

AFTERNOON SITTING

INTRODUCTION OF GUESTS

Mr. Saxinger: — Mr. Speaker, I'd like to introduce to you, and through you to the members of this Assembly, two guests. We have Frank Orosz from Prud'homme, and Morris Trischuk from Saskatchewan. They both are members of the Wakaw school board. They're here on business, and I hope they enjoy the question period. And I would ask everybody to help me welcome them to this Assembly.

Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I would like to, through you, draw your attention and the members' attention to a group of 53 students in the east gallery from Stewart Russell School in Regina. I'm going to be meeting with them later. They're here with their teachers Mrs. Dorgan and Mr. Podavin — I'm sure I mispronounced it and will have to get it corrected later.

But I would like to welcome this group of students here today. I know that it is the end of the school year and they're looking forward to their holiday, and I hope that their experience here will lead them into the holiday in a very good way. So I ask members to join me in extending our greetings to those students.

Hon. Members: Hear, hear!

Mr. Johnson: — Thank you, Mr. Speaker. I'd like to also introduce to you, and through you to the rest of the Assembly, some 35 students from Stockholm School, Stockholm, Saskatchewan. They're grade 4s and 5s and they're in the west gallery. They travelled in here today to attend the legislature, and I hope you're going to go home with some view of how this place works. I'm going to have the pleasure of meeting with you later on for drinks and some questions.

They're here today with their teachers, if I may introduce them, Mrs. Laurie Johanson, Mrs. Violet Seman, Mrs. Phyllis Ecklund and Elsie Jones; and of course they have to have a bus driver, and he's a great guy called Richard Thievan. We wish you a safe trip back home this evening to your respective homes. In the meantime, would everybody help me welcome them in the usual manner.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Drought Assistance Program

Mr. Romanow: — Thank you very much, Mr. Speaker. My question today is to the hon. Minister of Agriculture, the Premier, member from Estevan, and it pertains to the serious, and obviously growing to be even more serious with every passing day, drought situation in the province of Saskatchewan — for that matter the whole prairie basin of North America.

Mr. Premier, news reports today indicate that the

government's minister in charge of the crop insurance plan says publicly that the government, your government, has developed a drought assistance program for cattlemen and that you're just awaiting the federal government's approval amendment or rejection of it. At the same time, other news reports, particularly from Mr. Bill Yeast, who is the president of the Saskatchewan Stock Growers Association, indicate that the federal government has had this program of yours for drought relief for now nearly two weeks, but apparently has not come to a conclusion or made a decision on it.

Mr. Premier, my question to you is this: are these reports true, and if they are true, will you be kind enough to tell the House what it is that you intend to do to force or assist your federal colleagues in coming about in announcing a proper and necessary drought relief program in this area?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, the reports largely summarized the state of events as we find them today. We have provided proposals, along with Alberta and Manitoba and British Columbia, to the federal government on what we are prepared to do and be partners in with respect to crop insurance changes and payments to farmers and green feed programs and cash.

We understand that the proposals have been to a committee of the federal cabinet and they have been accepted. They go on to a full committee of cabinet, as I understand it now, either Friday or the beginning of next week. Now what I expect you would see is that if we can make the announcements with respect to a green feed program through crop insurance, that it could be announced either Friday or the first of next week. Subsequent to that, in the next couple or three days, and I would suspect certainly by the end of next week, the announcements on the program I described to you earlier, cash to farmers and what it would be, to move cattle or feed or others.

And then you follow up that in early July as we did before, any programs with respect to what you could do with spring seeded crops. That is, you could cut it for crop insurance or you can provide it feed for livestock, and then additional crop insurance changes on top of that.

I expected the announcement in the latter part of June. I think everybody is watching with anticipation even though it's rained, and particularly in Alberta. We find the drought is not only isolated to here and Manitoba, it's now into Ontario and Quebec, and as you mention, right through the United States into Ohio and other places, so that obviously the markets are reflecting upward limits on a daily basis. So I would expect some announcements by the end of this week, some next week, and some the week after.

Mr. Romanow: — Mr. Speaker, a new question to the Premier. I think we're all heartened by the suggestion that there's likely to be an announcement by the next week or so, the end of the month.

Mr. Yeast was quoted on the radio also as saying today

that it's getting time that the governments, as I understand the report, had their programs in order and that the announcement should be made in the immediate future. As the Premier will know, we on this side have been calling for an announcement which we think has long been past overdue.

Mr. Premier, my questions to you are twofold. May I suggest to you that you would table to the members of the legislature, as soon as possible, either the details of the program that your government and the other western provinces want submitted and approved by Ottawa, to detail those programs to this Legislative Assembly while it's still sitting; if that's impossible, at least the principles of such a program so that we may take a look at it.

And having done so, my second part of the question is: would you be prepared to entertain some form of an all-party resolution by this House — on the assumption that the details and the principles of those plans are okay and satisfactory — an all-party resolution urging the federal government to come to a speedy and satisfactory resolution of the crisis.

In this way we might be able to handle the problem in as a non-partisan a fashion as is possible, given the nature of political life, with the objective being that the farmers in the communities of Saskatchewan can get some immediate relief. How about those two suggestions, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well I wouldn't rule them out. I would certainly be able to share with you everything that's in the program if they can announce it. The House may be sitting and it may not be. If it's announced in Ottawa while the House is sitting, all the better, because I believe then we could go through it.

I'm not so sure that the federal cabinet would want us to go through all the details as they're deliberating on it, and I guess again, in a non-partisan sense, I wouldn't want to jeopardize their review of it by passing it out to everybody as they're in the final hours of going through it. Now I say that, in that we want them to move as quickly and as expediently as possible.

With respect to an all-party resolution to ask the federal government to move as quickly as possible, I would certainly want that to be seen in a non-partisan sense if we did do it, because we do want them obviously to be prepared to spend money and direct it to farmers in a very concrete and forthright fashion.

So I wouldn't rule them out, but I am expecting announcements any day, and I would rather have them announced and shared, as opposed to leading with bits and pieces of it while they're making up their mind.

Greenhouse Effect

Mr. Romanow: — Mr. Speaker, a new question to the Premier in a related area, but slightly different subject matter — same subject matter, different area, I suppose is the best way to put it.

Today the newspaper reports — I have not seen the report myself — but the newspaper reports are very disturbing indeed about the situation with respect to the drought. I refer to *The Globe and Mail*, and even the *Leader-Post* has a story dealing with the greenhouse effect. The report that I have on paragraph 2 says that this is a report from Environment Canada:

... which deals only with Saskatchewan, analyses the "worst case scenario," and projects the loss of thousands of jobs, yield reductions and a loss to the provincial economy of hundreds of millions of dollars (by virtue of long-term greenhouse effect).

Now I suspect that none of us in this House are expert enough in the science of climatology to know what exactly is happening here, but I think all of us would agree, Mr. Premier, that the nature of the report certainly raises an extremely dangerous, worrisome thing for the prairie west.

My question to you is this, Mr. Premier. It's obvious that we need to, as Canadians and western Canadians, get on with the job of development of a long-range approach to the question of environment and climate as it relates to drought and farming. I assume that your government will have given some thought to this on a long-term basis; certainly in 1985 the federal government made a commitment.

How about a suggestion which I make to you, and that is the establishment of an all-party committee — again members of the government and members of the opposition — to look at the studies which are before us and around us on this very sensitive and important area to determine whether or not we can come up with, at least, the broad guide-lines of a political response in the small piece sense of this potentially dangerous, devastating impact of the greenhouse effect. It might also be able to expand itself under a consideration of a longer-term policy with respect to drought and disaster relief.

Would the Premier be prepared to entertain that suggestion, and would he be in a position to tell me this afternoon, with some degree of specificity — if I may use an expression of the Minister of External Affairs — when a timetable for the implementation of such an all-party committee might be established if, of course, he views it favourably?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well certainly, Mr. Speaker, I wouldn't rule out the possibility of an all-party committee. That is something that usually House Leaders will get together and talk about and review to see if it's a possibility.

I would point out to the hon. member a couple of things: one is that we have a caucus committee looking at this very topic, that looks at ...

An Hon. Member: — All party, Mr. Premier.

Hon. Mr. Devine: — ... a government committee, I

mean, not to be partisan, but the government does look at things in advance, and we try to forecast and we get research and we have a committee that's looking at it.

Our efforts to expand water management and irrigation are well known, and again, in a non-partisan sense, we have been pushing irrigation and the rural gas program to allow irrigation, and trying to conserve water and trying to build dams, trying to have better reforestation and water management because of some of the environmental concerns.

But, Mr. Speaker, in the light of the magnitude of the problem and the seriousness of sustained drought, if that happens to be the case — and I do note that the authors of this greenhouse research say that their crystal ball isn't foolproof and a lot more research needs to be done. They're saying that it's really only a guess right now, so we certainly would not want to panic. But on the other hand, in the event that we had sustained droughts, obviously it could have a serious impact, not only on Saskatchewan but the whole middle of North America.

Resumé Update of SMDC Personnel

Mr. Goulet: — Mr. Speaker, my question is to the minister responsible for Saskatchewan Mining Development Corporation, and it concerns another one of your government's hollow promises that privatization will not cost Saskatchewan workers their jobs.

Will you confirm that all personnel of SMDC (Saskatchewan Mining Development Corporation) have been instructed to update their resumé and submit them to a committee of SMDC and Eldorado officials? And can you explain any reason for this, other than to force these employees to reapply for their jobs?

Hon. Mr. Berntson: — I can't confirm that, Mr. Speaker. My guess is that management — and it's their job to run the company — my guess is that management, for whatever reason, has decided that in a new, merged company they would likely want to have, Mr. Speaker, the information as it relates to individual employees and the resumé on file.

You can rest assured, Mr. Speaker, that the people who work at SMDC today will be working there in the new merged uranium company as well. That was a commitment that was given by this government and SMDC, and that will be a commitment that is delivered, Mr. Speaker.

Mr. Goulet: — Mr. Speaker, a new question. Every time a worker's job and their families are on the ... and their families are affected by ... the minister can never confirm anything.

Mr. Minister, isn't it the fact that the executive of Eldorado Nuclear, who are moving to Saskatchewan as a result of your merger, are unwilling to give up their jobs, and as a result Saskatchewan people are going to be forced to compete with these people for the limited amount of jobs.

Isn't this the reason why SMDC workers have to resubmit resumé? Why are you trying to squeeze out

Saskatchewan workers, and how does this square with your statement in June 9? You said:

The new company will provide all (all) of its employees with benefits and terms and conditions comparable to those that they currently enjoy.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — He's answered his own question, Mr. Speaker. I said then, and I say now, that all SMDC employees will be employed in the new merged company.

I don't know what he's griping about, Mr. Speaker. What's happening is more jobs are coming to Saskatchewan, more jobs coming to Saskatchewan from central Canada. With the new merged company, Mr. Speaker, jobs are going to increase in Saskatoon, right here in Saskatchewan.

Compare that, Mr. Speaker, with what those folks would do. They would close down Key Lake, they would close down Amok, they would close down Rabbit Lake. Those people will be working in northern Saskatchewan, Mr. Speaker. And if those people had their way, every mine in northern Saskatchewan would be closed. What a bunch of hypocrites, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Speaker, last question. Every time there is a job loss in this province, and every time this province ... this government puts people out of work, we will raise it at every stage of the ...

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Minister, every time you announce a privatization scheme, you tell us the employees' jobs are safe and in fact they will profit under the new regime. But that never, never turns out to be the case.

When are you going to stop this privatization scheme and madness and get to work on the major job of creating the jobs right here in Saskatchewan rather than destroying them?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I want to thank the member, Mr. Speaker, for the question, because I want to talk about the lost jobs at ... What's that computer company? WESTBRIDGE. How many lost jobs were there there, Mr. Speaker? Fifty-two new jobs at WESTBRIDGE already because of that privatization — 52, I think.

Let's talk about Meadow Lake Sawmill. Ten Indian bands in partnership with the employees and about \$100 million of capital investment coming into that deal. How many lost jobs in Meadow Lake? Four hundred new jobs coming into Meadow Lake.

How many lost jobs at Weyerhaeuser? Can anybody tell me how many lost jobs? A \$350 million paper mill going into Prince Albert. How many lost jobs because of that

privatization, Mr. Speaker?

How many lost jobs at Saskoil because of the divestiture of SaskPower gas resource, because of that resource being sold to Saskoil? How many lost jobs there? Well already Saskoil has hired 50 additional people, Mr. Speaker, and to drill the 7 or 800 wells necessary to develop that resource, I dare say there would be a thousand or more jobs in the field, Mr. Speaker.

How many lost jobs because of the privatization exercise of this government, Mr. Speaker? None. In fact there are more and more and more jobs coming to Saskatchewan all the time, Mr. Speaker, because of the efforts of my colleague, the minister responsible for Public Participation.

Some Hon. Members: Hear, hear!

Mr. Goulet: — One final question, Mr. Speaker. This government has lost jobs where they promised they wouldn't be lost. In the dental plan there was 400 jobs lost.

Some Hon. Members: Hear, hear!

Mr. Goulet: — In the privatization scheme on Sask Minerals jobs were lost. In the privatization scheme in forestry, many jobs were lost. We couldn't even get the contracts over there. Highway workers — hundreds of jobs were lost. In Saskoil, 25 per cent. Mr. Speaker, in regards to the minister, what can you state now, very clearly, in regards to the SMDC jobs for the future?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I will tell you what we will do at SMDC. I'll tell you what we will do with SMDC. We will, Mr. Speaker, we will, on closing with SMDC with Eldorado and we have this new energy company in Saskatchewan, what we will do is we will operate the mines in northern Saskatchewan. We will operate uranium mines, we will operate gold mines, we will operate maybe some limestone mines, maybe . . . all kinds of mines, Mr. Speaker, all kinds of mines. Every one of those mines, Mr. Speaker, will employ people.

What we will not do, Mr. Speaker, we will not close down Key Lake. We will not close down Cluff Lake. We will not close down Rabbit Lake like the NDP want us to do, like the NDP would do. They've said they would do it if they ever got back into office.

Mr. Speaker, consistent . . . Except the member from Buffalo Narrows, Mr. Speaker; he's the only one over there with any sense about what the North is all about, Mr. Speaker, a reasonable and a fair man.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — The only flaw in his character, Mr. Speaker, is that he hasn't chosen to sit on this side of the House.

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, Saskatchewan has the best employment record in western Canada and the second best in Canada — the second best in Canada. We have Weyerhaeuser, we have SMDC, we have Saskoil, we have . . .

An Hon. Member: — Meadow Lake.

Hon. Mr. Berntson: — Meadow Lake.

Some Hon. Members: Hear, hear!

Day Care at Woodland Campus

Mr. Kowalsky: — Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, for the good of the students at Woodland Campus in Prince Albert, and indeed for the reputation of the Saskatchewan Institute of Applied Science and Technology, I'm going to ask you to intervene in a dispute between two of your ministers.

At Woodland Institute there is a very good training facility for day care. It's in place and the students are very anxious to use it, but the problem is that your Minister of Social Services is philosophically opposed to publicly owned day cares and operated day cares.

Your Minister of Education thinks it's a good idea; in fact, he built it and equipped the building, but he can't get the licence in place. Now it has resulted, Mr. Premier, in a broken promise of the Minister of Education.

Would you intervene in this dispute, please, and would you get this day care in position?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, it pleases me that the members opposite have finally agreed to innovative day care. We have a Bill before this Assembly that will provide for innovative day care, and I have said publicly that if the Bill is held up here and is not passed, that we would be prepared to change regulations.

I've been criticized for that by people who don't know the facts, that we now don't have a day care Act in Saskatchewan. We have one section of The Family Services Act, section 87, that provides for regulations whereby cabinet makes all of the rules for day care.

I have been up front and introduced a Bill before this Assembly. The members opposite have made press statements opposed to innovative day care. This Bill will provide for innovative day care, and then we will be able to solve the problem in Prince Albert.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Speaker, Mr. Premier. I think it's going to be up to you to intervene. This member has refused, has refused to license a day care for over a year and a half. The Minister of Education has been trying to procreate for over nine months, but he has been unable to deliver, and I hate to see him sit there so impotently.

Mr. Premier, you could do the right thing.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — You could do the right thing by putting that program fully in place. You have to get the Minister of Social Services away from his dinosaur-like, narrow-minded approach about day care. Do the right thing, Mr. Premier, and put the program in place.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, the members opposite have been opposed to innovation in day care. They accuse us of being dinosaurs, and they don't want to change the regulations that they put in place.

They also know that the regulations now only require co-operative day cares; that we are trying to introduce innovative regulations to allow for teen parent centres, for flexible, rural day cares; to allow parents to have a choice in the cities as to what type of day care they want to send their children to; that we have to make these changes before we can finalize the Prince Albert day care situated in an institution called a school.

Lay-offs at Wascana Campus of SIAST

Mr. Hagel: — Mr. Speaker, my question is to the Minister of Education who has had difficulty keeping his word, not only in day care but his word on the prevention of lay-offs to employees of Saskatchewan Institute of Applied Science and Technology.

Mr. Minister, last Thursday you took notice of a question from me regarding the permanent lay-off notice given to 18 employees of Wascana Campus of SIAST (Saskatchewan Institute of Applied Science and Technology). You said at that time that you didn't know anything about it, which is really quite an amazing statement from the Minister of Education.

You've had a week to do your homework, Mr. Minister, and I ask you now, will you bring that information to this House. Why are those 18 people being given their notice for lay-off contrary to your commitment that this would never happen?

Hon. Mr. Hepworth: — Mr. Speaker, I've raised this issue with the officials at SIAST. I think this question underlines again that the NDP don't understand that no longer is the Saskatchewan Institute of Applied Science and Technology, or indeed our technical institutes, no longer are they a part of the Department of Education. We have given them their own autonomy, not unlike the university.

Having said all of that, however, I asked my officials to correspond with them, and the information I have is that . . . and the questions were, as I recall the questions were: why have 16 instructors and two clerical persons been given lay-off notices at Wascana Campus? What can staff at the other three institutes expect?

The facts are, Mr. Speaker, as I have them, eight instructors have received temporary lay-off notices; no clerical staff have been laid off. And these are employees

in the adult basic education, and English as a second language areas, Mr. Speaker.

Pertinently, all of these instructors were hired on term contracts subject to renewal annually, according to the ebb and flow of federal funding for the programs they are hired to teach.

The practice has been to give individuals notice of contract renewal in the time period May 25 to June 30. This is the reason for giving them temporary lay-off notice at the present time. There is every expectation that certainly some will be re-hired again next fall, Mr. Speaker. This is not an unusual practice over the summer and because of the season nature, if you like. That's why they're on contracts in the first place.

I would underline that these are not position abolishments, but rather the established contractual arrangement for instructors in these federally funded programs.

The second question related to what the other campuses could expect. The other three campuses in SIAST are also impacted by the reduction of federal funding, but have fortunately been in a situation where they are able to redeploy the instructors who would otherwise have had to be laid off. At this time further lay-offs of term contract instructors is not planned at the other campuses, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Goulet: — Mr. Speaker, I would like to ask for leave of the Assembly to present the report of the Special Committee on Regulations at this time.

Leave granted.

PRESENTING REPORTS BY STANDING, SELECT, AND SPECIAL COMMITTEES

Special Committee on Regulations

Mr. Goulet: — Mr. Speaker, I present the first report of the Special Committee on Regulations. The report, which I now lay on the Table, will be printed in today's *Votes and Proceedings*. I move, seconded by the member from Biggar:

That the first report of the Special Committee on Regulations be now concurred in.

Motion agreed to.

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Mr. Chairman: — Why is the member on his feet? Why is the member from Riversdale on his feet?

Mr. Romanow: — Thank you. Thank you, Mr. Chairman. I beg leave of the Assembly to introduce a group of students.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Romanow: — Merci, Monsieur le Président. Monsieur le Président, je voudrais présenter aux membres de l'Assemblée, 30 étudiants de l'École Française de Saskatoon qui sont ici aujourd'hui. Ces étudiants sont accompagnés de deux adultes. Ils ont choisi une bonne journée pour leur visite, et j'invite tous les membres à les accueillir chaleureusement. Et maintenant, en Anglais . . .

Mr. Chairman . . .

Hon. Members: Hear, hear!

Mr. Romanow: — I should really do it in Ukrainian to be really comfortable.

Well, Mr. Chairman, it gives me a great deal of pleasure to introduce to you a group of very fine students from grades 5 and 6 of the Saskatoon French School in Saskatoon, and that's why my attempt at French.

The tour is doing what the students do when they visit the Assembly — get a feeling of the question period. I think this group missed this question period, but some of the artefacts and history surrounding the building.

They are accompanied by Jean Duperreault et John Cathcart. Am I correct on that? Okay, good. Jean Duperreault and John Cathcart. I guess I have an opportunity to meet with them at 3 p.m. for pictures on the stairs and then to answer questions in French at 3:05. Please welcome the students.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Agriculture Ordinary Expenditure — Vote 1

Item 1 (continued)

Mr. Romanow: — Mr. Chairman, thank you very much for recognizing me. Mr. Chairman, I wish to pursue with the minister for a little while the questions pertaining to the drought situation in Saskatchewan and western Canada, that we raised in question period today.

I want to preface my remarks with a little bit of a backgrounder, and then make a specific request of the Premier. And in order to get the Premier and his officials to consider what I have in mind in a little more detail, I'd ask that one of the pages, if you would, please, just forward this to the Premier for his consideration in the course of my remarks.

Now I think, Mr. Chairman, that all the members of the Legislative Assembly understand all too well, as the public of Saskatchewan understands all too well, the gravity of the crisis which we are now struggling with and which is upon us. That is the very serious problem of

drought. In some ways experts have been telling us that this has been ongoing now for the last several years, perhaps the last two or three years. But undoubtedly this spring so far, and now we're into the summer months, it is a reality which is being impacted upon everybody. The cattlemen, the farmers, of course, are the first to understand this because weather is so important to them and to their business operations.

For people living in the communities, larger communities, perhaps it becomes a little slower thing to understand, although even there the economic activity is certainly declining and slowing down, not only because of the drought. There is the debt situation, there is the entire international crisis in agriculture dealing with subsidies and the like — a whole gamut of problems.

(1445)

But the reality is that now everybody in Saskatchewan, I think really knows how serious the situation is. And you hear in coffee talk some rather pessimistic scenarios being discussed. It's not our job as legislators to dwell on the pessimism. It's our job to cope with the reality and look to an optimistic approach, if we can at all devise one, on behalf of the province and on behalf of Canadians outside of this province.

The Premier, as Minister of Agriculture, and his officials have been working on this. We know this to be the case. We know, for example, that there was a western premiers' conference just a few weeks ago, actually a month ago approximately, May 18 to May 21, called the Parksville, British Columbia conference.

And set out there under communiqué number one, which I assume was chosen to be number one for very legitimate reasons, headed, "Agriculture is the drought situation," and the argument of a need for an immediate ministerial meeting. And then the provisions there calling for continuing action with respect to the drought, urgent action, particularly as it relates to the livestock industry. I'm just speed reading the approach to the communiqué to save some time of this committee, but the point is, the premiers met, reviewed this in detail, and came out emphasizing for all Canadians the urgency of this thing.

I think it's correct to say that a province can do only so much. A program has been announced by the hon. Premier. Alberta has announced its own program. The federal government has announced a \$12 million program.

Members will know that we have felt that the \$12 million program, talking now for the moment of the federal approach, is inadequate. Given the larger public purse from which it has to draw, upon which it has to draw, and given some of its other projected expenditures, \$12 million for drought on something which might be a more permanent — at least in the next couple of months or years — situation, certainly is inadequate.

There have been statements by the Premier himself, speaking to this situation to the stockgrowers' annual convention, annual meeting, 75th annual meeting in Moose Jaw, two or three weeks ago. The Premier outlined

the gravity of the situation. If you look at the newspaper report, there were competing views as to how a drought program should be implemented, but it should await a little bit of unfolding of the climatic events before some specific policies are announced. And I think that that's right. We don't want to — as one of their participants is reported as saying; I think it's the Premier — we don't want to wind up wrecking good programs.

But the headline of that story, I think, Mr. Chairman, tells the point that I'm trying to make in chronological order. After Parksville, B.C., the Premier speaking on a major occasion outlines the problem, and the headline says, "Devine expects words soon on drought aid for livestock." That is on or about the 30th.

An Hon. Member: — Point of order.

Mr. Romanow: — No, the point of order is not relevant here because I'm not referring to the hon. member in debate by name. I'm referring to a document where the member's name is referred to, and I think that is perfectly in order.

So the Premier sees some urgency and in that context there is again the pressure of time mounting before us.

I might say that from my party's point of view, we have announced, and its function has now been completed, a committee of several of our MLAs headed by my agricultural critic, our caucus's agricultural critic, the member from Humboldt. Also other members such as the former member from Shaunavon, now a member from Elphinstone, and others, toured actually a pretty big area of the drought area going from Regina all the way to Swift Current, all the way up to Lloydminster via Rosetown and Kindersley and points in between, as time would permit, to take a first-hand look at how bad it was. They report to me that it's bad.

And I know first hand that it's bad, because I've had occasion to be in the Shaunavon-Gull Lake-Swift Current area myself in the course of doing some strictly political work, and it's a frightening thing. I was born and raised on the prairies, members may not believe this, but post-the Dirty Thirties, and it's true. I've never witnessed what the old-timers tell me took place in the Dirty Thirties. But if the memories and the stories of the of the Dirty Thirties are accurate, then judging by what I observed by that two-day foray into the Swift Current area . . .

An Hon. Member: — Just as bad.

Mr. Romanow: — My colleague says just as bad. No, I'd say even worse. It is really something to see those spectacles of the dry tunnels, wind tunnels, with the dust and what you would think is cloud and turns out to be nothing but dirt; in Saskatoon, in fact, ending up in mud rain in one of these circumstance. So while I'm not here to give a graphic description, I'm trying to say that it's a serious problem.

And I'm having farm people phone me now, of all political persuasions, I don't mean to say large numbers, but farmers phoning from the Melfort-Tisdale area — this was as of about three or four days ago — telling me that

the crop there is 10 days or two weeks away. If they don't get a good rain by that time, then there is a major problem.

What I'm trying to paint here — and I don't do this in any partisan terms — what I'm trying to paint here is an immediate short-run problem where we have cattle and what we do with cattle, and to make sure that they don't sell off the basic herds, and how do we provide feed and get the cattle to water, and how we can preserve that industry.

We have the question also of the crops, crop insurance, seeding or not to seed, what is declared a disaster, whether it's seven bushels or higher, or less — a matrix of problems in this very complicated agricultural area which needs to be sorted out.

And I endorse the Premier when he says that we've got to do this in a thoughtful, reasonable way. It is our job, in opposition — perhaps he might think unfairly, but I don't believe unfairly — I think it's our job to continue to press every government, regardless of ideology, in these kinds of circumstances to do all that it can as quickly as it can.

So if the Premier expresses frustration at our questions about when is your policy coming forward, I think that's a normal question and perhaps a normal response by him, given the dynamic of us wanting to move ahead and him obviously wanting to move ahead too, given the complexity of the provincial-federal situation.

Which brings us to another development. After my caucus's committee drought tour, the leader of my party, the Hon. Ed Broadbent, was in Saskatchewan and spent two days, one day in full, touring the south-west area. It's too bad that time couldn't permit him to get to the other areas, such as Tisdale that I've referred to, and Melfort. But in any event, he had a bit of a flavour of it on a first-hand basis.

And the result of that tour was a press conference calling, from our side, to the provincial government and to the federal government, at least an immediate relief program which would be three components in principle. These can be worked out in details by the minister's officials or by the federal department officials.

First, a special pay-out program with respect to those farmers who may not have seeded because of the climatic soil conditions there and the extension of the crop year. I'm not familiar with the extension of the crop year . . . crop insurance year has been made yet. Has the Premier announced that?

An Hon. Member: — No.

Mr. Romanow: — No announcement on it. Well perhaps the minister could clarify that for me. As I understand it, the deadline is June 20, and I'm not sure whether there was an announcement of an extension.

But in any event, our suggestion was, as a minimum, an extension, it would buy more time. But more is needed now, and that is the idea for payment for the situation where the farmer who goes out in his field, takes a look at

the soil conditions, and says, look, it's more dangerous to do anything with this soil. But if I don't do something with this soil, I don't get compensated. Doesn't make sense. Can we get a change in the rules under those special circumstances where I get compensation either way. It shouldn't be any additional funds on the purse because if he goes out and seeds, he's likely to get a crop failure; it looks that way unfortunately, and the money will come to him in any event. I don't pretend to say that that's an answer; there may be a need for refinement of that idea. I advance it to the Premier as an idea. It comes from our caucus committee on drought.

The other one is the one-time payment to cattle producers. Take the figure, 80 to \$100 per head. I think it's the stock growers, Mr. Premier, who recommended \$90 a head. Again the numbers are less important; what is important is the principle, to be able to get some certainty in the financial planning for our cattle people, for our farmers who have cattle, and perhaps some program to help the system with respect to the maintenance of the herd.

And then of course the third proposal which was advocated by Mr. Broadbent and myself . . . I don't take proprietary claim in this; these ideas are a collection of community views and government views. A third idea is a tax holiday for three years, or a tax deferral. I hate that term "holiday" — but a tax deferral which would allow farmers who have sold off their herds to avoid paying tax on the income garnered there and give them some time to get back in. If they do get back in, it's kind of a forgiveness of the tax. If they don't, then there would be an obligation to pay the income on that tax. Again this is something which can be worked on.

And of course this is not unusual to farming because they've had five-year block averaging programs in tax matters, and variations of that can be of assistance.

Then of course on a longer basis, the question of a long-term drought control program taking into account soil conservation, taking into account water resource management, taking into account the need for a safety net for farmers, has got to be put into place.

I don't mean this in any partisan political terms. I really don't. We know that in 1985 the federal minister — I not refer here to our minister — made a commitment on behalf of the federal government to launch such a detailed study of a comprehensive program. Maybe such work has been carried out. I have a sense, however — no evidence, I admit — but I have a sense that perhaps what's happened in Ottawa is what happens with many of us in our day-to-day and governmental lives. If you get a bit of a better year, the next year you tend to put the problem on the shelf, and then all of a sudden in comes 1988 and here we are without any plans into place. Maybe there are some detailed plans into place, I don't know. Maybe the Premier's department, or the minister's department, has developed these long-term plans.

And this is not a comprehensive list, Mr. Chairman. The water table is down generally. My colleague from the North, Cumberland, was telling me about the tables of some of the lakes being down — how many feet would

you say, or metres? — but noticeably down, you were telling me the other day . . . (inaudible interjection) . . . Quite a bit down. So the water situation in the North is serious.

I had occasion to fly in a small aircraft the other day, Monday, from Saskatoon to Regina, and I do all the driving all the time, not like the good old days. You can see it close on the ground, but flying in a single-engine aircraft real low — that wasn't the purpose of the trip, to fly real low, but it was so hot and bumpy he found a right altitude — to take a look at the various creeks and various sloughs and just the brown parched earth that is there between Saskatoon and Regina, is scary. Putting it bluntly, it's scary.

You understand it, but until you visually see it again, you understand how serious the doggone problem really is. So we have a problem here which is beyond farmers and cattlemen; we've got a problem here which is also pertaining to villages and towns and water tables.

We have a problem in the city of Saskatoon where the river is very low, Mr. Premier, in Saskatoon. I won't belabour this here. Please don't get distracted on this comment. We can discuss it when executive estimates come up, Executive Council estimate comes up, but there is some discussion on some report — I don't say it's government policy — about the diversion of the South Saskatchewan River with respect to the Shand, Alameda, Rafferty projects. As I say, don't get diverted for the Agriculture estimates on that. If we want to pursue it, we can do it later.

But given the low level of the South Saskatchewan River — you'll know this, knowing your Saskatoon commitments, and so will your deputy minister — people are talking about this. And when Saskatoon city and Regina city have got to cut back on watering of lawns, then we know we have the complete package. It now has embraced everybody.

And now here it is, June 24, 1988, and we need to have some action. I say this as a western Canadian, I say it as a Saskatchewanian, I say it as a person who was born, raised, and bred here, whose livelihood and future involvements, both politically or otherwise, depends on the integration and the healthiness of the community at large, same as the Premier. We need action.

Now which brings me . . . And I'll come right to the point of my submission. Sorry to be so long-winded, but I think it's important to set out the details of this.

I think that it would be worthwhile for this legislature to pass a unanimous resolution urging the federal government to deal immediately with this problem. I have tried to draft, but I take no pride in authorship in this, Mr. Minister, tried to draft a motion which I may or may not move, depending upon the Premier's response, which tries in neutral terms — neutral to this extent, that if the western premiers' policy on drought falls far short of what we think is the case, it would reserve to us the right subsequently to make further suggestions or even criticisms.

We don't have that, and the Premier says we're not likely to have it because he doesn't want a jeopardy of the federal government's consideration. I think that's a very responsible response, if I may say so. So I've tried to draft this neutrally in that context.

But the intent of this would be, if it's enacted by this Assembly, to give a little extra pressure from Saskatchewan in a non-partisan way, because I think every one of us knows the impact of drought on the prairies. Everybody lives with the spectre, the fear, the haunt of a drought.

The Dirty Thirties stories and what that meant to political organizations and social reorganization and economic reorganization is probably the single most important event in the history of this province, if not western Canada. I don't think we want that to happen again to this province, regardless of the ideology of the government in power, of the day.

(1500)

What we want, rather, is whatever mankind can do in the face of some pretty tough odds by nature. And what we can do is we can put a little voice out of this legislature unanimously saying to the federal government, please do it now. And we should be frank about this. We know that the length of the Legislative Assembly is now measured in days, we expect, barring any unforeseen developments. We should speak on this and we should have a discussion on this, and we should have a motion passed to this extent.

I will read the motion, and as I read it, I'll then sit down and invite the Premier to make a comment with respect to the suggestion that I make. If he agrees, I'm prepared to reverse the motions. If the motion would like to be made by the hon. the Premier in the first instance, and seconded by myself, I left a copy mailed to you blank. I'm prepared to take it that way. If you want to make the motion in my name and seconded by you — there may be some forum problem, from your point of view, I have no problems there. If you think there needs to be some word changes, we're prepared to consider them, clearly.

The motion that I've drafted is something along these lines, Mr. Chairman, and I won't move it formally because the Premier may wish to move it and give me the chance to second it, and that would be a good show of unanimity.

The motion, however, reads as follows:

That the Assembly's Committee of Finance (because that's where we're at), representing all legislative members, (we could add the words "of Saskatchewan"), urges the Government of Canada to announce and implement immediately in full co-operation with the provinces . . .

May I stop there to say that's the wording that I felt was the neutral wording in the absence of a formal information package from you, sir, as to what the four provinces have in mind on the detailed drought, but it also implies co-operation and implies consideration of your package.

. . . in full co-operation with the provinces, a comprehensive drought relief program to respond to the severe drought conditions affecting Saskatchewan and other parts of Canada, and threatening Saskatchewan farmers and rural communities.

It doesn't detail the ideas because there may be some arguments about it, but the Premier says he's got his package before the federal minister and the cabinet and the Prime Minister. Now is the time for us to do something really positive and united and good for the people of Saskatchewan and for western Canada, and to put it bluntly, not in any political terms, turn up the heat a little bit on the people in Ottawa.

Mr. Chairman, I think that the background and the rationale for this is explained fully. I will not move this at this point; I will await the Premier's response to the suggestion and then see where we proceed from there.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, just a couple of things in response to the Hon. Leader of the Opposition. There is a comprehensive mechanism now before the federal government, and one that is in place, frankly, across Canada. It certainly wasn't here in the 1930s.

We can look at a drought-proofing mechanism that the federal government, along with the provinces, have agreed to implement that is ninety-seven and a half million dollars — 75 million from the federal government and 7.5 that they just announced and an additional twelve and a half million dollars — and that's ongoing expenditures that we have topped up, and Alberta has topped up with about another 40 to \$50 million. That's the first.

The second part is, as the hon. member mentions, we're waiting almost hourly and daily for the combination of announcements coming out from the federal government on cash payments, and that could be anywhere from 50 to \$100 million.

And then we have the ongoing mechanism of crop insurance which I'm advised has a coverage alone in Saskatchewan of \$1.5 billion, that is total coverage that has been insured by the farmers. And the various kinds of things that we can do to top that up, and the long-run mechanism to beef up crop insurance is in place as a result of the last crop failure, where if we have the back-to-back drought situations, in fact, that crop insurance can be topped up in the neighbourhood of an additional 10 per cent.

So the hon. member said that he had a three-point policy that he could put forward. I will say that much of what he has been suggesting either has been announced or will be announced or can be announced as we go through the summer to the end of June, and the first week in July, and the second week in July, and see how it goes. But clearly we look at from 500 million to 1 billion, to, in fact, could be in excess of a billion dollars that will be there. It may not be enough. Maybe we have to watch that.

But these are ongoing mechanisms that are now triggered ready to spend money and provide comprehensive coverage. I will add as well with respect to the long-run effect of drought, obviously water management makes a big difference. The city of Saskatoon has water because we can manage that Saskatchewan river. And if we didn't manage it as well, it could be even more serious. The fact that we have Gardiner Dam and Diefenbaker Lake means that we have the capacity to draw water.

And you're right, we have diverted water from Diefenbaker Lake to Regina, and people are glad to have that water, because if it was just left to Buffalo (Pound) Lake, there wouldn't be nearly the supply or the quality. So the management of water in an area like Saskatchewan is extremely important for cities like Saskatoon, Moose Jaw, and Regina, where: (1) we maintain the supply; and in fact yes, we do divert so that we can have access to fresh, high-quality water on an ongoing basis because of pipelines and because of water management.

With respect to the suggestion that we have a motion of the finance committee to the federal government, I would say that as the federal government is considering this, I would like to allow them the luxury of that decision and that announcement, and I expect it, as I said to the hon. member, as the House is sitting. And I would not want to confound them with anything else or jeopardize the fact that they may make a very positive announcement in the near future.

I say to the hon. member, I'm encouraged by his spirit of co-operation and indeed the fact that we jointly recognize the potential damaging effect of dry weather across Saskatchewan, and indeed across the Prairies and frankly across North America. We have to be geared up to deal with it, and we certainly have taken the suggestions of people across the province and yourselves into the consideration and the proposals that we've put forward.

Mr. Gerich: — Mr. Chairman, could I get leave to introduce some guests?

Leave granted.

INTRODUCTION OF GUESTS

Mr. Gerich: — Mr. Chairman, on behalf of my colleague, the member from Bengough-Milestone, I would like to introduce a group of 17 students, grades 7 and 8, from St. Olivier School at Radville.

They're accompanied by their teacher Lorne Weigel, chaperons Mr. and Mrs. Maurice Riviere and Mr. and Mrs. Raymond Riviere and Mrs. Oliver Dionne.

I hope that they find this afternoon's estimates interesting and entertaining and I will be meeting with them after out on the lawn. Please welcome our guests.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Agriculture Ordinary Expenditure — Vote 1

Item 1 (continued)

Mr. Romanow: — Thank you, Mr. Chairman. I'll make just a brief response with respect to the Premier's comment to say that while I understand his reasoning, I must say that I am disappointed in the decision by the government at this time, because as I see this motion, it really ought not to irritate anybody from the Prime Minister down, or any bureaucrat down. It uses no words of condemnation, it mentions nothing with respect to any specific program which might be offensive or bureaucratically too complicated to implement. What it really would have done is shown to the people of Saskatchewan the resolve and the unity of the chamber on this non-partisan issue. Goodness knows, we have a lot of other partisan issues which will divide the Premier and myself and the opposite sides, of members opposite.

I just don't see why a basically neutral motion in the terms of the policy, the program, should be turned down when the real thrust of this thing is to sort of say, we're all behind the people of the province and their desire to get the problem resolved. I don't think I can move this in committee, because it's a substantive motion, without the leave and the consent unanimously to waive the rule of the committee to do it, and with the Premier's refusal to do it, then I'm checkmated at this stage of the game, as I see it.

And I don't want to introduce it in any event from my side, because it would destroy the spirit of what I was trying to accomplish here, which was a bipartisan operation. The Premier's turned me down; then I say, I think we're checkmated and there's nothing we can do with this for the time being. And I think that that, if I may say so, is unfortunate.

I do want to make one other point before I take my place, because I know that some other colleagues have some few more questions in Agriculture. We've been at this for quite some time, the Department of Agriculture, and I think the committee is anxious to move along.

It still is on this pressing problem of the drought, and the Premier will know that in question period, of course, we raised the second suggestion, which is the suggestion of perhaps an all-party committee of this Assembly to talk about the long-term programs necessary with respect to long-term drought and/or disaster programs. Again the premier was very encouraging in question period by saying that he would not reject such a suggestion, just as he said he would not reject the first motion.

I would like to discuss this for a moment, because I think that the necessity for a long-term policy is obviously blindingly clear, too. Everybody would agree to that.

In opposition we do not have privy to government documents, and I don't think we can rightfully make a claim to have privy to all government documents. But I do think that there are some matters which transcend partisanship. This is one of them, and if the government does have a long-term idea, a set of principles or forms

with respect to long-term drought, then I think what we ought to do is take a look at them and see what we can do to assist in the promotion of them. I don't ask the Premier here to give me the details of that at this particular occasion.

And since this is not the proper forum in order to pass a resolution to mandate an all-party committee to study a long-term drought relief and assistance program, I can't move the motion formally.

What I have drafted is this, and then I'll ask the Premier a question. I'm sorry I don't have an extra copy; the officials in my office did not make a copy to forward to you. I'll simply have to read it to you. The draft that I have — again looking at the sensitivities politically which exist around here — the draft is neutral, but I think conveys the message.

It would go something like this:

That the Legislative Assembly establish immediately an all-party committee of members to make recommendations to the Government of Saskatchewan regarding necessary drought relief and assistance measures of both a short-term and long-term nature.

I think that's straightforward and yet important.

My question to the Premier is, picking up on his answer in question period that he would be prepared to consider it, more specifically, would the Premier consider giving me an assurance in committee, in agriculture, in drought, in estimates, that he would designate the Deputy Premier, who is the House Leader, on his behalf. I will designate my House Leader, the member from North East, or perhaps even more appropriately in the sense of agriculture, the agricultural critic. I think we can be flexible on this because it may be more management of the House. Would he be prepared to designate someone — I will do the same if he agrees — to work up a terms of reference for an all-party committee and to get this motion and terms of reference passed and enacted in this Assembly before we adjourn or prorogue or whatever we do at this current time.

I don't want to write here the terms of reference, because that would defeat the purpose of the discussions, but I don't envisage here, Premier, a committee which is on a great big tour of the province of Saskatchewan. Although I think we need to listen to the people, who have all kinds of ideas, as you know — some of them are very innovative — but I'm thinking about a working committee, right here in Regina; the proposals, which could be tabled and analysed, we could get some perhaps outside expertise from your former college at the University of Saskatchewan, department of agriculture, perhaps even go outside the province . . . (inaudible interjection) . . . Dissect the Saskatchewan Research Council, my colleague from Quill Lakes suggest. And we would develop what we think are the principles of some joint federal-provincial, long-term drought assistance program.

I think that would be a good piece of work for us, all of us,

a real good piece of work. And we'd do it with urgency. We won't be able to help this current crisis because this motion, which did not go, I think speaks to the current immediate crisis, but this one could do it on a longer-term basis, and it would keep some political pressure on, again in a non-partisan fashion, on the federal people to accept it.

(1515)

I think it's a good idea, obviously, because I'm making the suggestion, but I don't see where the failings or the faults or the difficulties are in this kind of an approach. And the reason that I say that, and I'll take my place, is because that very frequently issues that are before us are so philosophically diverse that it's impossible to have an all-party committee which can do anything but divide itself along the philosophical basis of the parties.

But this is an issue which is beyond PC or New Democrat or Liberal. This is an issue, if you judge by that Canada Environment report, which is going to have major implications for our children and their children. I think, therefore, it's an important consideration.

So, Mr. Premier, I'll give you a copy of this so you can have it before you to take a look at it. I wouldn't mind receiving it back some time before agricultural estimates are done.

My specific question to you, sir, is: will you nominate the House Leader or someone on your behalf with authority to look at the terms of reference — I'll do the same on my side — with a view to introducing an all-party committee, properly manned and staffed, to work up a Saskatchewan version of what a long-term drought and disaster program might look like, and do whatever's necessary in the consequence thereof, and at this session?

Hon. Mr. Devine: — Well, Mr. Chairman, as the hon. member mentioned with respect to the motion that he suggested and to an all-party committee, I won't rule out the possibility of committees or motions in the House as ways of extending messages to the federal government or doing some research.

But I would say to the hon. member at this time, that — as I did in question period — the House Leaders can always explore this possibility. Right now I know that the interprovincial committees in western Canada, along with the federal government and PFRA (Prairie Farm Rehabilitation Administration) and the livestock associations and farm organizations, have had hours and hours and hours of research. And we've got the specialists in from crop science and other places, and we have before us much of the information that is needed. And we have made very specific recommendations to the federal government and to PFRA and to our provincial counterparts, so that now the proposals are before cabinet and we expect announcements. I think it's fair to say that with . . .

An Hon. Member: — Long term?

Hon. Mr. Devine: — Both short run and long run. What it's fair to say is that the minister of crop insurance should

be in a position to make announcements later today or tomorrow, hopefully by tomorrow. There should be further announcements, I expect, the first part of the week, if not the weekend, and then subsequent announces after that.

Now I expect the House will be sitting at least till Friday, if not Saturday, and maybe Monday and maybe Tuesday, I don't know. But in any event, as those things are announced, we will certainly be able to share and go through them in a considerable amount of detail.

So what I'm trying to say to the hon. member is that — and I appreciate his co-operation and the spirit in which he's offered this — that we have spent many, many hours co-operatively with other provinces and the federal government and specialists in science and in water and in research, putting together proposals for cabinet's consideration. It has passed our cabinet with our blessing, and it is before the federal cabinet, and I expect it to be announced very, very soon.

And in that event, then we can go through it all in some detail, which will announce the drought-proofing, announce the cash, and then announce some of the longer-run changes that can be made without hurting, without jeopardizing crop insurance and other things, that will allow us to handle these difficult situations into the future.

So I appreciate the offer by the hon. member. I've not ruled it out. We'd certainly have our House Leader explore this and other things.

I will give him this assurance. If we don't get response from our counterparts at the national level, then at a minimum this is the kind of thing that we would be doing to raise the temperature a little bit, as he puts it, with respect to the cash and with respect to changes in various kinds of ongoing programs that we have.

So I thank him for his suggestions. I won't rule them out. They may be useful in something that we can do. But as I said, I expect crop insurance to be able to make, in co-operation with the federal government, announcements as early as tomorrow, and the federal government by next week. And certainly we'll be prepared to jointly piggyback on those in the days ahead, and certainly within the weeks ahead.

Mr. Romanow: — Mr. Chairman, with your permission this will be my last intervention. I'll make it very brief, in the light of the previous response.

I guess the reason why I propose this is essentially threefold. First of all, as the Premier points out, depending upon the time frame, we're not likely to be here as legislators for too much longer, whenever that date is, unless some unforeseen development takes place.

And we don't have a mechanism in place if we do have some inclination to accept an all-party committee unless there's a mandate of this legislature to so direct the job to a body. The moment we adjourn from here, then it is in the hands inclusively of the Executive Council. I don't mean that in the sense that we can't trust the Executive

Council on this issue, I mean it in the sense that if we're going to elevate it for urgency so that all the members understand it, we need an all-party committee. Point number one.

Point number two, I do not intend that this committee be asked to reinvent the wheel. None of us are experts on crop management or soil management or the studies of climate or the research council work, but I do think that as lay people all of us can bring common sense and experience, and our academic background and expertise, to an assessment of how commonsensical these documents and reports are. I think that's another advantage of an all-party group for what might be, by the way, an ongoing difficulty. God forbid that it is! I hope it isn't, but the drought situation may be ongoing, and we're either going to be looking at this thing now or looking at it some time in the near future.

And finally, and this is the last point that I want to make, Premier, and it's up to you if you want to respond. If you don't, then I will understand what your words are. I think it needs something more than the suggestion that the House leaders will meet in the ordinary course of events and talk about this thing.

In my years of experience in government, it needs to have somebody with authority, like yourself as the Premier, to mandate somebody with authority to get the job done if the idea has merit. I don't have much authority as Leader of the Opposition, and goodness knows, in this crowd I have almost no authority. But whatever authority I have, I would designate the same.

What I'm saying is that I think it needs a positive act forward to designate some body or bodies to get on with the job of setting it up — not to reinvent the wheel — have an ongoing mechanism after the session's over and do this in the one area where we can unite. And I understand your argument and if you don't respond to this because of the arguments, and I know that the reasons stand the same, but I guess it's one last, final pitch to the Premier in this regard.

Hon. Mr. Devine: — Well, Mr. Chairman, I was almost tempted to get into the crowd, but I will not. Mr. Chairman, I will say to the hon. member that certainly my House Leader will be instructed to share information as we receive it with you and your agricultural critics and others with respect to the programs that are being designed and announced and implemented.

And so, on an ongoing basis, if the House leaders feel that they need more information or they need briefing, or you and your caucus colleagues need more and more information with respect to the impacts of some of the environmental changes that are going on that may cause some of the drought, the research that we're receiving from the federal government, environmentalists, and others, we will certainly endeavour, and I will give you that assurance, to share that information with you and your colleagues and on . . . If conditions worsen on into the summer and into the fall and you want more information, we would be prepared to share more information with you. And we have members of our agriculture caucus and legislative secretaries and

ministers of Crop Insurance and others and Environment that have access to information, that would be more than willing to share with you.

So I would give you that assurance so that our House leaders can meet, certainly. From our House Leader's point of view, I will say that he's prepared to discuss this with your House Leader at any time that you feel that you need more information. And we can provide it as we receive it and give you the kinds of things that all the public will be interested in as we face very difficult circumstances.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, Mr. Premier, we have seen in years gone by, as in 1985, that drought comes and goes. And the problem that we have is that as it comes and goes it appears that there is no long-term definitive mechanism in place that we can address — not just drought, but any disasters that may come along in Saskatchewan.

We have today, June 23, this side of the House has been asking, where's the program, where's the policy? Your government has been saying, yes, it's coming. Phase one was your announcement for water. We are still waiting for other announcements.

The problem that I have is that the time that's elapsed has involved a number of very critical decisions having to be made by those farmers who are out there in rural Saskatchewan who, one, maybe didn't have the money to make some of those decisions in a way that would benefit themselves in the industry; and number two, that when making those decisions, their options were limited because they didn't know what the government was going to do.

We had your assurance that they could do whatever they wanted and we're going to take care of it. But in light of the record of the government, I'm not so sure that that was very consoling to those people who had to make management decisions, decisions that whereby they could stay in the industry and yet have their cattle fed and watered in order that they could stay in the industry.

So, Mr. Minister, I guess my question is, first of all, why has the process taken so long? Why have you not come forward as . . . In 1985 you and the federal government indicated you would have a long-term program. We have seen nothing to date in terms of a long-term program. We are in a situation in the Midwest United States and in Canada, and as you indicated yourself, it's spreading to other parts, that this drought is certainly going to be something that we have to address in the long term, especially in light of the fact that the trend could continue.

Mr. Minister, why has your government not acted sooner? Why all the delays? You indicated in '85 you were going to have a program. It's June of 1988. Farmers have had to make important decisions and they know not where they stand with regards to the government's position.

Hon. Mr. Devine: — Well, Mr. Chairman, it is always the obligation of the government and the administration of the day, and certainly I suppose this legislature, to

provide as much assurance in cash and program capacity as possible to farmers or others when they face difficult situations.

As I mentioned to the Leader of the Opposition, generally all political parties across Canada over the last 50 years have made significant strides towards drought-proofing and providing disaster mechanisms to assist farmers and ranchers and others that face difficult circumstances.

I will remind the hon. member that we have a magnificent crop insurance mechanism in place now in this country, probably the best system in the world. It's not perfect, and we make it better all the time. But it's there and it's triggered automatically, and it's long run. It's fundamentally sound; it's there with farmers and provinces, and the federal government participating. It is very good insurance up to \$1.5 billion in cash that's available for coverage as a result of modifications that we have made.

Perhaps you have made some suggestions, and others have over the years — or your party — to make it a stronger and stronger mechanism for farmers and ranchers to use for soil conservation, for cash flow, for protection against some of these disasters.

Now we can top that up. And as a result of the '85 disaster here, we have legislation, and in place, rules that will allow us to top up crop insurance so that people can go back to higher coverage and receive a better benefit.

What I'm suggesting today is that you will hear more announcements on changes in crop insurance, what to do with respect to summer seeding and green feed, what we can do with respect to spring-seeded crops, what to do under special circumstances where perhaps you don't want to touch your land and yet you want full coverage. Some cases you may want to, as I have described, or some of our caucus members have described, you want to go and cultivate it just to keep it from blowing. We have to accommodate those in a very long-run sense as we deal with these short-run programs.

Now it's a lot of money, and I'm sure you're familiar with that, that it's a billion and half, and easily could be 500, 600, \$700 million spent in this province a year, out of crop insurance, that is guaranteed, backed up by the public sector, and the farmer knows that. Now it's not enough, but it's a very, very good mechanism, and it is long run, with the capacity to adjust in the short run. That's important.

(1530)

Secondly, all the programs that we are designing with people's help and community's help to provide water management is extremely important. And I won't get into it in a long way, but reservoir management, the diversion of water, pumping of water, the dams, the irrigation, the assistance and incentives to drill for water, pumping water, to make sure that we have access to water in this province under very difficult circumstances, when it doesn't rain or snow or just precipitation is not there.

The combination of programs between the federal

government and ourselves through ERDA (Economic and Regional Development Agreement) and PFRA and water corporation is tens of millions of dollars. And I can think of 97.5 under the federal program, and we've added 8 or \$9 million. Alberta's added 25 or \$30 million to catch up to us, and Manitoba's doing some of the same.

Those are long-run projects, and certainly water projects. Again, not to inflame the situation, but water projects where we build the dam and we save the water, or we provide diversion pipelines like from Diefenbaker Lake to Buffalo Lake into Regina, are long-run programs. And they're not short run; they're very long run. If we don't do them, then you face those perpetual short-run circumstances.

Finally, I will agree with the hon. member that we have been working on a program to announce cash into people's pockets as quickly as we can, that is cash to farmers and ranchers to move cattle or move feed or move water. And I suspect that'll run in the neighbourhood — and I'm just guessing here — from 50 to \$100 million between the provinces and the federal government.

And I expect the federal cabinet to, from information that I have, to give final approval to that package in general in the next few days. I've been in touch and my officials have been in touch with the federal counterparts, and they are advising me that it goes before the full cabinet very, very soon. Now we expected it in late June, and obviously it's getting into late June, and the timing is about appropriate.

The stock growers, I'll say and then I'll take my place, have advised us that we should be careful and watch that we design a program that is appropriate. They've received an awful lot of rain in Alberta, and where they were looking at an \$80 million problem, it's down to about a \$25 million problem. In our case, it's got dryer so we've moved from maybe a 25 or \$30 million problem up to a \$40 million problem, and so we're watching that very carefully.

It's obviously moved into Manitoba, into Ontario, Quebec, Ohio, Illinois, Arkansas, Kansas, Oklahoma, right down to Texas and all the way up to almost the Peace River country. So we have a huge area of North America that is suffering from this. Governments will have to respond.

There will be more access to cash, if you will, as a result of rain in Alberta, but obviously with the drought moving into Ontario and Quebec, it gets more severe, so I think most governments, all governments indeed, will provide the money where there is the need, and that's the thing that we will be encouraging our counterparts to do. So we appreciate your suggestions and your advice.

The long-run stuff through crop insurance is important; that we can modify, as we all agree, certain things, but not hurt the basic fundamental soundness of the crop insurance program because farmers and ranchers really rely on it. So we can make appropriate changes, but still have that actuarially sound so that farmers can continue to buy and have access to very good crop insurance.

Mr. Chairman: — Why is the member on his feet?

Hon. Mr. Hardy: — Could I have leave to introduce some guests, please.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Hardy: — Thank you, Mr. Chairman. It's a pleasure for me to introduce in Mr. Speaker's gallery some ladies who are visitors here to Saskatchewan. They're with their spouses. They are with the board of directors for crop insurance for the four western provinces — B.C., Alberta, Manitoba, and of course Saskatchewan.

Also visiting, or here visiting with them also is a couple of members from Quebec who are visitors at our conference. They're here with their husbands. Their husbands are now meeting a board meeting right now looking at what the Premier was talking about here — long-term planning for crop insurance; how the four provinces can work together to have better and long-term planning.

They didn't realize last night as we were talking to them that Saskatchewan has 43 per cent of the agricultural land in Canada here in Saskatchewan, and how important crop insurance is to us here in Saskatchewan.

So I ask the members to welcome these ladies here today. I'm sure they'll have the . . . find this visit to our Assembly informative. I also wish them a safe journey back to their provinces. I do hope they enjoy our province; it's a great one. And do come back again. And ask all members to join with me in welcoming you here today.

Hon. Members: — Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Agriculture Ordinary Expenditure — Vote 1

Item 1 (continued)

Mr. Upshall: — Mr. Chairman, I too would like to join with the minister to welcome the ladies here today. I'm sure their husbands are doing very good work in this important area of crop insurance to ensure that farmers in western Canada have some sort of a program whereby they . . . that they can rely on to maintain their livelihood.

Now, Mr. Minister, unfortunately your response didn't answer my question. And I don't suppose if I asked again I'll get an answer either. But the problem is that you've waited so long. You're dragging your feet on the programs.

Farmers, a month . . . or eight weeks ago, some of them had to make decisions on what to do with their livestock. They didn't know what the government was going to do. They had no program whereby they could set out

guide-lines, if they should move some of their cattle or sell some of them, or what the implications would be. They just didn't know.

And that's the message that they're conveying to me; we don't know what our limits will be; how do we maintain our herds; how do we maintain the industry in Saskatchewan when we don't know what support there will be — especially in light of the huge debt that's hanging over many of those same people who are grain producers and livestock producers.

So I just say that I don't understand why you're taking so long. The farmers out there don't understand why you're taking so long. In 1985 you said there was going to be a program. We haven't seen one. It just doesn't make good sense for you to be in the middle of June or end of June without a program.

So, Mr. Minister, with regards to crop insurance, will you be putting forward a presentation that would include having crop insurance based on the actual dollar per bushel that farmers receive, including the subsidy? When farmers go out to . . . when they do their budgeting, they budget on stabilization. They know approximately what they're going to get; they hope for deficiency payments. And when it comes to crop insurance pay-backs, they don't have the actual dollars or 70 per cent of the actual dollars that they would have received.

Will your presentation to the federal government include increasing the dollar coverage on crop insurance to reflect the subsidized price the farmers are getting now, roughly 4.50 a bushel per wheat, and down on others?

And the other thing is that in many areas where farmers have collected crop insurance or where they've had hail or something, they're down to 70 per cent of the 70 per cent pay back. So that's a very low figure when it comes to . . . in a year where they are strapped for cash and they don't have enough money to cover their inputs. So, Mr. Minister, will you consider that change to crop insurance?

Hon. Mr. Devine: — Well, Mr. Chairman, I believe that the situation that the hon. member raises is tied to the — if he allows me — more the market price of wheat. When the price is going down, the crop insurance payments were based on prices higher than the market, and when the prices are down and then moving up, it's vice versa.

I believe the recommendations we have made are to tie them as closely to reality as possible, so that, in fact, your insurance reflects what's going on in that market-place. You don't want to be paying too much, and obviously you want your fair share in case you have to collect crop insurance. So it's . . . sometimes it's half a dozen one way, and the next day it's six the other.

So my officials advise me that the suggestions to the crop insurance people is to tie it as close as they can to the market. Now you will find, I would suspect, and as you know, the market has gone up virtually the limit or almost the limit on a daily basis. As we go into the next crop year, you're probably going to see higher initial prices, and you're going to see a reflection in that in terms of your

insurance.

You can never be right on, but you try to get it as close as possible, so that, in fact, if the market is going to reflect, say 4.50 wheat, and it could now because they're even talking — what is it? — beans in the teens, 13, \$14 soy beans now in the United States, and obviously more expensive wheat, then your crop insurance is going to be reflected in that.

So it's always behind, I suppose is the thing, because you can't be ahead of the market; it changes on a daily basis. And we go back and look at the initial payments which the wheat board announces at the beginning of the crop year. It'll probably reflect it in this if we can keep it as timely as possible; certainly that seems to make sense.

The other thing I could add is that when you have changes in the deficiency payment, they are reflected in changes in subsidies other places and changes in the market. So you would have to have a very complicated and very timely adjustment in subsidies and insurance and wheat board prices and premiums to reflect that all the time on a really accurate basis.

So I think, and my officials have advised me that, get as close as we can and follow it closely, and we'll certainly advise them to do that.

Mr. Upshall: — Well I understand, Mr. Minister, the process, but the problem is that despite the fact that grain prices are increasing, that won't be reflected till next year. And the problem that we're running into is based on \$2.65 wheat to the current year, when in real terms the value is about \$4.50, if that's the figure I may use generally. That current crop insurance value does not reflect the value that the farmer expects to get when all his payments are in, and he's budgeting on that maximum, including western grains stabilization and the special grains program.

And when it comes to crop loss and to crop insurance, the dollars he's getting is not reflecting what he's been budgeting upon. And what I'm saying is that crop insurance should take into account that total dollar per bushel value, and then when there's a crop loss, the reason that subsidy is there is because it has to be there to cover his cost of production, plus hopefully maintain him on that land. But the way crop insurance is right now, the world price 70 per cent of the average of that doesn't come anywhere near what he has to have to maintain his livelihood.

So I would ask you again, will you put that solution forward? Will you put forward to your counterparts in western Canada and the federal government that crop insurance should reflect the total dollar per bushel income that farmers will be budgeting on in the next few years.

Hon. Mr. Devine: — Mr. Chairman, let me just try this again. When the farmer buys his crop insurance, he knows what he can buy, so he's not buying a pig in a poke; he knows exactly what it is, and he can cover full coverage or part coverage, summer fallow and stubble, and he makes that decision.

Let me also make the other point. You have production insurance, which is loss of insurance against crop failure, and then you, on the other hand, you have market insurance, which is western grain stabilization on the price side. And you could insure for both, but you don't link the two of them, so that you have production because of crop failures that you can buy insurance for, and then you can do the same thing on the market side. And that's why, over the years, your dad, my folks, and others over the years have designed these parallel systems to handle the insurance that you want to buy as a farmer.

Now I will grant you that when you put some sort of value when you have to buy the insurance, you have to pick something, so they pick the wheat board initial price and they follow that and say, well, this is what we'll base the production on. They have to have a bench-mark. Sometimes it's too high.

And I remind you that, you know, they've paid for insurance that was 4.08 a bushel and the price that they were getting in the market was maybe three and a quarter. They paid for too much. Now it's going the other way and it's too little. But it is production insurance, so all you need is the guide-line there, but you try to be as close as you can and follow the wheat board's chain.

On the market side, you can buy insurance for that as well. And we have the parallel systems great systems, I think the rest of the world, certainly Americans and Europeans, have looked at our parallel system because they are not so much support on the commodity but the support on income, which I think is pretty fair.

Mr. Goodale: — Thank you, Mr. Chairman. Mr. Premier and Mr. Minister, I have two or three questions to ask related to the same subject matter that you've been questioned about already this afternoon and then one or two new areas that I would like to raise with you.

First of all, with respect to the specific questions about crop insurance that you have just been addressing. I would like to put to you a couple of questions that are just a little bit different; the questions that I have received from a significant number of farmers in Saskatchewan where I think your opinion in the present state of affairs would be very helpful.

(1545)

First of all on this issue of limited coverage after a number of years of successive losses, some farmers ask the question that the crop insurance program is different from most other insurances that one might think of in this respect. Because if you're buying some other insurance policy to insure some physical asset, if you have some losses, the risk factor goes up and you can still buy your insurance but you pay a higher premium; you can still buy 100 per cent coverage.

With respect to crop insurance: according to the rules, after a number of losses and a number of years, of course, as you know, you go down to 70 per cent coverage and then down to 70 per cent of 70 per cent, and the arithmetic gets pretty frustrating for the farmer who

wonders if it's worth the purchase.

I wonder if you are considering partially, in relation to this year's problems, but more particularly for the long term, if you are considering an adjustment in that part of crop insurance so that a farmer can always buy 100 per cent coverage. It would affect his premiums, of course, but he would always be in a position to buy to that coverage if he wanted that level of coverage.

And if I could ask a second question at the same time, Mr. Premier, having to do with this price that is worked into the formula in terms of the value of what the farmer is buying. as you have pointed out, some years it's too high, like a couple of years ago, where the going price in the world for grain was substantially lower than the crop insurance guarantee, and now we have the flip side of that where the price is what? somewhere around \$3 or a little bit better than that, and there's been a rising market for grain, and the world price is higher than the crop insurance price.

If it's not possible to take into account all the other programs that bear upon that situation like grain stabilization and special grains and so forth, would it be possible to include in the crop insurance system a formula whereby that price that you, by definition, have to pick well before the crop year starts — is there a way to work into the system a formula whereby that price picked in advance can be adjusted later on to reflect changes, most particularly in world market conditions, so that farmers could benefit from the rising price when we're in an improving market. Again that would have some retroactive effect on premiums that would have to be taken into account.

But I wonder if that kind of flexibility could not be worked into the program. And overall, with these two matters that I've raised with you, keep the crop insurance an attractive form of protection for farmers to have because it has proven in the past to be a very valuable program. We always want to make it as good as it possibly can be. I wonder if those suggestions could go before you for consideration for the future.

Hon. Mr. Devine: — Well, Mr. Chairman, I can certainly discuss these possibilities with the minister of crop insurance and review it. I just throw out a couple of things to the hon. member. From my recollection — an my officials tell me that's likely the case — with the co-operations of members of the legislature and farmers and communities and others, we've designed the individual coverage so that in fact a farmer can buy up to always 80 per cent of the coverage of his 10-year average. So that even if he's wiped right out and he wants to go back again, he has the capacity to get substantial insurance — not 70 per cent of 70 per cent, but 80 per cent of his 10-year, and he can keep it there.

Now that also has some impact on your formula suggestion in your latter question, in terms of picking a price. It could get, I would think, and I'll take it under advisement, I would think, very expensive to have an actuarially sound system that is ratchet one way only because nobody would buy the lower one. So you'd only change your mind if you'd get a higher price for the same

sum of money.

Now to make that actuarially sound, I would think you'd need very high premiums because you'd never know, as the market responded, if you wanted to buy up and then cover it; I mean, it could cost people a lot of money because there's never any sort of off-setting down side.

But I'm willing to explore that, and I will share that with my colleague and maybe they have some information on it. We don't have it here, but certainly I can suggest that you forward this and we'll look at it and see what the pros and cons are, and maybe we can discuss it at another time. But it seems to me that the individual coverage covers a good part of limited coverage after successive crop failures.

Another reason that perhaps we went to limited coverage — individual coverage, pardon me — is that obviously you don't want to encourage people to farm for crop insurance. I don't think you make money at it anyway, but maybe on very marginal land if you want to keep playing games, you might make more than if you just left it alone.

By encouraging them to go to individual coverage, they have to look at their own productivity and base it against the rest of their peers, which seems to me pretty responsible. They can buy it. They can pay for it. As you mentioned, the premium would be there so they can get pretty good coverage. You could probably look at maybe modifying that to 85 per cent or 90 per cent, depending on what farmers might think is reasonable.

To my recollection and from what my people tell me, the individual coverage probably addresses both of those, at least it has so far. Now it's certainly not perfect. Maybe some of your suggestions could be taken further.

Mr. Goodale: — Mr. Chairman, I thank the Premier for being willing to take those things under consideration.

Just one technical question, Mr. Premier, about the drought program that we're anticipating for this year with announcements in the next very few days. I would ask you for some reassurance that one idea that I have heard emanating — not from this province, but from our sister province to the west, Alberta — that that suggestion is not going to appear in the announcements because I don't think it's a particularly useful one from Saskatchewan's point of view.

But I have heard it suggested from some sources in Alberta that one of their proposals might be a way to deal with this problem for this year, avoid this problem of drawing boundary lines, and defining drought areas. One of the suggestions from Alberta was apparently to simply put whatever extra money might be available federally and provincially into a topped-up version of the forage coverage under crop insurance.

The statistics, I understand, would indicate that about 60 per cent of livestock producers in Alberta are covered by their forage coverage. It's by no means that high in the province of Saskatchewan. As you know, we've had some difficulty getting a forage coverage system going in this province.

So if that proposal from Alberta were to be accepted at a national level to simply top up the forage coverage under crop insurance, that might help 60 per cent of those in difficulty in Alberta, but it would leave out the vast majority in Saskatchewan.

And I don't ask you for a long comment on this subject, just some brief reassurance that, to your knowledge, that's not the mechanism that is going to be used, because it wouldn't be particularly helpful here in Saskatchewan if that turned out to be the formula.

Hon. Mr. Devine: — Well I think the hon. member makes a valid observation. We have not got all of our producers, certainly, in a forage insurance mechanism. We're encouraging them to participate. More people have participated in the Alberta pilot project, and it's based on a per head insurance coverage, up to \$150, and a large number have participated in that.

So their situation is different than ours. So I would not see an awful lot of help for us, at least under the current circumstances, if we opted for . . . of if somebody opted for a program that was based on forage insurance. Certainly not here. So maybe some day, as we get more of them into it, it could be part of a comprehensive package. But I would agree with the hon. member that it wouldn't do here, and that's why we've opted for some other alternatives.

Mr. Goodale: — Mr. Chairman, again I appreciate that reassurance from the Premier.

Mr. Premier, if I could move on to a different subject matter that's not altogether unrelated, it has to do with your government's great emphasis upon irrigation and some of the difficulties that have developed in respect of some areas in Saskatchewan where irrigation has been pursued. I am one of those who believes that irrigation is a very worthy objective to pursue, and that we should be pursuing it as long as we are absolutely sure that we're doing it right.

I think one of the things we're discovering in that Outlook district, for example, is that some early mistakes were made, technological mistakes, and some serious problems are now beginning to appear. Some of the original canals are leaking rather badly. There's still the old-fashioned flood system being used in some places. There's soil saturation. The water table has come up. There's salinity problems. There's the difficulty with no original drainage system having been provided to get that excess water out of the soil and back into the river so it can go through the cycle again in the proper kind of way.

So problems are emerging there, Mr. Premier, for farmers, for the rural municipalities, in trying to maintain their road systems; problems, generally, in terms of public policy relating to irrigation in the province of Saskatchewan.

I wonder if you could tell us today if your government: number one, has any specific plans in mind to correct the technical and structural mistakes that were made in the first place; to repair or replace those original canals; to

transfer people over from the old flood system to a sprinkler system or a pivot system; to build in now a weeping tile structure, if I can call it that, to drain out some of that water that is being trapped in place and causing the soil to be saturated and the salinity problem to emerge.

I guess in that district, if you're fortunate enough to be the farmer on the highest land, these problems don't affect you, but if you're further down and closer to the river as the water flow moves through or under your property, you've got some difficulty. And I just wonder what the government's plan might be to address these problems, for the specific purpose that the credibility of irrigation for the future of Saskatchewan can be maintained and not undermined by these sorts of difficulties.

Hon. Mr. Devine: — Well the hon. member does mention an area where — the Outlook area — there have been early pilot projects with respect to irrigation, and mistakes were made. On two of his observations I would concur that we are looking at corrective measures which would involve tiling some of those ditches where there has been seepage and the build-up of salts — should have been done right to start with, but it wasn't.

The second thing is that we are prepared, and have been for a little while, a few years, to help people convert or upgrade to better systems. And we will provide \$100 an acre for people who want to go from flood to pivot irrigation and improve their situation, and as a result of that, I think, what we've learned over the past — the better equipment, the new technology, the kinds of pressure pipes that we're into.

And certainly in Luck Lake and the other things that we're doing, I really believe we can avoid a lot of the problems, and obviously, hopefully we've learned from the past and can overcome some of the technological imperfections that were there at the outset.

(1600)

Mr. Goodale: — Mr. Premier, I wonder if you could indicate a rough time frame in which you might anticipate some of this repair work and corrective work in the Outlook district to be forthcoming. I would be interested to know when you would anticipate some of that beginning to happen, because I think it's an important thing to do quickly before that problem gets too much worse.

And to save time, Mr. Premier, if I could, while I'm on my feet, simply ask you the last question that I'll put to you this afternoon, and that has to do with a different subject matter altogether.

The University of Saskatchewan Department of Agriculture and Economics conducted a study that I'm sure you're aware of, in the early part of this year, entitled, "International Wheat Markets, the Options Available to Saskatchewan." The study was authored by Professors Furtan, Gray, Schmitz and Ulrich, and it's a very interesting analysis of the world grain market situation in which Saskatchewan finds itself rather severely disadvantaged at the present time because of what the

Europeans and the United States and other countries are doing.

This report makes the very interesting point, Mr. Premier, that fighting the trade subsidies of other countries is a fight that we need to fight. We have to persuade those other countries that their export policies in relation to grain are more than just wrong-headed, they're utterly insane, and we're the victims of most of the flack that flows from what those other countries are doing in terms of our depressed grain prices.

But beyond that, the report points out that simply eliminating the subsidies is not going to automatically be a solution to the problem, and the grain price for our farmers in Saskatchewan won't just automatically spring back up to decent levels once you get rid of the subsidies. You do have to get rid of the subsidies, but something more is required after you've removed the subsidies to get that grain price back up.

I wonder what the Premier's comment might be on that analysis by those agricultural economists at the University of Saskatchewan. And I wonder if the Premier would agree with me that beyond just working on that international subsidy problem that we've got, that it's about time now for Canada to be taking the next step, which is talking to a number of our international grain trading partners — most particularly, the United States, Australia, and Argentina — to persuade at least those other three major grain exporters to join with Canada in a new exercise, namely, a new and effective negotiated international grains agreement to try to have some positive impact on that grain price and get it up to decent levels, to a level where those grain prices would be satisfactory from the point of view of our producers that would have to be at least double what it is today, if not triple.

I wonder if the Premier would endorse that kind of activity on the part of the Government of Canada to go beyond just the fight against the subsidies.

Hon. Mr. Devine: — Well you've opened up a really interesting topic, and as I'm sure you can imagine, one that I have some fairly strong views on.

I would just say very briefly that with respect to . . . And I just consulted with the Minister of Environment in water, when we could look at moving on the tiling and so forth. We are doing some work and some research now, and have been with the federal government, on how to tile and where and how best to start that. I'm advised that perhaps within about a year we will begin the process where you'll start seeing the tiling in the corrective tile. We're looking at the various kinds of, I guess, technology and where the problem is and where it's the weakest and where it's strongest and where to correct it and how to link it up to other ditches and several things.

So they're still finishing that research. I will say that we're not going to leave it that way. We're going to do something — and I guess I go back to your original comment — we want to do it right. And if we have to correct it, and it is expensive, at least what you do correct, make sure it is right so you can say, well, we're making

progress and we're not covering it over; we're doing something that's worthwhile.

Secondly, with respect to the price of wheat, I would just make two observations. When we have more and more government subsidies, as you point out, it encourages people to produce something that the world does not need in that amount and you have surpluses. And with the stockpiles that have developed in Europe, and indeed in the United States, you would see prices go down. Now the more we subsidize, the more the surpluses and the lower the price. That's been the case.

There's two things that can get the price back up — no, I suppose three, given your third suggestion. One is you back away from those subsidies which are expensive and you reduce the surpluses. And as the surpluses go down, market prices will go up.

Secondly, you can experience a drought. Because what happens? The inventories go down, subsidies or not. And they say, well we'd have less now than a world's supply of grain on hand, and that's starting to have an impact on markets world-wide.

So I agree with you. Subsidies have hurt us a great deal. Producers around the world, but particularly Saskatchewan producers that are very competitive on an international basis, have had to take on other treasuries that have encouraged their farmers to produce when they shouldn't be producing. We used to sell canola and grain and barley to France and other places. And what happened? Now they don't let it in. They subsidize their own and they take our markets world-wide and they frankly cheat. It's cheating because they don't play fair and they can't compete on a level playing field, and that's all we ask for. So I agree with you.

If you'll allow me just a sentence here, where the seven world leaders that were just meeting at the summit said this, and I just add the sentence:

Our negotiators in Geneva must (must) develop a framework approach which includes short-term options in line with long-term goals concerning the reduction of all direct and indirect subsidies, and other measures affecting directly or indirectly agricultural trade.

Now when that's endorsed by François Mitterrand, the President of France, who is obviously guilty of subsidies, and the Chancellor of Germany, and the Italians, and the Brits, as well as the President of the United States, at least we've got them to say they must reduce the subsidies. That will help. No question about it. It costs us less money and there's less inventories and therefore the prices will rise.

But I add the second point, and I don't mean to belabour it. An international high price set by producing countries is just as dangerous as the subsidies, because what happens is our customers turn into competitors. And if you set the price at \$7 a bushel world-wide, those we are now selling to would say, I'm not going to produce rice or I'm not going to produce . . . I'm going to produce wheat, and I'm going to sell it at that price for somebody because

obviously you're prepared to pay it. You can run into the same problems.

What we need in this country, because nobody can compete with us on a level playing field, is just that — a level playing field. Say you leave the subsidies alone, we will sell wheat and barley and canola any place in the world, with anybody else that you want to play with, as long as you stay out of it. Just leave it alone, because when you go back into it and either set the price too high and allow everybody to get in, then all of a sudden those we used to sell to no longer want to buy because they'd rather produce. They'll convert acreages that have been into grass, into sugar cane, into rice, into all kinds of things, to produce \$7 wheat.

I just point out to you, because it's very important at an international level for Canadians, whether they come from Assiniboia or Gravelbourg or Estevan or Moose Jaw or any place across western Canada particularly, we can compete with the very best as long as we can keep the big treasuries out from under it.

Now if we do go to a price, an international price, then you'd have to play like OPEC (Organization of Petroleum Exporting Countries) and you'd have to say, all right, you can only produce so much and sell so much, and you can only produce so much. And surely in your political career you can remember LIFT (lower inventory for tomorrow) and you can remember other things when we'd come out and tell our farmers, you can only produce X and you can only produce Y, and you can't sell any more, and I'll pay you not to grow because we've got this international price. And it is dynamite. it's just really difficult to get western Canadian dry land farmers particularly, not to grow.

So I agree with you. I want the price up, want to get these other people out of it. The more monkey business we get involved with internationally in subsidies or artificially high prices where we have to lock countries into production, the more politics involved and the more difficult and the more expensive it is.

So in my humble opinion I would say, or I would encourage them, get out of it. I mean, don't get into something that you're not very good at. Just leave it alone. We can produce wheat and grains and oil seeds better than anybody in the world, without subsidy, if they'd just let us compete.

Well I would certainly be prepared to talk a long time on that in a lot of places because the alternatives are . . . We've been there, and they're dangerous and politically they're really difficult to sell. I concur with you, the price has to be higher. Clearly it does. Subsidies have to go. I have some pretty serious reservations, however, about an international agreement where others can also make money. You know, who do you sell to and who do you allow to produce? And that comes at some cost.

Mr. Koskie: — Thank you, Mr. Chairman. I want to address a few questions on a problem that is facing Saskatchewan people, and that is the drought. I want to say, Mr. Minister, that I guess it's about three weeks ago that we did do a drought tour across the south of

Saskatchewan and down from Pangman to Gravelbourg, to Vanguard, to Ponteix, to Rosetown, to Kindersley, across to Lloydminster, to Battleford, and I can tell you that it was the most meaningful experience to see first-hand and to actually talk with the farmers and the business community, the bankers, the credit union managers, and to discuss the reality of the problems and the magnitude of the problem.

I guess if there's a disappointment, is while you indicated, go ahead and do what you have to do and it's retroactive, I think the commitment, the time that it has taken to evolve a program that the farmers can make a decent and informed decision, certainly has been lacking. You've been all the way from the love boat in British Columbia meeting; you had a meeting over in Alberta; you ran to Ottawa with a meeting. And today you stand up and say, well it's in the hands of the federal government and it may come down in a week or two weeks. Desperate people, desperately wanting to keep an industry alive, particularly the cattle people. And I think I'm terribly disappointed and I think the people of the province are concerned that there has been no announcements.

This drought has been before us, and we have been trying to raise it in this legislature. We had tried to move a resolution, an emergency resolution, and we were denied . . . in order to discuss it in a meaningful way in this legislature, and it was denied by your government for opportunity of the members here to discuss it.

We moved also with resolution 17, and that was ruled out of order, even though I think one of the greatest emergencies is the drought. And it, in my view, should have been discussed.

But I want to say, Mr. Premier, there are things that you could have moved on, and according . . . would have been of considerable assistance to the farmers who are searching for relief; that is, for pasture and for feed and for water. And I don't think you have done it.

And I want to ask you whether you have . . . And I know you will say that there is the ag reps and I know you will say they can phone the Saskatchewan Research Council for information or they can phone the Department of Agriculture.

But one of the things that is lacking here, and it would not be a great inconvenience, if indeed you had an information bank, a central information bank which the farmers could phone in toll free in order to get information in respect to pastures that are available in other provinces. I think your government should have been co-ordinating that.

I think you should . . . pastures in other parts of Saskatchewan. I think it should be . . . information should be made available in the desperation of seeking water. I go into Pangman, and they indicate that the information in regard to availability of water in deep wells is just not good enough. They say they go to the water corporation, and it's so understaffed that they can't get the proper information. These are the words of the farmers and the difficulties that they're having.

And so I ask you specifically two questions. I want to be clear and specific on this. Can you indicate what precisely the specific programs that you have to date announced to address the drought situation? That I want you to detail: the specific programs that you have announced, not the ones that are pending, but what the programs of benefit that you have announced to the cattlemen, who I want to address first of all; and secondly, would you consider having an information bank toll free; and a collection of that information and an assembly of that information so that the farmers in desperate situation could have ready access to it. I'd like you to answer those.

(1615)

Hon. Mr. Devine: — Mr. Chairman, in response to the hon. member with respect to an information bank, I would have to say that we've taken his suggestion seriously some time ago. And for his information, I will give him the feed grain and forage listing service that I would have suspected that he could have provided his constituents. But perhaps . . .

An Hon. Member: — Have they got a toll free information centre?

Hon. Mr. Devine: — Yes. Mr. Chairman, if you'll allow me to finish. As an MLA he might want to know and he can write this down. The feed grain and forage listing service which I provide to farmers for Saskatchewan residents, toll free, it's 1-800-667-7564 or 112-800-667-7564, and in the Creighton-Lloydminster area, you can call collect, 787-5951.

And the various kinds of services that you can get by phoning that number are the following: truckers of feed grain and forage, pasture for grazing, contracting feed grain or forage production, winter feeding of livestock, custom baling, custom drying, and custom combining.

And as a result of farmers coming to us, they've said the objectives of these programs should be to publicize for sellers of feed grain and forage so that they can link up with buyers and enable farmers to find out information, as the hon. member has pointed out — where I can take my cattle, where I can graze cattle, where I can find contracting for feed grain and forage production, winter feed for livestock, and the custom kind of services that you might need from time to time.

And I will say that there are peak periods of the year when this was in use, and we have designed this system in some detail since 1985. The peak year of use was in '85-86, during the last difficult period — 2,718 listings offered 366,867 tonnes of feed in 1986-87, and volumes have increased again this year as the result of telephone calls that have gone between farmers and ranchers.

So more than twice the listings have been initiated as a result of this toll-free number, which is the feed grain and forage listing service in Saskatchewan that the farmers are familiar with.

Mr. Koskie: — Two questions that I had asked you in respect to the information bank, and I can tell you that using the numbers that you have available, what the

farmers are getting is, we have nothing available. And they are going out themselves and seeking information from other provinces. And we've talked to cattlemen that have done that, and they just say that the full inventory of information is not as complete as it might be.

I know the desperation of the situation, and many of the normal community pastures and so on are decreased to 40 per cent of capacity, so there's a major problem. But I can assure you that farmers are having some difficulty and they're . . . and exactly the same with information as to availability of water, how deep you'd have to go to drill. In the area of Pangman they're saying they don't know whether the water is suitable if they bring it up, that a purification method would have to be . . . or desalting or demineralization of the water. And those are some things that, you know, have to be addressed. And what can a farmer do out there unless the government takes a lead to these important areas?

But more particularly, what I want to ask you, Mr. Minister: could you be specific and just detail briefly what in fact you have announced so far in respect to the assistance to the cattlemen who desperately need a program, both short term and long term?

Hon. Mr. Devine: — Mr. Chairman, I will send over a copy of the Saskatchewan feed grain and forage listing service that is now in the R.M. offices so the hon. member will have it at his disposal, just so that he knows, and that the R.M. councillors know, and the R.M. offices; so that the public, the farmers and others who want information on all the feed supplies and forage and grazing and custom services. He can have a copy of this. Would you please give this to the member from Quill Lakes.

With respect to the programs that the provincial government and the federal government are providing the public, I will say to the hon. member that there are three parts to it. The first part has been announced already and that has to do with water. And we've been talking about the water, where we will pick up half the costs of drilling for new wells. And that's been very helpful and instrumental.

I'm not sure how many new wells have been drilled, but I know in our area where we farm, there have been wells drilled all over the place, and very successfully, that have provided water to communities and farmers and ranchers and feedlot operators and hog operators and so forth. And so I agree with you. The government should take the initiative to say we will help and facilitate, and we have.

We've announced our programs to transport water, to pump water, to drill for water, and to provide better water management. We've announced our programs for increased irrigation, and not to inflame it; it's obviously announced programs to manage water better, and obviously now have the licensed capacity to put together a major water project in south-eastern Saskatchewan with Rafferty and Alameda, which will provide water for many, many tens of thousands of people for a long time to come. That's the first part of a three-part announcement.

The second part we expect any day, which is

co-operation between the federal and provincial government on cash payments to farmers and ranchers.

The third part has to do with ongoing programs. And there again we've already made announcements. We've announced the feed grain programs associated with winter or fall seeding of fall rye and winter wheat and so forth, that says that you can graze these, you can cut them, and still receive crop insurance.

The minister of crop insurance will be announcing, I hope tomorrow, what we can do with respect to grain feed program and will subsequently be announcing how we can treat the spring seeded crops with respect to feed programs. From then on, we will be looking at any modifications that we might need to adjust crop insurance to handle the soil erosion programs, and obviously we will have a comprehensive, three-pronged approach.

So over \$100 million is in play already. We're looking at from 50 to \$100 million, I would say, announced in terms of cash in the next few days, and we're looking at at least 1.5 billion in total coverage in crop insurance. And all those are in play so that farmers and ranchers know that yes, we were there in '84, '5, and '6 with drought; we'll be there again. We will build up and improve crop insurance where we believe it's important, and provide cash and the combinations of programs, as I've offered the hon. member.

Mr. Upshall: — Thank you, Mr. Chairman. Just a couple of questions, Mr. Minister, on the proposed Babcock swine operation that is possibly going to be going into Saskatchewan. As I understand it, there is a large operation, Babcock from out of Minnesota, bringing American breeding stock into Canada, bending the rules on quarantine, looking for investors to set up a huge, huge couple of hog operations.

Mr. Minister, can you tell me the numbers of hogs that are going to be brought in from the U.S., and who is spearheading the program in Canada?

Hon. Mr. Devine: — Mr. Chairman, I don't know how many animals will be involved in the breeding stock operation. I will tell the hon. member that there will be . . . and obviously there will be no rules bent with respect to quarantine. Any animals that come in here have to live under federal quarantine rules and regulations.

What I am informed, however, is that the particular individuals may be prepared to set up a breeding operation that meets all our quarantine standards, which would be of benefit to western Canada because we don't have that kind of quarantine station here, which obviously would be a benefit to us here in Saskatchewan.

So the size of the operation will depend on the individuals involved and the farmers and the hog breeders. They will have to meet the quarantine standards, and if they do meet them, I understand they're prepared to even set up a quarantine station or meet those qualifications so that in fact we have that kind of capacity here in western Canada.

Mr. Upshall: — Mr. Minister, it was one Mr. Jim McPeak sort of organizing the operation in Canada, and could you give me his background? Could you also give me an estimation of the total cost of the project, and will any of the money be coming out of the new agricultural lending program?

Hon. Mr. Devine: — I recall attending university with Jim McPeak. Jim was an ag grad at the U. of S., and I'm not quite sure what small town he was from, but he was from, I believe, north of Saskatoon some place.

After he graduated, I understand he moved into several provinces in Canada and then down into the United States. He's been involved in a hog breeding program, and he wants to expand it back home in his home province.

So he has explored the possibility of meeting the quarantine requirements of the federal government here in Canada, and he believes that he can and believes, as I understand it, that he would have a natural product that would be very acceptable to the Japanese. And as you saw recently, they have cut their tariff requirements on red meat, and particularly beef, and are looking towards and have favourably endorsed our free trade and trade liberalization schemes and arrangements with Americans and others.

And he will get financing on a combination of ways — I suspect his own, the private sector, the farmers. And they have access to various kinds of programs that we have here in the province and certainly through the agricultural credit corporation.

So with local farmers, with the private sector, with his own funds, they may establish and are trying to establish, as I understand it, a new breeding herd here with special kinds of product that would be very acceptable and is acceptable now to the Japanese market. And obviously it would make, if it's successful, a brand-new quarantine station here in western Canada and right in the middle of Saskatchewan, that we don't have now.

Item 1 agreed to.

Items 2 to 13 inclusive agreed to.

Item 14 — Statutory.

Items 15 to 24 inclusive agreed to.

Item 25 — Statutory.

Items 26 and 27 agreed to.

Vote 1 agreed to.

(1630)

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

Items 1 to 3 inclusive agreed to.

Vote 2 agreed to.

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

Items 1 to 4 inclusive agreed to.

Vote 61 agreed to.

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

Item 1 — Statutory.

Vote 146 agreed to.

**Supplementary Estimates (No. 2)
Consolidated Fund Budgetary Expenditure
Agriculture
Ordinary Expenditure — Vote 1**

Items 1 and 2 agreed to.

Vote 1 agreed to.

**Heritage Fund
Budgetary Expenditure (Agricultural Division)
Agriculture
Ordinary Expenditure — Vote 50**

Items 1 to 4 inclusive agreed to.

Vote 50 agreed to.

**Heritage Fund
Loans, Advances and Investments (Agricultural Division)
Agriculture
Vote 62**

Item 1 agreed to.

Vote 62 agreed to.

**Supplementary Estimates (No. 2)
Heritage Fund
Loans, Advances and Investments (Agricultural Division)
Agriculture
Vote 62**

Item 1 agreed to.

Vote 62 agreed to.

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

Hon. Mr. Devine: — Mr. Chairman, I would just join you in thanking my officials for all their work, and those that are in the gallery that have provided back-up information in the Agriculture Credit Corporation and in Agriculture.

I appreciate their advice and their diligence in providing

us with a great deal of information and service in an industry that is in some trouble. And they've rolled up their sleeves and frankly they stayed right with it, so I just want to publicly thank them for all their hard work. Thank you.

Mr. Upshall: — I would like to join the minister in thanking his officials for the information that they have provided for us during these estimates.

**Consolidated Fund Budgetary Expenditure
Executive Council
Ordinary Expenditure — Vote 10**

Mr. Chairman: — Would the minister introduce his officials?

Hon. Mr. Devine: — Thank you, Mr. Chairman, I will introduce two, four, six individuals that are here for Executive Council. The acting deputy minister, Mr. Larry Martin; the Clerk of Executive Council, Mr. Ron Hewitt; the acting director of administration, Sheldon McLeod; the administrative officer, Bonita Heidt; and assistant to the acting deputy minister, Susan McLellan; and the principal secretary, Mr. Craig Dutton.

Item 1

Mr. Romanow: — Thank you very much, Mr. Chairman. I thank the Premier for introducing the officials.

Mr. Chairman, the estimates which we are about to undertake a review of today and maybe this evening as well — I suspect this evening, given the time — this review is very important because, as everybody in the legislature knows, and as I believe the people of Saskatchewan know, it's the Premier's department, Executive Council, that we're studying, and as such it is probably in a sense the most important department of all the departments of government — the government department which is responsible for the overall policy, the overall direction of the government.

This department is responsible for overseeing how a government implements its political philosophy. It's also responsible for watching closely how those policies are impacting on the people of Saskatchewan. These are the roles, in essence — there are many, of course — but these are the roles of the Premier's department and the Premier, and it is in that broad, general context that I'd like to discuss some specific, major issues during the course of these estimates.

I suppose if I had to summarize what we have observed of this administration, I would say that the political philosophy and the specific policies of this government, this Premier, have radically changed the face of the province of Saskatchewan in ways which I find, and members on this side of the House find, and I would argue many people in Saskatchewan find, to be totally unacceptable.

Let me name some of them. We've studied agriculture at length. This will perhaps come up in the course of the discussions, but in the interests of time, let me discuss others which we have already . . . that we have not

discussed during the course of this legislature in detail.

First is the question of free trade. This government, as the members of this Assembly know, has committed itself firmly, irrevocably, I would even submit, blindly to what I describe as the Mulroney-Reagan trade deal which sets up a North American free trade zone as we see it, a deal which will only see our province and our country become, through the effluxion and the passage of time, more and more of an economic colony.

If this was a trade deal alone, then I think the arguments of the Premier and those proponents of it would be much stronger. But in effect what this is, as President Reagan has described it, it is the new North American economic constitution; it is the beginning of an economic union between the United States and Canada.

Now we, on this side of the House, argue that Canadians don't have to give up control over our economic and social policy decisions, or many of those economic and social decisions, in order to enjoy increased trade or in order to enjoy increased economic growth and opportunity.

Moreover, we on this side of the House argue that by signing this deal we ought not to be placed in the position that we've been placed, namely, of limiting Canada's economic and trade horizons, basically to what has been described as fortress North America. We believe that Saskatchewan people and Canadian people can and must compete with any nation on earth, and that we should be making those economic policies and choices to maintain our competitive advantage as best as we can throughout the world, with all of those nations; or in short, to keep our options open.

By joining in a comprehensive named free trade deal, but in reality economic union with the United States, those options are severely curtailed — curtailed as other countries not privy to that arrangement, such as Japan and the Far East, express concern about the impact on them and their trading relationships with us; concerned about the fact that we have stepped that much closer to an irrevocable economic union with our friends, the United States of America.

(1645)

On this point therefore, Mr. Chairman, first, we on this side have a major difference of policy with the Premier and his government about the direction of the province of Saskatchewan. And it extends beyond Saskatchewan — the future of Canada, this province being a party and a part of that. And I'll be exploring some detail in this particular area of this very important, perhaps over-arching issue of our countries.

Another major policy area of concern, the second field which I wish to identify with the government and the New Democratic Party, members on this side are at odds, deals with the whole rubric of economic development and a sub-aspect of the question of economic development — initially the policy identified by the Premier in 1982, in the early months of the new administration as it then was, symbolized by the phrase "open for business," and now,

having moved from open for business to the new thrust, since 1986 and the election of the government in 1986, of privatization as the main engine of economic development.

Mr. Chairman, we oppose what we've seen thus far in general because the way we analyse the historical development of the economy and the social and the political structures of this province, we see that history based on the development of a mixed economy. By that I think everybody understands an economy which has, in effect, three cylinders working to it — the private sector cylinder, the co-operative sector and that cylinder, and where necessary — I underline those words — the public sector, through public co-operation and public enterprise, working together to maximize economic growth and opportunities.

Under this administration we have seen the elimination of the department of co-ops, albeit some functions are resident in lesser portions elsewhere in the government. For the first time since 1944, the demise of the department of co-ops, and with that, I would argue, the heralding of a period of neglect, benign or otherwise, of one of the cylinders of that mixed economy.

And with privatization, of course, we see the ideologically committed approach that the public sector, that public sector which is intermeshed with the other two cylinders, that that public sector should now be dismantled or disbanded. A variety of schemes have been tried by the government, some worse than others, but the general direction and thrust has been — make no mistake about it — a general thrust of either shutting down two of the three cylinders of economic growth, engines of economic growth; if not shutting down, greatly hindering the capacity of the mixed economy to perform.

In our judgement, if we're to overcome the many disadvantages that this region has, kind of the tough hand that was dealt to us — climate, distances, where we're far away from large population centres, the problems of freight rates — if we're to overcome the difficulties of a small population base and therefore small markets, a strictly market-place, market driven, economic development approach which is the essence, the core, the heart of this administration's policies, is doomed to failure.

Our pioneers and our forefathers and successive governments since that time, all the way from Douglas to Lloyd to Thatcher to Blakeney, sought, in response to the circumstances of the day, to make sure that those three cylinders of the private and the co-operative and the public sector were working as best as they could, flat out; to benefit the people of this province, to provide jobs, to provide opportunity to be able to create wealth in order to redistribute that wealth in order for us to have the finest in health care, the finest in education facilities, the finest in all the other amenities which we have grown to expect in this province, ranging from highways and roads to services perhaps too numerous to mention.

This government has chosen the deliberate policy of turning its back on that history and tradition. It does so under the rhetoric of being futuristic, but in reality it has

opted for a model which existed prior to the 1930s, but the 1930s drove home to us, as a model which was doomed to failure, and which prompted thereafter the mixed economy of which I talk.

They want to go back to this kind of a model, notwithstanding the words, notwithstanding the rhetoric, notwithstanding the various . . . I don't want to use the word "gimmicks" because it may be unnecessarily provocative to the Premier and I don't intend to do that today, but the kinds of endeavours which the government has been involved in. However they spice it up or describe it, the truth is that we are turning our backs on the traditions and histories of this province.

Sunday shopping on a wide-open basis is a commitment to the market-place. Free trade is a commitment to the market-place — it locks us, handcuffs us to the biggest engine of the United States of America, which is only driven by one cylinder, the private enterprise cylinder. There is no co-operative or public sector to speak of.

This government is turning its back on this history. And I would argue, not even from an ideological basis necessarily, but from a pragmatic basis, that if we as Saskatchewan people ever are going to succeed continually in fighting the continual problems of climate and distance and drought and small population, the traditional laws of economics, the market-place principles simply can't work. What is required is to build on those traditions and on those features in a positive way.

Some Hon. Members: Hear, hear!

Mr. Romanow: — In its search to be different, in its search perhaps to buttress its genuinely held and firmly held, we know, belief on privatization, the government has cast far and wide to look for models which it seeks to import and transplant upon the Saskatchewan prairie basin — North American basin. It does not go to the United States of America.

Privatization, while existing in some elements there, is not a feature of the United States because there's not much to privatize other than municipal governments. Apart from Tennessee Valley Authority, and a few other of that, the basic delivery mechanism of economic growth in the United States is the private sector basis, whether it's energy or telephones or big industry, or whether it's the military complex or whatever. The privatization motivation does not find its genesis there.

So it not only goes outside of Saskatchewan. Not only does it go outside of Canada, which has had up to now, too, a mixed economy — up to now, before the election of Mr. Mulroney and the Progressive conservatives federally. It not only goes outside the North American continent of the United States in its search for ideas and mechanisms and methodologies for the implementation of this policy, it goes across the Atlantic to the United Kingdom. It seeks to build this policy and apply this economic approach used there in entirely different circumstances and seeks to bring it back to a frontier, western Canadian, entrepreneurial, co-operative, public sector, mixed model, and graft on to this scheme a

mechanism which essentially is not only not consistent with our history and our tradition, but is foreign to what Saskatchewan and western Canadian people understand to be the growth.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And this is, Mr. Chairman, not a minor piece of surgery; this is a radical piece of surgery — a radical piece of surgery for all of western Canada.

Take for example, the . . . (inaudible interjection) . . . And, Mr. Chairman, I'm perfectly prepared to respond to the gibes of the member from Lloydminster and Cut Knife. If he wants to have this kind of a discussion of the estimates, believe me I'm perfectly prepared to do that on a second's notice.

So I think you have to make a decision, sir, whether you're going to enter this debate responsibly and publicly, and I can at least hear your arguments and rebut them and you can rebut mine. Are you going to give me the courtesy to expand the views, as I hope that our side will give the Premier the courtesy to expand his views, because these are important issues?

Some Hon. Members: Hear, hear!

Mr. Romanow: — And I want to say, Mr. Chairman, in this regard . . . I was about to say that this is a radical piece of direction in the economic political area that we're talking about.

In the days of the late premier Ross Thatcher, his number one goal was industrialization and diversification — get industry here. He was a free-enterpriser; his main emphasis was on the free enterprise model. I can understand the Premier following that. But he never articulated a policy of privatization which would kill one of the . . . (inaudible) . . . of the industry. Not even Mr. Thatcher went that far.

When Peter Lougheed was the premier, a Conservative premier of Alberta, when Blakeney and Lougheed, as the two leaders from Alberta and Saskatchewan, sat around constitutional tables seeking additional constitutional powers, say over resources for the west, the purpose of that objective was to do what? — to give the region the power constitutionally and legally and economically to build the mixed economy model.

Mr. Lougheed, with his experiments privatization took place, but even there the principles of privatization never took hold or root to the extent that they have here in the province of Saskatchewan, or to the extent that they are about to take hold, as we are to believe the minister of privatization. There never was a minister of privatization in the Lougheed government. There never was a minister of privatization, so far as I know, anywhere — maybe British Columbia and Mr. Vander Zalm. I don't think that's a very good model for the Premier to follow. But there wasn't anybody in the western Canadian basin except this.

I cite this not because I want to summons political opponents of mine in support of the proposition that I

advanced, I cite this because I want to emphasize the point that we are, we members, we fellow Saskatchewanians, we are embarked on a radical and potentially dangerous economic thrust, a dangerous economic thrust which has not been tried heretofore. It flies, as I say, in the face of the economic reality, the climatic reality, the geographic reality of the province of Saskatchewan, if you will, the whole basin, including the United States.

Go south to the 49th where there is only privatization of the private sector, and compare 500,000, 600,000 people directly south of us, compared to our million here. There's got to be reason for that: because we were smarter. Whether we were Liberals or Progressive Conservatives or CCFers or New Democrats, we were smarter.

We said that we were all in this boat together, overcoming these great obstacles, and we had to pull together and we needed all the oars that we could to get that boat moving, and that meant public and co-operative and private sector in a proper combination. We did not say foolishly that we would shut down two of the cylinders, and thereby depopulate our province to less than 500,000, 600,000 people. We would be smarter. And we succeeded.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And we succeeded, Mr. Chairman. We succeeded. There have been failures, I admit that. There have been failures in the public enterprise sector, just like there have been failures in the co-operative sector, just like there have been failures in the private sector, but on balance we succeeded and we created wealth, and we redistributed that wealth to make the finest medicare and hospitalization program in Canada — no, I would say anywhere in North America, if not the world — we have that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — And we built well. We built schools and we built universities and we built roads and we built highways, and we tried opportunities. And there were periods where, whether it was Mr. Thatcher or Mr. Lloyd — and there are periods now under the current Premier where circumstances beyond our control — the drop in resources — always would impact on what was happening. But backing that always up, being as a safety net, was this mixed economy model, and today, Mr. Chairman — today, Mr. Chairman — we find an entirely different approach which is radical and major.

It has meant that this policy, or no-policy, this reversal policy, generally it has meant the threat of loss of jobs. I can give examples of SED, the Fleet Aerospace takeover — some people say it's small numbers at Sask Minerals. But Sask Minerals . . . one could go on. And we can discuss this in detail in a moment, as we discuss these section by section if the Premier will agree with me as I raise them.

Today, more than ever, we need a reversal of this policy, based on a policy of co-operation. More than ever, Mr.

Chairman, we need a policy, economic policy, which is made in Saskatchewan, by Saskatchewan people, and for Saskatchewan people — more than ever, we need that today.

(1700)

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Chairman, there's a third area. We have seen, as a result of all of these policies, free trade, privatization, the diminution of economic growth and generation — the loss of that not totally the Premier's fault; there are international circumstances which affect it of course — but we have seen a shrinking economic pie.

And with it we have seen the beginnings of the collapse of the infrastructure in rural Saskatchewan. Our towns, our villages are all struggling; our workers in the cities are struggling; we're seeing small-business people up against the wall on the Sunday shopping hours situation. We are seeing the third area which I wish to discuss now, and that is the fiscal management and taxation policies and direction of the government in the management of the purse of the government. It's part of the same policy.

Here, Mr. Chairman, the government has at least been consistent with its megaproject approach, its continentalist approach, its private enterprise approach. Here, too, it's consistent. We've seen the government's budgets over the last six years clearly putting the heaviest burden on taxation, on fees, on utility charges, on average families. And truly, those who are able to pay more, pay a little less.

We say on this side that the taxes and the utility charges on ordinary families need to be reduced. It can be done with better management and choices of government internally. But it can be done also by a genuine policy of tax reform, where those who are able to pay a little bit more, pay a little bit more; or, putting it another way, pay their fair share. That is a principle of democracy in government — fairness — fairness.

Some Hon. Members: Hear, hear!

Mr. Romanow: — If we could stimulate our economic growth, if we could get our private sector going again, our small private business sector — I don't mean the big megaprojects that the government is so determined to attract; that may be important on occasion — but if we could, Mr. Chairman, just imagine, stimulate that mixed economy again to start getting wealth generation, and then put a principle of fairness in taxation in the policies, the utilities, the way they're conducted, back into our system of government, Mr. chairman, I am confident that we would not have to have cut-backs in health care, to the drug plan or the dental plan. I'm confident that we wouldn't have to see a massive deterioration of the highway program like we've seen — probably unparalleled in the history of the province of Saskatchewan. I'm confident that there would not have to be quotas for our university students, there would not have to be quotas with respect to our technical institutions.

I'm confident that we would not have to lose 5,000 people, which we have already in the first three, four months of 1988, because we could devise programs which are based on compassion, security and fairness, as opposed to the current direction which we have taken.

Some Hon. Members: Hear, hear!

Mr. Chairman: — Order. Being 5 o'clock, the committee will recess till 7 p.m.

The Assembly recessed until 7 p.m.