan know what hurt them, and they remember the coalition that hurt them, and it does; it hurts them; it lost farms and homes.

Today we have a production loan program because somebody had to respond and we did. And because of drought, because of high interest rates, we stepped in and said, we're going to have so much an acre; we're going to have 6 per cent money; we're going to have 8 per cent money; we're going to lock it in, and we are not going to have succession duties and death taxes the NDP did. We're not going to play the games the NDP lawyers do in foreclosing on people. That's not the answer; that not the answer. The answer is sound economic policy.

Look at the interest rate policy, and the monetary policy, the trade policy, the national marketing policies, the industrial strategy that exists in Canada today. No nation in the free world is keeping up to us in the creation of new jobs, absolutely the best record in Canada, the best record in the free world. Absolutely the best in creation of economic activity, new economic activity and over a million and a half brand-new jobs because of the right monetary and fiscal policy. Now that's important for this

country. People want to know that they have a chance. They don't want 20 per cent interest rates, and they don't want that old coalition that didn't care.

So, Mr. Chairman, I just make the point: the production loan program was set at 6 per cent money for three years. It's still 6 per cent money for three years if you choose that option. If you want a longer option, it's 10-year money for 8 per cent, and there's no penalty for paying it off early. So under either program we didn't change it at all, it's 6 per cent for three years. The only thing we changed is to extend it farther, if they want — if they want.

Well, Mr. Chairman, I will tell you that they might not want me to talk over the dinner hour; they might not want me to talk over the dinner hour. It's my estimates, it's agriculture, and I'll tell them that those old policies — those Trudeau, NDP policies — that had high interest rates, wrecked this economy out here, and we're the people that have to pick it up because you dropped the ball. You wouldn't deal with it, you wouldn't get them to market, you wouldn't get them to deal with international subsidies. You haven't asked one question in agriculture estimates about the unfairness of international subsidies. Not one question.

And imagine the price of wheat goes to \$2 or down to \$1 and you could only say, the provincial government would have to bail them out. You didn't mention how the interest rates got to 20 per cent, you didn't mention how the price of wheat goes down. All right, you guys don't want to deal with it internationally. You don't want to deal with the prices. You say it's not your fault. All I can do is remind you, time and time again, you and your candidate and the Liberal candidates are like this in the by-elections, and you've admitted it; seen coming out of your caucus, both of them like this. It goes back 25 years. Trudeau and the NDP were working just like this, and we've seen the policies and we've reaped the results.

Well I'll tell you, Mr. Chairman, in agriculture policy the farmers don't want 20 per cent interest rates, they want 6 per cent, and that's what they got in the production loan, and we're happy to provide that kind of support for farmers here.

**Some Hon. Members:** — Hear, hear!

(1230)

**Mr. Shillington:** — I say, Mr. Chairman, without any equivocation, that Liberals, whether they be Trudeau Liberals or Thatcher Liberals or whatever, are welcome to join the team of the member for Riversdale and get together and build this province. So are disaffected Conservatives. And if you don't think there's some disaffected Conservatives coming to us, just wait till Wednesday night at about 9 o'clock, when I think there's going to be some results then that's going to interest you.

Mr. Premier, I want to deal with . . . We are at least off the subject of Mr. Eistetter and on to the subject of agricultural estimates. Mr. Premier, I want to deal for a moment with the question of high interest rates. It is as accurate or inaccurate to say that high interest rates are a Conservative policy, as they are a Liberal policy.

Let me take you back to the revered figure of the Conservative Party, John Diefenbaker. He fired James Coyne because Mr. Coyne, the governor of the Bank of Canada happened to believe in high interest . . . tried to fire him because Mr. Coyne believed in high interest rates. He didn't get away with it because the Senate blocked it, but he tried — but he tried.

Mr. Premier, let me come to a more recent example, Mr. Crow. I just finished, Mr. Premier, reading an article in *The Globe and Mail*. I know that this is an anathema to you people. Anything in *The Globe and Mail* is pretty bad stuff. But I just finished reading an article in which the writer was critical of Mr. Crow because he is maintaining artificially high interest rates, the current governor of the Bank of Canada. He's maintaining high interest rates at a time when the Canadian dollar is rising, and the learned writer of the article thought that the interest rates ought to go down.

But, well okay, but you might admit, it's a Conservative administration in Ottawa now when artificially high interest rates are being maintained . . . (inaudible interjection) . . . No, they're not. They're artificially high. They're artificially high, Mr. Premier.

I say to you, Mr. Premier, the obvious. Any government in Ottawa, whatever their stripe, have only a very limited control, extremely limited control over interest rates. They are largely a factor of international finance, over which any particular government has very little control.

All I can say, Mr. Premier, is it's darn fortunate that Iowa State — which I think is where you got your doctorate . . .

**An Hon. Member:** — Ohio.

**Mr. Shillington:** — Ohio State is 1,500 to 2,000 miles from here, because it must be very, very embarrassing for anyone connected with that esteemed institution to see a doctorate of economics behave in a fashion which you have over the last day and a half. So it's fortunate for them that they don't have to . . . It's fortunate for them that Regina television doesn't saturate Detroit the way Detroit does Regina, because it would be embarrassing for them if they did.

Mr. Premier, I wonder if instead of giving us this startling lecture on interest rates and international finance, I wonder if we could stick . . . I haven't got into the . . . we haven't got into the issue of subsidies because we prefer to deal with things for which you are directly responsible. I don't say you're responsible for those international subsidies; I do say you are responsible for dealing with the problem, and that's what you haven't done.

Mr. Premier, I say again, your policy is to throw money at them before the election in the form of hassle-free cash. Your policy afterwards is to let the chips fall where they lay on the assumption that, what the heck, rationalization of farms, with fewer farms it'd be a stronger agricultural industry. Well I say, Mr. Premier, that isn't our vision of rural Saskatchewan.

Our vision of rural Saskatchewan is that as many farmers

as possible should be saved, and there should be means by which new and young farmers can get into the industry. And that's our policy. It isn't yours, but it's ours.

So I say, Mr. Premier, you're letting the chips fall where they lay. You're doing it not out of ignorance, you're doing it quite intentionally because of your vision of a rationalized agricultural industry. Away you go.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I don't know how the hon. member can stand in his place and say that he is for lower interest rates when he had a chance as a cabinet minister to do something and he wouldn't do it. Now he says that governments don't have any impact on interest rates, and that's just not true. It's just not true.

He's heard premiers . . . We had the first ministers' conference that was in Regina here after the 1984 election. He saw the premier of Alberta stand there and look at the new Conservative Prime Minister and he says, Mr. Prime Minister, don't you have that dollar too high. You let those interest rates go where they have to. Keep those low interest rates going. If the dollar has to go down a little bit, you let it go, because we don't want artificially high interest rates.

And every Conservative premier knows exactly what that means — lower interest rates. People want low, fixed interest rates. That's what they should have. now that's monetary policy. And the taxation policy and the interest rate policy and the monetary policy go hand in hand.

And if you've got huge out-of-control deficits at the national level where you print too much money, you're going to run into problems. The province does not print money. Now maybe you think that they do. At the national level the money supply will have an impact on those interest rates, and you know that, and a value on the exchange rate and the interest rates.

Now all I'm saying that under your administration interest rates were 20 per cent, and you said it's nobody's fault. And you let people in your constituency and across the province on farms bear 20 per cent interest rates, and your only answer was land bank. We'll go out and buy your land; interest rates are real high. And you had succession duties and the death tax so that if there was tragedy in the family you'd still tax them there. That was your policy.

And you're involved now in the foreclosure on family farms. I mean, former cabinet ministers are involved in the foreclosure of family farms. That isn't right. That isn't fair. If they're in trouble, they hurt. They need compassion. They need long, low-run interest rates. Your lawyers and your firm should go out and give them guidance on how to survive, not serve foreclosure notices on them. I mean, that's not fair.

I mean, if NDP lawyers are going out there and taking foreclosure notices and giving it to family farms, that's not fair at all. That isn't even decent. Where are the principles? Where are the old principles of the CCF (Co-operative Commonwealth Federation) who would have stuck up for them?

Well, I'd say that if there are NDP lawyers that have contracts for banks and working for banks and foreclosing on farmers . . . I mean, I read you this letter that was written to me from Steve Daskosh yesterday. And he writes it to the Leader of the Opposition. And he just says, please don't foreclose on my farm. He says, you know, what are you doing to help farmers? This is what he asks:

Dear Mr. (Member from Riversdale) . . . especially when you are planning to win the next election, handling farm foreclosures, and advising the banks to take away the lands from farmers and their livelihood.

He's saying that to you, your leader. He's saying, why would you do this to somebody in agriculture.

He goes on to say to your leader:

It must be a very good-paying business for you because you handle some very petty foreclosures.

He's telling them that it hurts his family.

My foreclosure (he says) which you are handling, is approximately \$100,000 when I am worth . . . 600,000. I paid about 60,000 in five years.

He's telling your leader that he's been paying his bills, he's doing all he can to pay.

(And) this fall (he says) I paid the bank \$8,000 and about three days after I received a notice of foreclosure from your NDP office. The bank stated that you had advised them to serve this notice on me.

And he goes on to say to your leader:

Should you win the next election — God forbid! — there would not be any farmers left in Saskatchewan, (and he says) you hypocrite.

And he signs it, Steve Daskosh.

Now that's as a result of high interest rates. As a result of you not doing anything, you lost the election. And then after you lose, the NDP lawyers are out foreclosing on farmers on behalf of banks.

Now how can people take you seriously when you say, Mr. Premier, I don't like our program of 6 per cent money for farmers? I mean, that's what we've done. We've provided long, low interest rates to home owners and farmers because it's the right thing to do.

But I will say to the hon. member, just because you're a lawyer or just because you're with the NDP Party or because you have a coalition like this with the Liberal Party and the Trudeau Liberals that goes back for years, doesn't give you the right to vote and foreclose on people in difficult times, and then stand up and say, vote for me.

There are foreclosure proceedings, and they happen. And law firms do that. But the law firms don't go out and say, vote for me.

Well this gentleman and his family from Albertville understand exactly what I'm talking about. And if you want to start convincing people to vote for you, you could at least start with him and say, I apologize for adding frustration and the fear and the agony of foreclosures by being there on behalf of the NDP.

So I would just say, our interest rate policy is to have it as low as possible, as low and long-range as possible. And we reject the Trudeau monetary policy, the NDP, Trudeau coalition with respect to monetary and marketing policies. We reject the international subsidies which are unfair, that caused the \$2 wheat.

We want to work nationally and internationally towards lower interest rates and higher price wheat. I just don't know why the NDP wouldn't at least join us in asking for lower interest rates internationally, and higher grain prices internationally, and work with us; work with us. Then we can go out there.

That's why we had the president of France here in Saskatchewan. Francois Mitterrand, the president of a very powerful country in the European economic community, was invited here to talk about agriculture policy and interest rate policy and subsidy policy so that we could help farmers. And we brought him here. Did you ever do that? Did you ever encourage people to back away from those subsidies?

I can only say to the hon. member that when you had your chance you failed. When you had your chance you propped up a monetary policy that resulted in 20 per cent interest rates. And today all you can ask for is the names of people who are about to go down under so you can serve foreclosure notices on them on behalf of banks. And you got caught doing it, and it's very unfair.

What would you want us to do today? We've got 6 per cent money; we've got 8 per cent money; we've got thirteen and a quarter; we've got low interest rate policy nationally and provincially for the first time in a long time. And you're saying they now would like it lower — they would like it lower.

Well maybe you've started to learn. People suffer at high interest rates and they need help. And we will continue to provide low interest rate loans and ceilings for home owners so that in fact they won't lose their homes and their farms because of high interest rates. We'll make sure that that's the case in this province, and to the best of my ability I'll do it all across the country and convince the federal government to have a low interest rate policy.

**Mr. Koskie:** — Mr. Chairman, I want to direct a question to the Minister of Agriculture. Mr. Premier, I think in respect to your loans, the production loan, you've indicated that you gave people an option. Nine and three-quarters per cent over 10 years — that's what it is, it's nine and three-quarters per cent . . . (inaudible interjection) . . . No, well three years they can pay under the original 6 per cent and the balance of seven years at nine and three-quarters per cent, right — nine and three-quarters per cent over the balance of the term of the agreement, that's right. Now you've raised . . . no doubt



you have raised the interest there. The Farm Credit Corporation, which is under the jurisdiction of the federal Tories, raised the interest rates on loans. The federal Tories cut or did away with the moratorium on foreclosures.

Just a simple question: do you agree with the Farm Credit Corporation's lifting the moratorium on foreclosure? And do you agree with the federal Tory policy of, in fact, raising the interest rates for Farm Credit Corporation loans?

**Hon. Mr. Devine:** — Mr. Chairman, I have lobbied the federal government and the FCC (Farm Credit Corporation) time and time again to have as low interest rates as possible, and following, our lead at 6 per cent. As a result of much of that, the FCC's commodity-based loans will be at 6 per cent, and they've got \$450 million out till 1991 at 6 per cent. Now they didn't have that before . . . (inaudible interjection) . . . It's 6 per cent — the commodity loans are at 6 per cent and they stayed at 6 per cent, and they've got \$450 million out at 6 per cent.

Now I will continue to pressure them to reduce interest rates and keep them as low as possible. I will also let the hon. member know that they wrote off over a \$100 million in debt, at the same time they provide commodity-based loans at 6 per cent. I would recommend to them that they provide 6 per cent money — long-term money — right across the piece for 10 years or 20 years or 25 years, and I have continued to recommend that. And the longer and the lower the interest rate they provide, the better it is. And they get that representation every time they walk into my office.

So I can tell you today that they have got \$450 million out at 6 per cent money on the commodity-based loan programs as a result of us lobbying for 6 per cent and low money. Because we said we'd do it, they initiated a program. Now that's almost half a billion dollars — \$450 million at 6 per cent which is helping a large number of people. And I congratulate them for that because I believe that the low interest rates are the thing that will help farmers survive more than anything else — low and long-run, fixed interest rate, production loan program, or commodity credit corporations, or Farm Credit Corporation of a commodity-based loan programs.

So any times that they raise their interest rates, I phone them, I talk to them, and our caucus does, and say, keep those rates down. And if . . . any time that they've raised them, and in terms of the Prime Minister and the Minister of Finance, we say, don't worry about that dollar too much. It doesn't have to go up. If it has to go down to keep interest rates down, let's make sure that we have a low, long-run interest rate policy for this country, and particularly for farmers.

(1245)

**Mr. Koskie:** — You know, if anybody was to believe you, Mr. Premier, you'd think that the farming situation is in good shape, and under your stewardship it has been devastated.

And as I have indicated to you before, in your own report,

Mr. Premier, initiated by you and your MLAs, it indicates 33 per cent of the farmers are about to be wiped out. And you sit in here and try to say that there's nothing more that you and the federal government can do.

But, I mean, how long are you going to allow these 33 per cent of the farmers to be wiped out? Well you aren't helping them, because look at here in Saskatchewan, you couldn't even supply the number of bankruptcies in '87. Do you know what it said? Bankruptcies down in Canada, but not in Saskatchewan in '87. You didn't want to give that figure because it wasn't good, and your deputy obviously should have had it because it's right in the press.

And 85 Saskatchewan farmers were driven out of farming — 85. That's under your policies, Mr. Premier. You are driving farmers out. You're foreclosing on farmers under ACS (Agricultural Credit Corporation of Saskatchewan). You are driving them out of farming and you're sitting there and you're concerned, and your only concern is you're going to lose. That's what happening to you. You've lost all sense of direction, of concentration. You can't even sit down in this legislature with the problem of the magnitude it is.

And we are suggesting to you, Mr. Premier, that unless there is a complete and total restructuring of some of the debt of those that are in the most serious financial problems . . . and I don't say that the provincial treasury alone can handle it. I ask you to join with the federal government. That's what I ask you. Because the international situation will, I presume, in the end, and I urge the federal government to attempt to change the subsidization policies of United States and Europe. But you know what? At one time you stand up and say, oh, the high interest rates was the problems of the NDP. You could have done something. It's not internationally controlled. But then when it comes to subsidization, he says, oh, we can't touch that. That's what you say; we're caught up in another international problem.

You know, your consistency is lacking, Mr. Premier. But not only that, your commitment to agriculture is starting to come through — you don't have it. you don't have it, Mr. Premier, and I'm going to enjoy the day when the farmers turn on you, as the people of Elphinstone are going to turn on you. And you're frightened, Mr. Premier, and as the voters in Eastview are going to turn on you. That's what will happen.

Mr. Premier, you indicated in respect to the options in respect to the production loan, and you indicated that 54 per cent of the people opted for the original contract. That's what you said. And you said, And you said, 46 per cent opted for the option number two, that is, the three years at 6 per cent and the remaining seven years at nine and three-quarters per cent.

This is the point, Mr. Premier. Here we have it — 40 per cent of the farmers, according to the Farm Credit Corporation, indicates that 11 per cent of the Saskatchewan farmers are insolvent and an additional 28 per cent are having considerable cash flow. And what you've done, Mr. Premier, to those who are least capable of being able to pay back the loan, those in the most

serious financial concern or situation, what you've done is give them an option to pay more interest, and each year they have to pay off their loan. And as my colleague was saying from Regina Centre, this program . . . you knew that the debt problem was on the rise when you introduced the farm production loan.

In 1985 there was \$4.9 billion of debt here in Saskatchewan, and you said, what is more important to me: to address agriculture and the young farmers who were caught in the high interest rates and the high price of land and save a new generation of farmers, or was it more important that I get elected? And so you went out and said, I'm for universal program.

I'll tell, Mr. Premier — and I've gone through this with you before — there were farmers in my constituency who said: I don't need this loan; I don't need it, but I'm going to have to pay back some of those loans that are in default. Do you know what happened, Mr. Premier? Many of the farmers took that loan; many of the farmers didn't need that production loan. It was put out there to attempt to buy votes.

Just like your home improvement program, Mr. Premier. Do you know what you did there? You made it available on a universal again, and you tried to buy city votes. And do you know who you denied the right to participate? The poor. That's what you did. You set up a grant of \$1,500, and if you were a poor person and you didn't have the \$3,000 to put up for improvement, they couldn't even qualify for the grant. That's priorities. That's the priority that you put into agriculture under your production loan. Buy me an election, he said, and let the cards fall.

Well I want to say, Mr. Premier, I'm disappointed that we have gone all day yesterday, and we've discussed it here this morning, and we sat down and we asked you whether you would, as the Premier, and as Minister of Agriculture, if you would indeed meet with the Prime Minister to bring in a proper restructuring of debt. And we've asked you that a number of times. And I don't know why you're not doing it. I mean, 40 per cent of the farmers from Saskatchewan on the verge of going bankrupt, out of business. And I don't know why you won't in fact go and see the . . . talk to the federal officials in order to develop a program.

Now, Mr. Premier, the significant thing here is that what I want you to reconsider and explain to us in this House, is it your intention to stand by, when you have this opportunity to meet with the federal party, federal government, and to allow up to 40 per cent, the generation of new young farmers to be destroyed in this province? Is that your intention?

And if you're talking about helping farmers, Mr. Premier, what you did in your budget was that you cut \$8 million out of the budget in Agriculture this year — \$8 million. And you know what you did with that \$8 million. And you know what you did with that \$8 million, Mr. Premier? You cut corporate income tax from 17 to 15 per cent, and that came to about \$8 million. So you took it from Agriculture, which needs it, and you handed it over to your corporate friends.

You say that your treasury can't meet the problem, and I

agree — with your incompetence and your mismanagement and your waste, that's a fact. But I'll tell you, we're going to continue to fight on behalf of farmers in Saskatchewan. You go down to the Renaissance Hotel downtown in Regina, Mr. Premier, and you have rented eight floors of empty space for \$8.4 million. Isn't that a great priority!

You set up in your budget no assistance for farmers whatsoever, and you know what you have done in your budget? You've said to the resource royalty companies, we're going to cut your royalties further, and you're going to give \$35 million more of concession. We've gone through the period when the oil prices were good and exploration and development was going on. You had a choice, Mr. Premier, to manage and you chose not to.

You forgave and gave the oil companies of this province, during the period from 1982 to 1985, \$1.7 billion of concessions of royalties and tax breaks. Those are your priorities. You're tied to the multinational corporations, the oil companies, the banks, the trust companies, and you pretend. And you pretended pretty well for a little while but the truth is out now on you. You can't tell half-truths any more, Mr. Premier, you're going to have to come clean with the people of Saskatchewan because the people of Saskatchewan are figuring you out pretty well.

I can only say, Mr. Premier, it's been a disappointing performance here. I don't think ever in the history of this legislature have we seen a Premier who in his estimates while we tried to address a very, very serious problem . . . we're prepared to sit down here as an opposition to co-operate with you, to make joint representations here. We will move a motion here in this House, if you will join with us, requesting the federal government to consider the restructuring of debt in Saskatchewan. We'll join with you. We moved a motion here in this legislature for a deficiency payment and do you know what you did in '85 or early '86, I guess it was, you and your colleagues voted against it.

You don't want to co-operate. You're terrorized now. You can't focus on your government and on agriculture. And the reason that you're terrorized and the reason that for the last day and a half that you have been ranting is because of the fear that you have from the member from Riversdale. That's your problem. You're obsessed with it. You're frightened. You're scared and you're irrational, and that's sad for a Premier of the province.

I've got a tremendous amount . . . I hope the Premier over the weekend will get some rest, will come to his senses and want to deal with it, because I'll tell you, you're going to be here a long time, Mr. Premier, if you're going to carry on the way that you've carried on in the last day and a half.

I'll tell you, you're going to be before this legislature and we're going to get some concrete programs from you to deal with the crisis there, or you're going to be here along time, my friend.

Mr. Chairman, I have a lot more to say on this, and at this time, it being near 1 o'clock, I would move that the committee rise, report progress, and ask to sit again.

The committee reported progress.

**Hon. Mr. Devine:** — Mr. Speaker, I would like to make a brief statement with respect to an important project, and I would ask for leave of the Assembly to do it.

**Mr. Speaker:** — Order, order. The hon. members would like to hear the purpose of the statement, if you could just briefly provide them so that they can . . .

**Hon. Mr. Devine:** — Mr. Speaker, it has just been announced by the Prime Minister . . . or the federal Minister of Energy and the Premier of Alberta, that we have the first and second stages of an oil upgrader at Lloydminster, and I would just read it into the record here. I just got handed it, but I will certainly provide a copy to the hon. members, and it's very straightforward.

Leave granted.

## MINISTERIAL STATEMENT

### Lloydminster Upgrader

**Hon. Mr. Devine:** — I am pleased to announce, Mr. Speaker, that the first step of a two-step process to initiate the construction of a \$1.3 billion Lloydminster bi-provincial upgrader project was completed today. A statement of principles has been signed which provides for a future agreement between the governments of Canada, Alberta, Saskatchewan, Husky Oil Ltd., and other private equity participants, and sets out the conditions under which the governments will support the upgrader.

The second step of the process calls for Husky to secure commitments to the project from other private sector equity investors. construction may then proceed under a detailed project agreement based on the statements of principles. This is another step in a long and difficult road to making the Lloydminster bi-provincial upgrader a reality.

The nature and extent of government involvement has now been determined and agreed to by all parties. It is now up to Husky and other equity investors to provide the equity financing necessary for the project to proceed.

The project's projections of benefits from the construction and operation of the upgrader are as follows: 3,000 person-years of direct employment during construction; 330 permanent jobs related to the upgrader operation; 1,500 permanent jobs could be created as a result . . . as related to production facilities, that are developed to supply feedstock; and 7,200 indirect jobs across Canada are expected, Mr. Speaker.

Private equity contributions would finance half of the project costs. Husky has sought and received a financial package from the three governments which would enable Husky to attract new private equity into the project in Lloydminster. Government participation would involve guaranteed loans to the project to cover one-half the total projected cost.

A summary of the statement of principles for the future agreement is as follows: the project will be financed with a 50-50 debt to equity ratio; the debt shall be loaned by the governments to the project to be fully repaid no later than 20 years after production start-up. If oil prices improve, the debt will be repaid faster, and significant improvement in oil prices will trigger full repayment of the debt and permit governments to then share in projected profits.

This statement is in effect until December 31, 1988, with an option for any of the signatories to withdraw after June 30, 1988.

AS with the 1984 memorandum of understanding between Husky Oil Limited and the governments, other private sector equity partners are required for the project to succeed.

Mr. Speaker, we are delighted with the new upgrader in the city of Regina. We're very optimistic about the new Husky project in Lloydminster.

**Some Hon. Members:** — Hear, hear!

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. It seems to be that elections seem to be preceded by announcements that never seem to happen. It is obvious that this announcement is not being made for the benefit of the by-elections in Elphinstone and Eastview, because they've already given up on them, but there must be a pending federal election on its way.

**Some Hon. Members:** — Hear, hear!

**Mr. Tchorzewski:** — Mr. Speaker, in the true misguided tradition of this Premier, we again have an announcement without any specifics. We're told — and I finally have a statement that's brought over after the Premier was three-quarters of the way through his report — that Husky and other investors will yet have to find the financing that's going to take place here. Now that, Mr. Speaker, is not a very definitive statement.

We want to know, what is the finance deal? The Premier wouldn't say. How much of Saskatchewan taxpayers' money is being put into it and is being put at risk? The Premier didn't say. How much equity do the people of Saskatchewan have for any of their money that may be put in here, into this project? And the Deputy Premier says nothing — nothing. Now what . . . is that a deal for Saskatchewan taxpayers; or is it another cushy deal for a big corporate oil industry company internationally rooted in the United States?

If only the Premier would have stood in his estimates, Mr. Speaker, and made the same kind of commitment to the farmers of Saskatchewan . . .

**Some Hon. Members:** — Hear, hear!

**Mr. Tchorzewski:** — . . . then maybe he would have done something productive and constructive. We've heard the talk of jobs before. We've heard the talk of jobs before and we have 45,000 people unemployed. That is the kind of announcements we've been hearing, and that's what

they've been — announcements — without anything concrete coming out of it. We will wait to see what the specifics are on this, and to see how and to what extent the Saskatchewan taxpayer may have been sold out again.

**Some Hon. Members:** — Hear, hear!

The Assembly adjourned at 1:07 p.m.