

The Assembly met at 2 p.m.

Translation of Statutes by GigaText System

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Calvert: — Thank you, Mr. Speaker. Pursuant to rule 11, I rise to present a petition today of 620 signatures, residents of Saskatchewan who are opposed to this government's intention to spend \$9 million on a Future Corporation to celebrate the 85th birthday of the province.

Mr. Speaker, this petition was organized and collected by a number of health care employees in my constituency who went to their friends in Moose Jaw and friends around the province. Mr. Speaker, their petition reads:

It is not in the public interest for the Government of Saskatchewan to spend \$9 million to hold an 85th birthday party for Saskatchewan when those same funds could be put to better use in re-establishing programs arbitrarily and unfairly cut in past budgets, and those same funds will contribute towards uselessly enlarging the already massive provincial deficit.

Mr. Speaker, I'm pleased to present this petition.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Hon. Mr. Schmidt: — Thank you, Mr. Speaker. I would like to introduce to you, and through you to this Assembly, 15 students from Goodeve School in Goodeve, Saskatchewan, in the constituency of Melville. They are grade 8 and 9 students seated in your gallery, Mr. Speaker. I will be meeting with them at 2:30 after question period. They are accompanied by their teacher, Dave Petlak, the principal, and their bus driver, Cyril Denesuk. And I ask all the members to welcome them here today.

Hon. Members: Hear, hear!

Hon. Mr. Tusa: — It's my pleasure to welcome some guests to the Assembly as well this afternoon. I would like to welcome John and Pauline Domm and Jack and Helen Domm, visitors from Dysart, from my constituency.

They have with them visitors from Detroit, John and Jack's brother, Antony Domm, and his two daughters, Deloras McFarlane and Bev Gies, along with her husband, Bob Gies.

I trust they will enjoy this afternoon's proceedings and our friends from the United States will enjoy our question period and the tour of our gallery. Please welcome them to the House.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Mr. Anguish: — Thank you, Mr. Speaker. My question is to the Deputy Premier. Yesterday we had the "Gigamess" demonstration put on by Jean Pierre Paillet, the spokesman for GigaText, and he compared the system to a four-year old and he said something like: it has all kinds of memory but not much sense. And this was kind of borne out in the fact, Mr. Minister, that the reporter selected a sentence that the system failed to be able to translate because "bank" was used as a verb instead of a noun. Now this is great accuracy for translating statutes.

Now in light of the fact that the minister has invested \$4 million; in addition to that, committed one and a quarter million dollars, for a total of five and a quarter million dollars, the 15 words that were translated by the Gigamess system worked out to \$350,000 a word. Now can you tell us today, how much more are you willing to spend before you quit misleading the taxpayers in the province of Saskatchewan?

Hon. Mr. Berntson: — Mr. Speaker, I think it's fair to say that the system, Mr. Speaker, is not yet mature. I think, Mr. Speaker, the system might operate at a similar level to members opposite, Mr. Speaker. The difference, I guess, between the system and members opposite is the system is capable of learning. Having said that, Mr. Speaker, did the system yesterday translate English to French? The system yesterday did . . .

The Speaker: — Order, order. Order, order. Order.

Hon. Mr. Berntson: — The system yesterday did translate English to French, Mr. Speaker. Well did it translate old English to French? No it didn't, Mr. Speaker. Did it translate statute language to French? No it didn't, Mr. Speaker.

And, Mr. Speaker, we have always said, we have always said when we brought this technology to Saskatchewan that it would have commercial application well beyond the translation of Saskatchewan laws, Mr. Speaker. I've said, when it gets to that, it could do the whole statutes of Saskatchewan in a half a day.

The commercial opportunity, Mr. Speaker, exists in the language of everyday usage. Those are other domains that will be developed, and I have confidence that they will work, Mr. Speaker.

I have in my hand three expert opinions, Mr. Speaker, or quotes from three experts who have looked at the system, Mr. Speaker. They include a Brian Harris, associate professor, school of translators and interpreters, University of Ottawa. This person, Mr. Speaker, is a permanent member of International Committee on Computational Linguistics, Mr. Speaker.

Mr. Anguish: — Well the fact remains, Mr. Deputy Premier, that at \$350,000 a word, you could find thousands of people in Saskatchewan that would be happy to translate at that price.

Some Hon. Members: Hear, hear!

Mr. Anguish: — In regard to your previous deadlines, the minister responsible for SEDCO said in this House on June 2:

... we have made it clear, Mr. Speaker, that we have given the company to June 17 to demonstrate the technology does in fact work.

The same day the Minister of Justice said in regards to the technology:

... will that work? And that has been mandated by SEDCO to the middle of June sometime to determine that.

And on June 5, you yourself, sir, said:

We have, Mr. Speaker, right here in this House, indicated to members opposite that (the deadline for) the technology to be proven and up and running ... is June 17.

Up and running, Mr. Minister, up and running? We're not talking about four months, eight months, 20 years, in terms of some experts. Clearly you've set deadlines; clearly you've not met them.

What action are you taking regarding this company coming clean on spending of taxpayers' dollars for translation of statutes that is not occurring, sir?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — I know members opposite would take great delight, Mr. Speaker, in throwing the baby out with the bath water. We're going to take an objective look at this, Mr. Speaker ...

The Speaker: — Order, order, order. I have to ask hon. members to contain themselves and not immediately interrupt the Deputy Premier when he begins to give the answer. I certainly don't think that's very courteous or becoming to the Assembly, and I'm sure you agree with that.

Hon. Mr. Berntson: — Mr. Speaker, we're going to take an objective look at this, and we're going to be talking with the people who have looked at it and offered expert opinion on the system, Mr. Speaker.

Mr. Speaker, this Brian Harris from the University of Ottawa, Mr. Speaker, has said, if we crack ... succeed in cracking those markets, and he's very optimistic that we can, Mr. Speaker, then we may well become the leading Canadian enterprise in this field, Mr. Speaker.

Diane Blais-Ialente, Mr. Speaker, of Woods Gordon Management Consultants, a specialist in this field, Mr. Speaker, has said that this system is very promising, Mr. Speaker. She's seen nothing, nothing that could come close to performing as this position can perform, Mr. Speaker.

And then we have Jean Baudot, a professor of

a department of linguistics in Montreal. He said, Mr. Speaker, the present achievement is quite remarkable considering the size of the task and the number of people participating and the time devoted to the project. He says, Mr. Speaker, that GigaText, in his opinion, will deliver to the extent that any computer-aided system or computer-translation system can ever be expected to perform, he estimates, in four to eight months.

Now they want to throw it out, Mr. Speaker. They want to throw it out ...

Some Hon. Members: Hear, hear!

The Speaker: — I might just say that — if the member from Regina Elphinstone cares to listen — that perhaps we're getting into debate. And I think that the hon. member asking the questions and the hon. member answering them should be cognizant of the fact that we don't want long questions and long answers, which we've been getting.

Mr. Anguish: — Thank you, Mr. Speaker. I appreciate that.

Mr. Speaker, I have a new question to the Deputy Premier. I'm glad to see that you have obtained some evaluations, and you take quite great pride in quoting little snippets out of the total evaluations. You referred to the consultant from Woods Gordon Management Consultants. She also said, and I quote:

I would not acquire such a system now without seeing further development.

The professor from the department of linguistics at the University of Montreal said, in addition to what you said, sir:

The return of such projects involving advanced technology can only be obtained over a somewhat longer term.

Now I'm asking you today: we know that you didn't look into it very closely when you gave Guy Montpetit millions of our tax dollars; we do have some indication that you looked into it as an evaluation of the system. Will you today in this House table the evaluations of the GigaText system so all taxpayers in the province can see how their tax dollars have been spent?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, we might as well finish the quote from the Woods Gordon management consultant, Mr. Speaker. It says:

Despite the fact that the development is not completed, it is a promising product.

Mr. Speaker, it is a promising product.

Professor Baudot of the department of linguistics of the University of Montreal — we will complete that one as well:

I believe the project is worthy of being supported longer. The return of such projects involving advanced technologies can only be obtained in a somewhat longer term.

He guesstimates — I believe it's him that guesstimates four to eight months, Mr. Speaker.

I quite frankly, Mr. Speaker, have a fairly high regard for the credentials of these people who are telling us, Mr. Speaker, that what we have is very promising, very promising, Mr. Speaker — leading edge in Canada for sure. Absolutely leading edge in Canada. And, Mr. Speaker, they would want us to throw the baby out with the bath water.

But, Mr. Speaker, I don't know whether we will proceed with this or not, but I'll tell you this, it will get a very objective view with all of the independent expert opinion that we can find before we make that decision, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Anguish: — New question to the same minister. Mr. Deputy Premier, how much egg do you need on your face before you declare this project a provincial disaster area? I would like to say that you haven't answered questions; you won't table evaluations; you don't come to this House and come clean; you've hidden behind RCMP investigations; you've hidden behind court cases in Montreal.

At what point, Mr. Minister, are you going to say enough is enough? How many deadlines are you going to set and ignore? And when will you pull the plug on this project or show some respect for the taxpayers' dollars? What are your intentions? When is enough enough on this project, Mr. Deputy Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, to invest in new technology is not an improper course of action. Now members opposite, Mr. Speaker, members opposite . . .

An Hon. Member: — Tell them about Nabu.

Hon. Mr. Berntson: — Yes, let's talk about Nabu for a while. They sunk \$8 million . . . the equivalent of \$8 million, Mr. Speaker, for what? For what? For eight and a half per cent of a company, eight and a half per cent of a company that we finally wrote off with a book value of \$9,900.

Mr. Speaker, they talk out of both sides of their mouth. Now he talks about hiding behind an RCMP investigation. I think all fair-minded people believe that the RCMP investigation is a proper course of action in the circumstances, Mr. Speaker. I believe that.

And I believe, and I've said it; I've said it in the past; I say it again: I'm quite prepared, I'm quite prepared to wait for the outcome of that investigation being filed with the Minister of Justice. I also believe, Mr. Speaker, that it's fair and reasonable, fair and reasonable for all of the evidence

to be put before the courts in Montreal in the civil action and to wait for the judge to render his decision. I see it, I see it as a useless exercise, Mr. Speaker, to hear us . . . have to listen to the transcript of the previous day's evidence every day in this legislature, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Mr. Speaker, I have a question for the Deputy Premier as well. Mr. Deputy Premier, I find it amazing to hear that GigaText feels it's under no obligation to translate statutes but it's willing to do so out of the goodness of its heart.

Now I want to quote from you in this House on May 30. You said:

. . . several months ago there was a Supreme Court decision that imposed on Saskatchewan the requirement to translate statutes into French.

And at that time . . . we took the view that it was a very, very costly exercise to simply translate statutes into French . . . and so we went looking for an easy, inexpensive method to do this very thing. And we did that, Mr. Speaker, we did that.

Mr. Deputy Speaker, nobody will deny that you haven't had a hard time with GigaText — it hasn't been easy for you. You went looking, and what you found was GigaText. You found a way to funnel \$5.25 million into Guy Montpetit's pockets. But my question is this, Mr. Deputy Premier: why did you choose to mislead this House on May 30 of this year?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I don't know what he's suggesting that would be in any way misleading. It was imposed by the Supreme Court of Canada that we translate the laws of Saskatchewan into French. We brought amendments to, I think it was The North-West Territories Act of 1890, and said that we would do it in Saskatchewan's time, in Saskatchewan's way, and that's what we're doing.

But it was as a result of that that the idea came that we should see if there were some . . . and I believe it was even mentioned during the course of the debate on that amendment that we would look for some advances in technology that could help us with that. We went out and we looked. We went out and we looked, Mr. Speaker.

And we have a system now called the GigaText Translation Systems that can translate from English to French, Mr. Speaker. Can it translate statutes? No, it can't, not today. But expert opinion says that they believe that it will. Can it translate old English? No, but it likely could if we loaded old English vocabulary into it. Can it translate Latin? Not yet, but it may. Can it translate Spanish? Well, likely some day, Mr. Speaker.

And they want to throw all of that away. I'm going to rely on some expert opinion, Mr. Speaker, and get some objective view as to the odds of success or failure. Then, Mr. Speaker, I will go to my colleagues and make a

recommendation to them.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — I have a new question for the same minister, Mr. Speaker. Mr. Minister, what you tell us on May 30 is a different story from what you're telling us here today, and I think that's unacceptable, and I think the people of this province will find out.

I ask you, Mr. Minister, if it was never your intention that GigaText was here to translate statutes into French, you should have perhaps passed that information on to the Premier, who — and I'm going to quote — said on May 31:

... certainly the government was and is looking for the best technology we can find to translate from English into French because of the obligations of the Supreme Court (which would indicate statutes) ...

And he goes on:

... and the Bill that we passed here ... So we are ... looking for the best technology and the most efficient technology to do that.

Mr. Deputy Speaker, when did you make it clear to the Premier that it never was your intention to have GigaText up and running to translate statutes, or did you ever explain that to him?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I'm sorry I didn't get the question. I'd be happy if you'd ask the question again. I couldn't hear over the roar of members opposite, Mr. Speaker.

Mr. Lautermilch: — Thank you, Mr. Speaker. I'd be happy to ask the question again. My question was, Mr. Deputy Premier, when did you make it clear to the Premier that it never was your intention for GigaText to translate statutes from English to French, or did you ever explain that to him?

Some Hon. Members: Hear, hear!

Hon. Mr. Berntson: — Mr. Speaker, I think members opposite again aren't presenting the whole story. Here a while ago I think it was one of your colleagues that was standing up said, why would you do this silly thing, because you're going to lose federal funding for translating through this computer system? And you said that the federal government said that they wouldn't fund any ...

The Speaker: — Order, order. Order, order. Order. This is the third or fourth time that I've risen to ask hon. members not to be constantly interfering. A certain amount of this is allowed, but constant interruptions, as you know, are not allowed, nor should they be.

And I've asked you several times to refrain from such, and I ask you once more. And I do hope that you will take note

of it and allow the Deputy Premier to continue his remarks.

Hon. Mr. Berntson: — Well, Mr. Speaker, they were talking about the federal government not funding translation that was done in any other way other than through manual translation. And, Mr. Speaker, I saw some media reports, following that suggestion, that they were out to lunch, that the federal government was prepared to fund any acceptable translation. I suppose that means whether it's computer-aided translation or manual translation or any translation through any means that meets their standards, Mr. Speaker.

He talks about, when was the decision made not to do the translation through GigaText technology? There was never a contract with GigaText to do the translation, Mr. Speaker. It was decided, it was decided early in the game that the system should be brought up to speed in that area where the best opportunity existed commercially, Mr. Speaker, and that's in everyday usage.

Some Hon. Members: Hear, hear!

Tourist Development and ERDA Agreements

Mr. Mitchell: — My question is to the Minister of Trade and Investment. Minister, last week the federal government announced that it would not renew the \$33 million tourism development agreement with the province. That agreement ran out March 31 of this year. In fact, all seven of these economic and regional development agreements ran out the same day, and some \$200 million in development money shared 50-50 with the federal government is at risk. Could you tell us today, Minister, what is the fate of the other six economic and regional development agreements?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, the negotiations between the federal government and the provincial government with regard to those agreements does not fall under my department. That falls under intergovernmental affairs, and what I will do is undertake — and I believe that there's negotiations going on there — I'll undertake to get that information and bring it back to you.

Mr. Mitchell: — While the minister is taking notice of these questions, you'll know that these agreements provided stable, long-term financial assistance of a type that is not controlled by political whim, such as is the case with the western diversification office. What, Minister, does the federal government propose to replace those ERDA (Economic and Regional Development Agreement) agreements with? What is your good friend the Prime Minister doing to help diversify our economy if these agreements go by the boards?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Mr. Speaker, as I indicated earlier, the negotiations are ongoing at this point in time; that the Department of Trade and Investment is not heading up that negotiation. I will undertake to find out the information I can and bring it back to the House.

Mr. Mitchell: — A new question to the same minister, Mr. Speaker. Let me try and ask you one that I think you can answer, Minister. These economic and regional development agreements are very much industry-specific grants, the kind that the U.S. is bound to look on as a potential countervailable subsidy when the free trade agreement is opened up for discussion of subsidies.

Now isn't it true, Minister — and you'll be able to answer this as the Minister of Trade — that the federal government is getting rid of these grants now, rather than renewing them and having to remove them at the request of the United States. Isn't that what's happening?

Some Hon. Members: Hear, hear!

Hon. Mr. Andrew: — Not in the least, Mr. Speaker. The proposals being advanced, in our view, are certainly consistent with the free trade agreement. We've said that; many other people have said that.

We are not sure — and as I indicated, I'm not in the process of negotiating myself, nor is our department — but it's certainly not driven by the free trade agreement. If it's driven by anything, it's driven by Michael Wilson in his desire to reduce spending at the federal level.

Now what I've indicated is that the negotiations are ongoing — looking at programs as what will come out at the end of that program, whether it's in irrigation, whether it's in tourism, whether it's in western diversification, or a variety of areas of agriculture, or whatever. Now those negotiations are ongoing. I am not heading up those negotiations. I will undertake to get the information and bring that information back to the House.

Mr. Mitchell: — New question to the same minister, Mr. Speaker. Mr. Minister, I just simply don't agree with that answer. It seems to us that this completes the circle. It was predicted last fall during the election campaign by one of the federal government's officials, Bruce Rawson, of the western diversification office, that funds such as these economic and regional development agreements would be lost as subsidies under the free trade agreement.

That was denied, I think, by you, sir, and it was also predicted by the deputy minister of Finance in this province that those grants were to be cut by the federal government, and the Minister of Finance contradicted his own deputy on that point. It turns out now that Mr. Rawson and the deputy minister of Finance are right.

The world was telling you that these regional development grants would be in jeopardy under the free trade agreement, and it seems to me that the chickens are just now coming home to roost. Now what's going on, Mr. Speaker, or Mr. Minister? Are you people just incompetent that you didn't see this coming in spite of all the warnings? And what do you plan to do when these regional development grants or programs are gone?

Some Hon. Members: Hear, hear!

The Speaker: — I've listened to the question very carefully, and it seems to me that it was seeking further

information related to the other questions. And if the minister wishes to answer, I will allow him, but I trust that he will give an answer and not have to take notice again.

Hon. Mr. Andrew: — Just, Mr. Speaker, in one area. The initial question by the hon. member was with regards to the ERDA (Economic and Regional Development Agreement) agreements in the area of tourism.

Now the hon. member's logic is rather missing, Mr. Speaker. If, for example, the federal government, through an ERDA agreement, was to allow for, let's say, the construction of a new golf course at Meadow Lake Provincial Park or at Diefenbaker Lake or something like that, how in the world does that violate a free trade agreement? What it does is have a golf course at Meadow Lake Provincial Park, Mr. Speaker, for the people of Saskatchewan, for the people of Canada, and for the people of the world if they so choose to come there.

Now that clearly doesn't violate the free trade agreement, and only David Orchard would be so silly as to try to stretch it that far, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Why is the member on his feet? Question period has elapsed.

Mr. Koskie: — Mr. Speaker, I would like to ask leave to introduce a group of students that came in later.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Koskie: — Thank you, Mr. Speaker. It gives me a great deal of pleasure to introduce to you, and through you to the members of the legislature, some 26 grades 7 and 8 students seated in the east gallery. They're from Leroy, very close to where I grew up, and I want to take this opportunity to welcome them. And I want to welcome their teacher, Paul Heselwood, and their chaperons, Marion Fetter, Lorraine Schueller, Val Crowter, and Val Richels.

I'll be meeting with you about 3 o'clock. I hope you have an enjoyable visit to the city and a good, safe trip home.

Hon. Members: Hear, hear!

TABLING OF DOCUMENTS

Mr. Lingenfelter: — Mr. Speaker, before orders of the day, the Deputy Premier was quoting from several documents or letters or testimonials during question period. I wonder if he could, under rule no. 327 of the rules of the Assembly, under Beauchesne's, whether he would care to table those, or in fact if he would table those documents that he was quoting from. In fact the rule, I think, Mr. Speaker, is quite clear. It says:

A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he is prepared to lay it upon the Table.

And I wonder if he would care to table those at this time.

Hon. Mr. Berntson: — Rather than having you go through all of the difficulty of trying to make a ruling on such a frivolous little thing, I was in fact quoting from the very same thing that the member opposite had in his hand, and it was a press kit that was handed out at the demonstration yesterday. I'd be very, very happy to table it, Mr. Speaker.

The Speaker: — Order, order. Order, order, order.

ORDERS OF THE DAY

MOTION UNDER RULE 16

Help for Small Business

Mr. Tchorzewski: — Thank you, Mr. Speaker. This motion under rule 16 seeks to speak to a very important part of the Saskatchewan economy and Saskatchewan society, and that is the small-business sector. And that's why it's a pleasure for me to move it today and to speak on it, along with several of my colleagues who will be addressing it as well.

This motion also, Mr. Speaker, speaks to the failure of this government, the failure to adequately address the needs of small business during these very difficult times.

This government talks a lot about business. We hear them refer to it all the time, but the record of its performance is far from matching the rhetoric.

Business people are seeing their business taxes going up regularly every year. They're seeing property taxes going up. They see a fair tendering system give way to political patronage. They see large corporations from out of the province get special considerations while they are unable to get the attention of the government. Consumer buying power is reduced because of government's taxation and low income policies.

These business people, Mr. Speaker, are frustrated and they're disillusioned. Therefore, Mr. Speaker, at the conclusion of my remarks I'm going to be moving the following motion. I'm going to move:

That this Assembly condemns the Government of Saskatchewan for failing to meet the needs of Saskatchewan small business through its inability to effectively lobby the federal government for renewed regional development funding, its policy of favouring wealthy out-of-province interests at the expense of Saskatchewan small business, and its failure to prevent the federal government from implementing a 9 per cent hidden sales tax which will cause more hardship for Saskatchewan small business.

Today over 75 per cent of new jobs are created by small business. Any government economic policy which does not recognize this fact is a policy that is destined to fail.

In Saskatchewan the small business sector has to play a major role in order to make it possible to meet the goals of

development and diversification of the provincial economy. In view of this reality, Mr. Speaker, it is difficult to understand why this government has abandoned the small business sector in favour of a few megaprojects and in favour of wealthy out-of-province interests who every once in a while come through here and take some ministers for a ride.

We see the government blow four and a half million dollars of tax dollars on GigaText, a company initiated by Mr. Guy Montpetit out of the city of Montreal in the province of Quebec. Here we have a fast-talking promoter from outside of Saskatchewan, after wining and dining several ministers, including the Premier, getting four and half million dollars from the government and given the authority to spend as he wishes on anything that he wanted without any system of checks and balances. In other words, he was given a blank cheque. But when the small-business people in Saskatchewan try to get financing help from the government through either SEDCO or other government programs, they're given the third degree. In many cases, the government agencies and the government ministers are so difficult the Saskatchewan business entrepreneurs just simply have to give up because they can't get anywhere.

Collateral is required. Unreasonable up-front money is demanded. Studies and marketing plans and economic projections are essential. I don't argue with that, but when this gentleman, Mr. Montpetit, came for \$4.5 million, none of that was required of him. And here is, Mr. Speaker, where the problem lies. And so I ask, therefore, why one standard for an out-of-province operator, and another standard for honest business people trying to make a living on Main Street, Saskatchewan?

And recently we have seen unfold another example of one standard for a large corporation and another standard for a smaller business that had clear plans and intentions of diversifying the Saskatchewan economy. We had a company called Canadian energy "88" which was proposing to build a fertilizer plant at Rosetown, with additional plants to eventually be built in the Melfort-Tisdale area, and then following that in the Yorkton-Melville area.

Truly rural economic development. Truly an example of what could be done rather than just rhetoric which we hear from the Premier almost every day.

Now the government, Mr. Speaker, without letting this company know — in fact, telling this company that government was not negotiating with any other interests — announced that it was going to go into a 50-50 venture with Cargill grain. That was what the Premier announced. He announced a 50-50 arrangement with the government that would pay for half of the \$350 million project.

Now it was interesting that as the facts unfolded, found out that the Premier wasn't exactly accurate in what he was saying. Now that doesn't surprise me, because I find over the time that I have watched the Premier operate that he is very seldom accurate with what he says, and he is very free with the words.

But anyway, the Premier got caught in his misleading statement and in his misleading announcement. Now we discovered that the Premier was not at all accurate. And as it turns out, poor old Cargill, Mr. Speaker, the richest grain company in North America, one of the wealthiest corporations of the world, was only putting in about \$60 million. The government was putting in \$60 million, and the government was guaranteeing Cargill's financing of the remaining \$230 million.

Now the question has to be asked: why such a cushy deal for Cargill grain but nothing even close to that for Canadian energy "88" or any small-business person in Saskatchewan? Why the double standard? The question needs to be asked: why does not small business get the same treatment?

Now here is a sector of our economy which creates over 75 per cent of the jobs, and the government ignores it in favour of the Cargill grains, or in favour of the megaprojects like the Rafferties, simply for political reasons, because the Premier feels he needs one in his constituency and so does the Deputy Premier.

If this government has \$60 million for Cargill, Mr. Speaker, and can guarantee Cargill a loan of \$230 million, why can't similar systems be provided to Saskatchewan small-business people who continue to build and diversify our province? Why, I ask, Mr. Speaker?

Now the government has also failed to effectively lobby the federal government for renewed regional development funding, and this will be a further blow to Saskatchewan business people. There is no doubt about that. When you take \$200 million out of the economy, which is what this is going to cost, that is a serious blow to small-business people in this province.

When the federal government decided not to renew the five-year, \$33 million tourism development agreement, all that the Minister of Tourism could say was that she was disappointed.

But she and her colleagues, Mr. Speaker, had done absolutely nothing to try and convince the federal government that these are important programs which must be maintained — absolutely nothing. In fact, there is reason to believe, Mr. Speaker, that they were party to the decision of the federal government, party to the decision because they were the strongest promoters of the free trade agreement which everyone knew and all the experts were saying was going to put these programs into jeopardy.

Now the minister, for the purposes of trying to explain it to the media, can only say that she is disappointed. Mr. Speaker, when the Premier and his ministers have sold us out as they have with their support of the free trade agreement and their blind support for the Prime Minister, clearly they have failed the people of Saskatchewan, and in this case have seriously failed the small-business sector in Saskatchewan.

And all that I can conclude from all of this is that with a Conservative government in Ottawa and a Conservative

government in Saskatchewan, there certainly is no one left to speak for the province of Saskatchewan. Our Premier can only support the Prime Minister on all occasions and on every turn, in all situations.

And as a result of that, Mr. Speaker, Saskatchewan small business will pay a very big price, as will the rest of the population. Two hundred million dollars is going to be lost because of this incompetence, because of this disregard by the Premier and by the members opposite for the impact of the free trade agreement and the doing away the ERDA grants.

Now the other part of my motion, Mr. Speaker, deals with the question of the federal sales tax. And I want to conclude my remarks by addressing that particular topic. It is now becoming clear that the impact of the new federal 9 per cent goods and service tax scheduled to take effect on January 1, 1991 will be especially devastating for Saskatchewan consumers and Saskatchewan business. As a result of this tax, the average Canadian family will have to pay \$1,000 more in taxes each year.

(1445)

Now do you know what that does to the purchasing power of those families in Saskatchewan? It's going to hurt the family, but it's most certainly going to hurt the business operator in Humboldt or in Meecham or in Regina or in Tisdale or wherever they may be in Saskatchewan. When you take \$1,000 out of the pockets of a family, that is a big blow to consumer purchasing power, and it's going to show itself in the till of the business operator in this province.

But that's not all. Inflation will increase by approximately 3 per cent, and based on the 1988 average inflation rate of 4.4 per cent in Saskatchewan, the inflation rate would increase to 7.4 per cent. However, if manufacturers don't pass on the savings gained from not having to pay the manufacturer's sales tax of 13.5 per cent, the increase in the inflation rate would climb to 5 per cent. Business are under no obligation to drop the existing sales tax before adding the 9 per cent goods and sales tax, and this could well result in double taxation for the consumer.

The philosophy of the federal government is that the goods and services tax will cause prices of overtaxed goods to increase by broadening the base. The people of Saskatchewan are well acquainted with the Conservative-style, trickle-down economic theories, and they know that they don't work. They certainly didn't work for the 12,626 people who were forced to leave the province in 1988, and a further over 10,000 who have left so far this year.

And what is so very shocking about all of this, Mr. Speaker, is that the provincial government, the Premier and the Minister of Finance have been absolutely silent on this issue. No one is speaking for Saskatchewan, and no one will speak for Saskatchewan until there is an election and there is a change of government and there's people over there who decided that's their role.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — As a matter of fact, Mr. Speaker, the members opposite on the treasury benches have been quietly encouraging the federal government to proceed with this and implement this sales tax. That is widely known. Because if they were not doing that, Mr. Speaker, we would have heard the kind of protest that we should have been hearing right from the very beginning.

Now the member opposite from Regina South may enter into this debate, and he will say, oh, but we are really protesting now. My answer to the minister from Regina South is, where was he when this was first being proposed. That's the time to do something about it.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — It's not the time to do something about it after it's in place and the Prime Minister has said, ah, but Mr. Devine — sorry, Mr. Premier — Mr. Premier, here is what I want you to do. You owe me; now you kind of keep your guys pretty quiet over there because I have to have this done.

Mr. Speaker, as a result of all this, inflationary pressures will put strong pressures on the Bank of Canada to increase interest rates, leaving Saskatchewan farmers and small-business people at very serious risk — worse than they are now. The effect on the Saskatchewan agriculture and business sectors will be devastating.

Mr. Speaker, the combined federal and provincial sales taxes will climb to 16 per cent in Saskatchewan — 16 per cent. And people who have never had to pay it in the past are going to have to start paying it. And as the details of this federal sales tax come forward, Mr. Speaker, the story gets more horrendous day by day.

I wanted to move this motion, Mr. Speaker, and make those three points which are in it and make the remarks that I have because it is my firm belief that the small-business sector has to be strong in Saskatchewan. And so with those remarks, I now move my motion, seconded by the member from Prince Albert-Duck Lake.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And I move, Mr. Speaker:

That this Assembly condemns the Government of Saskatchewan for failing to meet the needs of Saskatchewan small business through its inability to effectively lobby the federal government for renewed regional development funding, its policy of favouring wealthy, out-of-province interests at the expenses of Saskatchewan small business, and its failure to prevent the federal government from implementing a 9 per cent hidden sales tax which will cause more hardship for Saskatchewan small business.

I so move.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Thank you, Mr. Speaker. Mr. Speaker, because of the limit on the time on the debate for

the notice of motion today, I intend to deal with the loss of the economic regional development agreements and the federal government's apparent desire to bring some funds to this province through the Western Diversification Fund.

I want to say, first of all, that I feel the — and I have to agree with my colleague — that the loss of these grants to Saskatchewan will indeed be a major blow, a significant blow to the business community of this province and to all residents of Saskatchewan.

Over the term of the five-year agreement, millions of dollars were brought from federal coffers to this province to develop tourism, to help this province along with northern economic development, to deal with advanced technology, forestry. And all of that now is gone.

And I want to say, Mr. Speaker, that I found it a little . . . more than a little disappointed when I saw the minister's response in a newspaper article on June 21 indicating that she was more than a little bit disappointed that these grants were lost.

Well I want to say that that minister should be a little bit more than disappointed. I want to say to the people of this province that this minister should be disappointed, and she should be embarrassed with this government's lack of clout on the federal government and seeing this province lose those millions of dollars that we need so desperately in Saskatchewan.

I wonder where this minister was over the months and over the weeks that the federal government was making its decision on the ERDA grants. I would like to see some correspondence. I would like to see minutes of some meetings that transpired between that minister and between the federal minister in terms of the tourism dollars and where they've gone. I would like to see if that minister in fact put up a fight on behalf of the people of this province, because clearly there are one of two things happened. Either the fight never went on on behalf of the people of Saskatchewan, or it had little or no effect on her federal counterparts.

I wonder, Mr. Speaker, where that minister was when the free trade deal was being negotiated with the United States, the deal that was going to cause the loss of regional development funds. But I don't have to wonder in that regard. I may wonder in terms of the negotiations for the loss of these funds, but I know where she was. I know where the rest of the cabinet was, and I know where each and every one of these back-benchers were. They were out tooting the flute for free trade.

And I want to say to you that the people of this province rejected it in the federal election of 1988 because they knew exactly what was going to happen and that we were going to be losing these kinds of programs that western Canada so desperately needs.

And what happens with these funds that they've taken out of ERDA now? What happens with these federal funds? Ah, the minister across speculates that they may be moving into the Western Diversification Fund. Well what's that an indication of, Mr. Speaker? I tell you what it

indicates. It indicates yet more political dollars for friends of the PC Party, because that's what the Western Diversification Fund is rapidly turning into.

We saw in this House an admission by a minister that he was instrumental in having close members associated with the corporation in receipt of some of these funds. That's what's happening. That's what the Western Diversification Fund is all about.

ERDA was not built like that. ERDA was a five-year program that brought to this province some long-range programs that required the provincial government to make long-range programs in terms of northern economic development, in terms of forestry. Those were programs that were less prone to the patronage that this government and their federal counterparts have been embarking upon since their election.

And I want to say that the kind of political interference with provincial and federal tax dollars is not an acceptable way to deliver programs, and that's why I feel that ERDA did have some merit, and it was working, and there were some positive programs delivering tourism dollars and northern economic development into this province.

When we look at the Western Diversification Fund in terms of what kinds of dollars come into this province as opposed to what we should have, we find that Saskatchewan has been woefully short-changed over the years. Since the diversification fund was put in place — and I'm looking for my figures — it's pretty clear that Saskatchewan didn't get its fair share of the millions of dollars that came to western Canada.

On a population basis, we should have received much more than we did receive from the federal government. But you can't mix patronage and fairness because the two don't go hand in hand. In 1988, Saskatchewan received from the Western Diversification Fund, \$20 million. And, Mr. Speaker, that's only 6 per cent of the \$345 million that was spent in the West. We didn't get our fair share, but the decisions were based on politics not on need.

Under the ERDA grant, we were able to negotiate what we felt in this province were reasonably fair amounts for the different subheadings under the agreement: for forestry, and for economic development of the North, technological advancement. And they were working, the programs were working, Mr. Speaker.

Why now this sudden shift? Two reasons, I say to you. The first, and the primary reason is because the federal government doesn't want to be in contradiction with the free trade agreement that they negotiated with the United States. And the second reason, and I want to say probably a more sinister reason, is because it would make it easier to deliver patronage to the friends of their party.

I note in the same article that I quoted from earlier on, it's the minister, and I want to quote:

Duncan had held out hope a new deal could be worked out because of the clear benefits for all concerned.

And, Mr. Speaker, I want to agree with her, because there were clear benefits for all concerned. But has she no voice in Ottawa? Has this Premier no voice in Ottawa? Did they not fare well enough in the federal election by losing 10 out of the 14 seats? Is Brian Mulroney, the Prime Minister of this province, punishing them? Or is it because they don't have the confidence to get on these kinds of agreements early on in the negotiation stages and make a clear case for the people of this province, make a strong case for the people of Saskatchewan. Which is it? Because, Mr. Speaker, it appears that it's one of the two. It's either incompetence, or they're being punished.

And I want say, Mr. Speaker, that's not the way we expect governments to behave either in Saskatchewan or our federal government. We're looking for government that understands its direction, knows clearly the direction it's moving its people and its jurisdiction.

But what's happened with this operation? They're so busy trying to cover up . . .

The Speaker: — Order, order. Order, order. Hon. members, I'm going to rise once more and again remind hon. members that they should not be interfering with the individual speaking, and I hope they will try to adhere to that.

Mr. Lautermilch: — Thank you, Mr. Speaker. I want to again quote from the article. I see that my time is nearly finished, but I want to make just one little quote. And it says:

But while the agreements may be dead, the federal government has indicated that some tourist money will be diverted to the western diversification office.

A clear indication it's going into the political slush fund. And a quote here:

. . . While still in the process of trying to ascertain how that will work, although she's hopeful it will mean some tourism projects will get federal funding.

Well I want to say that the minister may be saying one thing in public in terms of not being clear as to how that will work. She knows how it'll work because she knows well what the western diversification fund is all about. And she knows all about patronage because she's been a part of it ever since she was put in the cabinet, as the rest of her cabinet colleagues. She knows it will mean more patronage, as opposed to some long-term, fair and decent programs for the people of this province.

And I want to say, Mr. Speaker, that I'm proud to support this motion because it clearly indicates the mood and the feeling of the business community of this province who are looking for fair and decent programs in terms of tourism. I want to say that the people of northern Saskatchewan will support it because they're looking for a fair and honest method . . .

(1500)

The Speaker: — Order. Time has elapsed.

Some Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. I'm very proud to be entering into the debate this afternoon, and at the conclusion of my remarks, I'm going to be putting forward an amendment to the motion.

We hear an awful lot from the other side of the House about some of the things that this government is doing or not doing, and they of course are known for their negative attitude. But I would point out in responding to some of the remarks that the member opposite was just making with regard to the federal government — I'm talking about the Western Diversification Fund — that during the tenure of this government and since 1984, I would say that the provincial Government of Saskatchewan has had a very, very good working relationship with the federal government. And that has enabled us to take advantage of different programs that have been in operation, put forward by the federal government, and the Western Diversification Fund is a prime example of that.

We've had a good number of dollars that have come into the province of Saskatchewan because of that fund; I believe in the neighbourhood of \$64 million that have been spent here. The only province in western Canada that has received more money from the Western Diversification Fund than Saskatchewan is the province of British Columbia.

Now I would ask the members opposite then who benefits more from the Western Diversification Fund than small business? Small business in this province has benefitted a good deal from that particular fund.

I think as well that if you stop and consider the fact that it was this government that was responsible for getting a lot of additional aid from the federal government — the \$1 billion that we received in the area of agriculture in 1986; another payment of several hundreds of millions of dollars which was made, or is coming for last year. And without that very co-operative spirit that exists between Saskatchewan and the federal government, Mr. Speaker, I don't think that Saskatchewan would have fared as well.

And with these additional dollars that have come into the province of Saskatchewan, there's no doubt about it that small business, not only in the urban centres in the province, have benefitted, but also out in rural Saskatchewan because the money for the most part is being spent in rural Saskatchewan.

Now I feel very fortunate about the fact that when we talk about small business that I have in the neighbourhood of 1,300 small businesses in my constituency, and I don't think that there's any other member on the other side of the House that could even come close to that. We've got 1,300 small businesses there, and I think that for the most part that they're very pleased — very pleased — with this government and the types of programs that we are offering in support of small business in this province. We fully recognize the importance of small business here and the role that they play, Mr. Speaker, when one considers

some of the programs that we have offered to small business in this province.

Not too long ago we know that SEDCO announced some new programs specifically designed for helping small business. We've got new opportunities that are being created because of some of these new programs. We know that for several years now, we've had funding that's been . . .

The Speaker: — Order, order. Order. The Minister of Science and Technology is speaking. Everyone in this Assembly has the right to speak in due time, and those who have spoken all ready have had their turn. Now let us allow the Minister of Science and Technology to carry on with his remarks.

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. We know that members opposite, of course . . . they talk about being the supporters of small business, but we know exactly what they did with small business when it came to a small company like Joytec, where they did everything in their power to chase Joytec out of the province, and in fact they were very successful at doing this.

And I believe it was just a couple of days ago that we saw an announcement in one of our daily papers that the Joytec machines are now being manufactured for the Japanese market — 50 machines that are being manufactured, Mr. Speaker — and they could have in fact been done here. But because of all the negative comments that we had from members opposite, Joytec then decided that they would pull out of the province. So they are really strong supporters of small business in Saskatchewan.

Let's take a look as well, Mr. Speaker, about public participation and some of the things that are happening there to help small business. We know very well the success that companies like WESTBRIDGE and Weyerhaeuser and Saskoil are having in this province. And many of the spin-offs from those particular companies are being felt by small business.

Another thing that we can see, certainly, is the effect that Buy Saskatchewan has had on small business in this province. Many of these companies have been able to get contracts, the provision of services and goods for all of these other companies, whereas before, for the most part they were going outside the province and buying these particular products or the services. We know that the Crown corporations in the province, SaskPower, SaskTel, were purchasing a lot of these goods and services from outside the province prior to the setting of the Buy Saskatchewan agency.

So we understand fully well the problems of small business in this province. We know as well that small business are going to benefit within the next while with the business tax rebates that are going to be sent out, a program that was set up by this government. We know that small business has suffered in the last couple of years particularly because of the economic situation in this province. Members on the opposite side of the House seem to forget very easily the fact that we have had one of

the worst droughts in this province during the last couple of years.

And we see, I think, really how important agriculture is to all areas in the province, whether we're talking about the rural areas or whether we're talking about the larger centres like the city of Saskatoon. We find then that where small business is not selling a lot of goods and services, I think we saw this at Christmas time, for example, the retailers noticed that their sales, for the most part, were down substantially because rural people were not coming in as they had in the past because they didn't always have the money that they had before.

We're very hopeful, of course, this year with the amount of rain that we've had and that things are looking very, very positive for good crops again, and that this is going to have a very positive impact on the economy all throughout the province.

One other area of support that this government has provided to small business, Mr. Speaker, is in the area of the business resource centres. There's a lot of information and assistance that's been provided to businesses throughout this whole province. And one area, I think, that we can take a lot of pride in is the amount of assistance that is being given to young entrepreneurs. We know that more and more of our young people today do want to get into business, but at the same time they need some type of assistance, some type of advice, people that can help them out on how to set up a business, doing business plans, and this sort of thing. And the business resource centres can provide that very valuable service.

Another area that I think is going to benefit our small businesses a great deal in the years to come is the free trade agreement. And I would point out that this government was very, very supportive and is very supportive of the free trade agreement. We've worked again very, very much with the federal government in ensuring that the free trade agreement went ahead. And I believe that the small businesses throughout this province recognize the opportunities and the potential that exists for them because of the fact that we have that free trade agreement through.

Well, Mr. Speaker, there are many more things that I could say about the programs that this government has introduced to assist small business, whether it's helping them with financial arrangements, whether it's looking at business tax rebates, whether it's other areas, providing information. We have been very supportive of small businesses, and we will continue to be, Mr. Speaker.

Now in closing my remarks, I want to simply say that we're looking at building our economy here through diversification. There's a very definite role for small business in that plan. And we're going to support small business so that they can take full advantage of all of the opportunities that exist out there, Mr. Speaker.

So in closing, I would like to make an amendment to the motion put forward by the member opposite — the motion, seconded by the member from Maple Creek:

That all of the words following the word

"Assembly" be deleted and the following be substituted:

commends the Government of Saskatchewan for its persistent and successful lobbying of the federal government, for developing an economy in which small business can grow and prosper, for implementing tax reforms and support programs which encourage small-business growth, and for establishing the Buy Saskatchewan Agency, which gives a competitive advantage to Saskatchewan small business.

Thank you very much, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — The member from Saskatoon Fairview, why is he on his feet?

An Hon. Member: — To speak.

The Speaker: — Are you speaking? Yes.

Mr. Petersen: — Mr. Speaker, I'd ask leave to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Petersen: — Thank you, Mr. Speaker. I'd like to introduce some guests who are in the Chamber with us today from Lakeside School in Quill Lake. They're a group of students who are going to be here for a very short time, so I hope they enjoy the proceedings. I don't believe they'll have time to meet with me later on; if they do so, we'll be talking with them.

They're accompanied by their teacher, Wes Wirtz; chaperons Jack, Esther and Debbie Tschetter. I'd ask all members here to join with me in welcoming them here today.

Hon. Members: Hear, hear!

Hon. Mr. Meiklejohn: — Mr. Speaker, I too would like to at this time welcome the students from the colony near Quill Lake. When I was working with the Wadena School Division, I had the pleasure of helping to set up the school at their particular colony. And I suppose now when I look up there, that maybe some of the older students were there in the very early years at that particular time. And I certainly enjoyed working with them, and I certainly want to welcome them here as well today.

Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. I would like to join by welcoming the students in our gallery today. On behalf of the opposition, I welcome them to the legislature. I hope they enjoy the proceedings and have a good visit to Regina and a safe trip home.

Hon. Members: Hear, hear!

MOTION UNDER RULE 16

Help for Small Business (continued)

Mr. Mitchell: — Thank you, Mr. Speaker. Any time the member for Saskatoon Mayfair wants a contest, just come down to Fairview and we'll have one.

I think that the member made quite a short speech this afternoon. I think, if my reading of the clock was correct, that he did not take his prescribed time, and little wonder, Mr. Speaker. Little wonder. He simply ran out of things to say.

That amendment that was introduced to the motion simply leaves one breathless. I don't suppose there are a dozen people outside of the government side of this House in Saskatchewan who would believe any of the things that are set forward as the elements of that amendment, Mr. Speaker.

In particular, I was interested in two things that the minister referred to. The first was the Western Diversification Fund, and the experience of the province of Saskatchewan under that fund. And the second is the free trade agreement, which I raised during question period in respect of the economic and rural development agreements.

Now let me deal with those in order, Mr. Speaker. First of all, the Western Diversification Fund. I must make it a point at the next opportunity I have to introduce the member to the Minister of Trade and Investment, the hon. member from Kindersley. That member and I, in exchanges in this House going back some three years now, Mr. Speaker, have discussed the Western Diversification Fund. And I have consistently put it to the minister that Saskatchewan isn't get anything like its fair share of funds from the western diversification office. And in every one of those cases the minister has agreed with me.

In every one of those cases the minister has agreed that Saskatchewan hasn't been getting its fair share. And so I look forward to an early opportunity to introduce those two ministers to each other. And while I'm at it, I'll also introduce the minister from Maple Creek to ensure that she will hear from the Minister of Trade and Investment just how badly Saskatchewan has been treated under the western diversification office.

We have consistently received less than the other provinces and less than our fair share, no matter what yardstick you use. Whether you use the yardstick of population, whether you use the yardstick of history, the yardstick of economic development, of investment dollars, any yardstick you want to use will lead you to the conclusion that Saskatchewan simply hasn't been getting its fair share.

And if you cast the net a little wider and include the federal expenditures, that is to say, the expenditures of the federal government in the province of Saskatchewan, then you really do find that Saskatchewan has been discriminated against. So the case is not at all like the previous speaker, the member from Mayfair, has made

out, Mr. Speaker, that Saskatchewan has been getting its fair share because of the wonderful relationship between this government and the federal government. The facts are the exact converse, and that has been the case for some years now, and it continues to be the case.

(1515)

And if we have ministers of this cabinet who are standing up in public and making speeches like the hon. member has just made indicating that everything's all right and that we are getting our fair share, then we're in a lot of trouble. We have to have members on that side of the House who are just tearing at the federal government for our fair share of these funds, and that's obviously not happening.

The other matter is the free trade agreement. Now that matter was debated more intensively than any other issue that I can recall over the last couple of years, over the last year and a half, and one of the points that we made, and we made consistently, was that our system of regional development funding in Canada was endangered by that agreement.

And that was something not only that the New Democratic Party put forward as a strong argument against the agreement, but it was also put forward by the Liberal Party federally and by any number of groups who were opposed to, or concerned about, the free trade agreement. That was one of the main questions that was being raised about the free trade agreement.

And the concern was expressed consistently by all of these groups that the American trade laws would fasten on the regional development grants as an unfair subsidy and would countervail the production that was related to those regional development grants.

And some of the people that were saying it were people employed by the federal government. And during question period today I introduced the name of Bruce Rawson, who is employed by, a very senior officer in the western diversification office. Mr. Rawson is a Saskatchewan man; he comes from Saskatoon.

And Mr. Rawson warned last September that the regional development programs would be at risk under the free trade agreement. So that this is not simply a political point or a point raised during the debate by one of the parties interested in the free trade debate, but actually was raised by one of the federal government's own senior officials.

And now, Mr. Speaker, we are seeing the chickens come home to roost. And people have got to be honest about what's happening here and not just obfuscate the issue with words. The reality is, as we can clearly see, that the federal government is opting out of these regional development agreements, and that's going to cost Saskatchewan a lot of money. I believe that the minister opposite knows perfectly well that the fate of the tourism agreement is just the first of these agreements to fall by the wayside, and that the other six agreements are going to fall by the wayside also.

Those are agreements which involve funding of about

\$200 million, Mr. Speaker, for this province — \$200 million. And I asked the question in question period, and I ask it again: where's that money going to come from? Is it the situation that Saskatchewan is simply not going to get those funds; there isn't going to be any more regional development money for the province? We don't know. No one's said.

Certainly it is no answer to say that we rely on the western diversification office, because our experience in Saskatchewan is so bad under that office that we simply don't trust it, we don't rely on it, and the members opposite don't rely on it either, according to their own minister. At least they would be reluctant to rely on it on the basis of the experience to date. The Minister of Trade and Investment is one of that office's real critics.

So the question still remains: where is that money going to come from? We don't hear any word on that from the federal ministers or from the provincial ministers because the fact that those agreements are not going to be renewed is still being information held back; it's still secret information. It has not yet been announced, with the exception of the tourism agreement.

Now why is that happening, Mr. Speaker? I suggest it's happening because the federal government knows perfectly well, and at all times material to this point knew perfectly well, that those regional development grants would have to go down the tubes once the free trade agreement was implemented — they would have to go down the tubes. That was the plan all the way along. I think that there is no other conclusion you can come to on the basis of the evidence that we have, the public record that we have before us.

Now if that's the case, I assume that members opposite knew it too, and knew that the free trade agreement would inevitably result in an examination of these regional development incentives and would result in them being phased out. And we must have an answer to the question: what happens, what happens now?

Mr. Speaker, I remind you that one of the reasons that Canada went into the negotiations that led to the free trade agreement in the first place was this matter of the U.S. trade law and the countervailing duties that were being applied under that law. And we were all nervous about any of the government subsidy programs that exist in Canada and how the U.S. countervail laws may respond to those subsidies.

And you'll recall some of the allegations that the Americans had been raising in the days before we decided to try and negotiate this free trade agreement. They were pointing to things like the unemployment insurance plan, and they were making an allegation that the payment of unemployment insurance to fishermen in Newfoundland was a subsidy that was countervailable. Now if that's the case, then quite clearly the money being paid under the northern economic development subagreement in respect of the mining industry, and training programs in the mining industry and the like, is equally a concern — is equally a concern.

And it's for that reason that the Prime Minister said we

were going to negotiate this agreement. The object was simply that Canada would not be subject to these trade laws and that Canada wouldn't have to worry about countervailing duties. That was clearly the objective.

Now at a late date it became obvious to the Prime Minister and the federal negotiators that they weren't going to get that, Mr. Speaker, so they had a fall-back position. And the fall-back position was that the free trade agreement would deal with the question of subsidies and define what subsidies were acceptable.

The Speaker: — Time has elapsed.

Some Hon. Members: Hear, hear!

Hon. Mrs. Duncan: — Mr. Speaker, it's a great pleasure for me to rise before the Assembly this afternoon to address this issue and to give my support to the amendment introduced by my colleague, the Minister of Science and Technology.

Mr. Speaker, I think I can speak for all government members when I say that when each of us sought a nomination and fought an election to win a seat in this Chamber to represent our constituency, we had but one thing in common, Mr. Speaker, and that was the good of Saskatchewan and the good of the Saskatchewan people. And, Mr. Speaker, Saskatchewan, I think, and my colleagues feel that Saskatchewan is a land of opportunity. My colleagues and myself and our Premier look at the province through eyes that we see things that are so beautiful right from the people who live and work here and raise their children here. We think that Saskatchewan is a land of opportunity, a land that until recently, Mr. Speaker, had very, very little of its potential drawn on.

There are many new doors and many unique doors to be opened, and a lot, Mr. Speaker, are being opened today.

Agriculture and small business are the two key players in the economy of our province, as we all know. They are in fact the very foundation of economic activity in Saskatchewan, and they are interdependent upon each other, for indeed they need each other to survive. And there is no better judge of this government's record with respect to agriculture and small business in Saskatchewan than farm families and small businesses themselves right across the province.

Mr. Speaker, I would just like members to look at our Saskatchewan rural communities. They are made up of family farms and small businesses. And the success or failure of one directly impacts on the other. And it is farm families and small businesses that are primary supporters of businesses in the city, many of which are also in the small business category. So as a result, when the farm families suffer, so do all other businesses suffer.

Mr. Speaker, I really believe that this government's effort to help alleviate the economic hardships endured by our farm families over the past few years because of the drought and low commodity prices, really have had positive spin-offs that affect small businesses, not only in rural Saskatchewan but urban Saskatchewan, in places

such as Regina and Saskatoon.

We have seen help such as the agricultural credit corporation, the green feed livestock assistance program, the Canada-Saskatchewan crop insurance program. We also, Mr. Speaker, believe in the ability of Saskatchewan people to produce and to compete in world markets, unlike members opposite who take the view that we should somehow build a wall around Saskatchewan and don't let anyone out and don't let anyone in.

We believe that the people of our province have the capability to respond to the world's needs and compete against other companies. And, Mr. Speaker, I believe that what the Premier has been doing, what my colleagues have been doing — going out, seeking out further markets — have paid off, and Saskatchewan virtually trades with every other country in the world, Mr. Speaker.

In fact, Saskatchewan is the largest exporter per capita in Canada. We export more per capita than any other province in Canada. We are resource-rich based, we have bountiful farm lands, we have capable people who rise up to the challenges and compete with others. I believe that there is absolutely no reason, Mr. Speaker, why Saskatchewan should have to send our natural resources out, whether it's crude oil or grains or red meats. There is no reason why we have to send those out to be processed elsewhere and then sent back to us at higher prices.

Mr. Speaker, the government's aim is to diversify, to open the doors to new opportunities, and to give Saskatchewan small business a chance to expand and diversify itself. Mr. Speaker, this is one of the reasons that this government has pursued public participation. Public participation lets the people gain real ownership and control over Saskatchewan businesses, in particular government-owned Crown corporations.

It allows other small independent Saskatchewan businesses to compete on an equal footing. And under the former system of complete government ownership and control, those businesses, Mr. Speaker, were forced to compete with government subsidized Crown corporations. And further to our government's commitment to economic diversification in Saskatchewan small business, we set up what is called the Buy Saskatchewan agency, Mr. Speaker, an agency which is well known throughout the province in the business community, and extremely well accepted.

The Speaker: — Order, order. The member from Prince Albert-Duck Lake has had his opportunity to speak, and I'd like to ask him once more to refrain from a constant chatter from his seat directed at the minister speaking. And really I shouldn't have to keep reminding the member. However, I'm going to do it again, and I trust that he will take it to heart.

Hon. Mrs. Duncan: — Thank you, Mr. Speaker. With regards to the Buy Saskatchewan agency, it is an agency that promotes and negotiates with project developers and purchasers to help Saskatchewan businesses capture a larger share of that provincial market. It identifies both markets and opportunities for Saskatchewan buyers and

suppliers, and it helps existing manufacturers expand their product lines; in short, supplying Saskatchewan businesses with Saskatchewan made products.

Mr. Speaker, this government is working with and for Saskatchewan small businesses. And much of what this government endeavours to do is to help the young people of our province, the young people, the future of our province. Almost 50 per cent of all individuals planning to start their own businesses in Saskatchewan today are under the age of 30, Mr. Speaker. And in response to this, through SEDCO, this government established the youth entrepreneurs program which helped establish 29 new businesses which created 55 new jobs in Saskatchewan in 1988 alone, Mr. Speaker.

And since its establishment of May of '85, this program, the youth entrepreneur program, has helped create over 139 new businesses and 265 new jobs, Mr. Speaker. Through SEDCO we have also set up the retail operating loan program which provides operating funds to Saskatchewan businesses engaged in merchandising from inventory to cover other eligible project costs.

Mr. Speaker, last year SEDCO dealt with approximately 2,600 inquiries throughout the year since the announcement of the new programming that supplement the already existing programming in SEDCO. Mr. Speaker, in the last two months we have had 3,800 inquiries, and that, Mr. Speaker, gives me an indication of the type of activity that is going on throughout the province. It's little businesses, small businesses, manufacturing, processing, retail, service industry-type businesses are opening up all over the province.

(1530)

Quite often, Mr. Speaker, the members talk about the megaproject mentality of this government, and that is simply not true, Mr. Speaker. Last year SEDCO advanced approximately 160 loans. The average loan given by SEDCO last year was \$154,000, and the majority of the loans, Mr. Speaker, were outside of the major centres of Saskatoon and Regina.

So, Mr. Speaker, it seems to me that it's always the huge projects, such as the upgrader or Cargill, that seem to capture the imagination of the press and seem to get . . . their openings have coverage. But the little businesses, the businesses that employ 2 to 4 to 10 to 15 to 20 people, don't seem to be able to attract much media attention.

And I look at Hanwood Woodworks in Wilkie, Saskatchewan, exporting their product to the United States, to Boston. Harvest Meats has announced a new plant that is being constructed in Yorkton to double their capacity to take care of the new markets that they have found. Recently an envelope manufacturing company was opened up here in Regina. And the list goes on and on and on, Mr. Speaker.

With regards to western diversification, Mr. Speaker, the federal government announced in its budget that regional development funding had increased by almost 50 per cent, and that over the next five years funding would increase by an additional 35 per cent. And of the total

projected \$1.12 billion the Western Diversification Fund will receive, that means a projected \$363 million. And as of March of this year, Mr. Speaker, there were 58 projects funded under the Western Diversification Fund right here in Saskatchewan, followed by 44 in British Columbia, 37 in Alberta, and 23 in Manitoba.

Mr. Speaker, the members opposite, when they were speaking, talked about like be honest with what you're saying. I would suggest, Mr. Speaker, that they be honest, not only with themselves but in what they say, because . . .

The Speaker: — Time has elapsed.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Thank you very much, Mr. Speaker. I rise today to speak on this motion under rule 16 and in opposition to the amendment that was put forward by the Minister of Science and Technology.

The member from Maple Creek, who just sat down, indicated that we do have a beautiful province in Saskatchewan. I most certainly agree with her, and my colleagues over here agree with her with that. But we also . . . she talked about the doors that were being opened up in this province. I want to indicate to you, Madam Minister, that it's not doors that are being opened up, it's doors that have been closed and more doors that are being closed to individuals who are living in this province, because of programs that you have failed to negotiate under this agreement.

You spoke, Madam Minister, about the young people in this province and the opportunities that the young people have under our Conservative government. I say to you, Mr. Deputy Speaker, that the opportunities are not there. The opportunities for Saskatchewan's young people are in Alberta and British Columbia and other provinces in Canada — not here in Saskatchewan.

This agreement, Mr. Deputy Speaker, is an important agreement, it's an agreement that encompasses seven agreements, cost-shared agreements between the federal and provincial government, which would mean over a five-year period of approximately \$200 million that we could use in this province to diversify the industries in our province.

I want to indicate that when you talk about the provincial government's inability to negotiate the new agreement, I think it goes a lot deeper than that. It's a fact that in the last federal election, most of the Conservatives across the way were out campaigning for free trade, and I think, Mr. Deputy Speaker, this is a good example of free trade where the United States talk about regional subsidies. And I believe that it's coming into place right now with the cancellation of these seven major programs that help to diversify our province.

I want to talk about what the northern economic development program meant to northern Saskatchewan, Mr. Deputy Speaker. Under the DREE (department of regional economic expansion)-Northlands agreement, which was an agreement signed prior to this, a

federal-provincial agreement, it wasn't a 50-50 shared agreement, but it was 60-40. It was 60 per cent federal and 40 per cent provincial.

The agreements that we're talking about now, these five-year agreements that have expired, and I indicate to you they've all expired on March 31, 1989, we were dealing with 50 per cent federal money and 50 per cent provincial. And when you're preparing budgets and you're creating development, regardless of what field it's in, and your dealing with a 50 cent dollar, that makes things a lot easier.

It most certainly was good for northern Saskatchewan under the DREE-Northlands agreements when we were putting in such projects as sewer and water and power lines, and facilities such as that. We were dealing then with 60 cent dollars, or 40 cent dollars, 60 per cent federal funding, 60 per cent. And as you can see, Mr. Deputy Speaker, as you've been into northern Saskatchewan, you live up in northern Saskatchewan and you have seen the results of those agreements.

I say to you that there are many, many communities in northern Saskatchewan, if those agreements had not been in place, would not have the facilities that they have right now, and the type of industry and jobs that were derived out of those agreements. I can think of all those communities in northern Saskatchewan that had sewer and water for the first time because of these types of agreements.

We now look at the forestry up in northern Saskatchewan . . . (inaudible interjection) . . . That's right. The member from Regina South talks about those systems still being there. But I want to indicate to him that since 1982 there has been really no community in northern Saskatchewan, and all that was left to put in with sewer and water was the small communities that have sewer and water. They've put in sewer . . .

An Hon. Member: — Jans Bay.

Mr. Thompson: — Yes, Jans Bay is a good example. I ask the minister to go to Jans Bay and see how many of the citizens in Jans Bay have sewer and water in their homes. They just don't have them, because underneath the agreement that we had before and that was implemented by the NDP government, when we put sewer and water in, we also had another agreement called RAP (regional assistance program) that put in the sewer and water into the homes. We didn't go and put sewer and water into a community without having a program that you could put the sewer and water into the houses. And Jans Bay is a good example.

Matter of fact, the minister sitting there, she was up there to open that sewer and water system just prior to the calling of a federal election, and there wasn't one home . . . matter of fact, they officially opened that sewer and water system and it wasn't even working — wasn't even into the school, because they opened the school and the school wasn't even built yet.

And lo and behold!, they called a federal election and what happened in that area? They got seven votes. Seven

votes. So that goes to show you what type of programs and the results of Conservative programs where they go and they have these glorious openings of systems that weren't even completed. And I tell you, Mr. Deputy Speaker, they're still not even completed today, and that's about a year and a half later. But it shows.

And just to show you what the other vote was, our new member of parliament he got around 200 votes, and the former member of parliament he got seven votes. That's cost-shared agreements. And we always had those agreements in place when we were working with them under the NDP government, and let me tell you, that provided a lot of jobs for the citizens of northern Saskatchewan.

The same, right now, applies in the forest industry. We have a lot of individuals in northern Saskatchewan — if this forest agreement was in place — that they could start harvesting the forest industry that we have in northern Saskatchewan. We would not have to, we would not have to subsidize the multinational corporations like Weyerhaeuser from Tacoma, Washington, to come into northern Saskatchewan and have access to 8 million acres of Saskatchewan's prime forest land. We wouldn't need that.

If we were to take those funds, if we were to take the funds from the forest agreement and put that into the small entrepreneurs who live in northern Saskatchewan, they could harvest that forest in northern Saskatchewan equally as well as Weyerhaeuser. And I tell you, as far as I'm concerned they would do a better job of it because the way that they're marketing the forest in northern Saskatchewan, by the time the agreement wears out, or it's completed with Weyerhaeuser, we won't have any forest left in Saskatchewan, Mr. Deputy Speaker, we just won't have any forest left.

Now underneath that forest agreement, to the Minister of Finance, there was also agreements in there for reforestation. And you just have to take a look at the type of reforestation that's taking place in this province today. For every 37 trees that Weyerhaeuser is taking out, I suggest to you, Mr. Deputy Speaker, they're putting one tree back, one tree back. And I suggest to you that that figure is low. I say that they're taking out close to 40 to 50 trees and are replacing one tree.

Now what's going to happen? We're going to end up the same way as it is in other parts of the world. We're going to end up with a bunch of desert. The desert's going to keep growing and growing. You just have to fly over northern Saskatchewan or drive down any of these highways and take a look at the type of desert situations that are being created by the clear-cutting tactics of the multinational corporations in this province.

And if we were to take that tourist agreement and put some of that money into northern entrepreneurs, let me tell you, Mr. Speaker, get down to harvesting and selective cutting, the way we should be harvesting, then we wouldn't have that problem.

But if we're going to keep catering to the multinationals, we're going to keep giving large subsidies to individuals

from Alberta who are going to come in now and set up a large pulp mill at Hudson Bay, Saskatchewan; they're also going to come in and set up a pulp mill in Meadow Lake. And all of these individuals are coming from out of the province to extract our forest industry, and they're all coming in here using our money. They're not using their own money. All the promissory notes are being signed by the provincial government.

And, Mr. Deputy Speaker, that should not take place in this province. Those agreements . . .

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

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Mr. Deputy Speaker, it's a pleasure for me to speak on the amendment to the motion as amended by my colleague, the member from Saskatoon Mayfair.

Now lately, Mr. Speaker, we've heard some members from the opposition trying to make out that they are the great saviours of small business in this province. They're trying to make out that they'll bring action to solve any problems that small business may have.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Well you should applaud because it's the best joke that I've heard in a long time, Mr. Deputy Speaker.

For example, we've heard a lot of the nonsense coming from the benches opposite about the tourism subagreement. Who signed it? We did — this government. The Premier of today signed that agreement. You people didn't, and you had a long time. That was the first ever tourism subagreement for the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — The member from Athabasca said, why don't you take these tourism dollars and invest them in northern enterprises? We did. We did that, Mr. Deputy Speaker; the NDP didn't do that.

It's interesting to hear the member from Saskatoon Fairview change his tune. We used to hire his old firm in the olden days of business when we needed legal assistance to try to muddle through the tons of red tape and regulations that the NDP government of the day imposed on small business. And now we listen to him as he sits in the opposition benches singing a totally different tune.

But some of us, Mr. Deputy Speaker, have long memories — long, bitter memories. I know I have. I served as a small-business man in the city of Regina for 25 years, unfortunately most of it during the NDP administration, and I know from painful, bitter experience that the NDP aren't saviours of small business. They never have been and they never will be. As a matter of fact, they tried to stifle and choke and strangle small-business people at every opportunity.

The member from Regina North East talked about business tax and property tax in his opening address. Both of those issues — both — are municipal problems, and he still can't acknowledge the difference between those two. Yet his member, his colleague member from Regina Victoria, sat on city council at the time that I tried to run businesses in Regina. What did that colleague do, the NDP member? Major increases in property taxes and business taxes for all the members of this community. And now they get up and they start saying something about it. And yet it was this government, this PC government, that acted on that very municipal issue of business tax.

(1545)

We always said that we would try to be a part of the solution and not contribute to the problem. And, Mr. Deputy Speaker, our new \$30 million small-business tax program is exactly that. It provides some measure of relief to the business people of Saskatchewan — something that the NDP don't try to do or care to.

That was one of the reasons that I got into politics in the first place. I knew that there had to be a better way, that small businesses in Saskatchewan didn't have to get mistreated the way they were by the NDP. I felt that there was so much more that we could do to be of assistance to small business instead of blocking their paths at every turn.

And since the government of our Premier has been in office, the small-business people of Saskatchewan know that they have friends in the provincial government who are strong supporters of small-business community — people that they can meet and converse with, people that understand their problems, the people on this side, Mr. Deputy Speaker.

The member from Regina North East talked about SEDCO and the responsibilities of SEDCO and what the business community had to go through to get loans and to get assistance. Well I'll tell you that I will put up the record of our government on SEDCO against the NDP record of SEDCO any day in the week, Mr. Deputy Speaker. I dare say that I meet and confer with more members of the small-business community in this province in any one week than the member from Regina North East does in a whole year.

You know, he knocks megaprojects, as they all do. They knock the Cargills; they knock the Rafferties. Think of the small businesses involved in those megaprojects, just for a moment. But they lose sight of the small businesses.

But go out and ask them, the way I do. For example, you can see it on television. Last night there was television; they interviewed some business people in the Belle Plaine area — the people in the coffee shop, the truckers, those kind of businesses, that were delighted with the fact that they now were going to have an opportunity to do some more business.

What does the NDP say to those, to the ordinary business people of Saskatchewan? To heck with you; we don't

care; close down those megaprojects because they don't count. They don't count? Boloney, they don't count. They add and add and add and add to the small-business community in this province.

Then the member from Regina North East pulls statistics out of thin air on the federal government proposed new sales tax, goes on to say to the effect that we, this side, encouraged the federals to implement it. What a way to twist fact. What a way to try to fool the people. Well I'll tell you, Mr. Deputy Speaker, I can't say in this Assembly what I can say to my business friends outside of this Assembly about those twisted, distorted remarks.

And not only that, we have one member on the Assembly, in *Hansard*, that says if there's going to be a tax, there should only be one. Today they bring up a whole lot different deal. I don't even know why they brought this motion to the front, Mr. Deputy Speaker, because their record in business is in such a state and is so sad. The *Regina Manifesto* says it all for the NDP. They don't believe in the private sector. They never have, and they never will.

As always, the member from P.A.-Duck Lake, as well as the other two or three that got up from the NDP and spoke for 10 minutes, meaningless diatribe — I mean they had zero to say. We're getting so used to it. The member from P.A.-Duck Lake in his 10 minutes said absolutely zero, nothing.

And I believe that that represents fully what that member knows and understands or cares about small business. Time after time, he stands in his place over there, without any understanding, and he proves time and time again that he has no understanding of business. And I believe that none of the members opposite do.

Last night the member from Cumberland displayed, Mr. Deputy Speaker, his total ignorance of business. And one by one, the NDP, when we're talking business, stand up in their place and prove it — prove it time and time again. Their bitterness — that's all I can call it, Mr. Deputy Speaker — bitterness towards business goes for every single member on the opposition benches including the Leader of the Opposition who is working hard now to try to sell themselves as the great friends of small business. Well they'll never get there.

You know, there hasn't been a question from the NDP — a lot of noise, but not a question on housing and affordability. And I say, why? Why wouldn't they ask about that when the headline in the *Leader-Post* today says it all; that "Regina ranks high on the affordability list."

And it's small business at its best. We're talking here about realtors. Now what represents the small-business community better than realtors? You've got one-person offices, two people, right up to big, 10-, 20-, 30-people offices that are in the housing business.

They talk about affordability and the price of houses. Well, Mr. Deputy Speaker, it's right here in the *Leader-Post*. And why do the realtors of Regina talk about

affordability of housing prices in Regina? I'll make some quotes:

We . . . have the Saskatchewan Mortgage Protection Plan, which has really aided in keeping affordability in reason for Saskatchewan residents . . .

Now you transform that. You don't talk about that as a business program. But, Mr. Deputy Speaker, when it protects the home builders and the real estate industry and keeps them moving, and supplies the consumers and the people of this province with affordable housing, you talk about a safety net for everybody, for all of the peoples of this province.

It goes on to say that:

The Saskatchewan average (now) is 41 per cent (they're talking about the average of income versus buying their house), up only one per cent from last year. (And) In 1981, it was 65 per cent . . .

Sixty-five per cent of the household pre-tax income to own a home in this province. That's a disgrace. That's a shame.

And when we arrived on the scene in 1982 with 21, 22 per cent interest rates, what did the NDP do? They threw their hands up in the air and they said nothing could be done.

Well this government, Mr. Deputy Speaker, did indeed do something about it. We introduced the mortgage protection plan, and as a result of that plan, here we are seven years later, still having the cheapest, most affordable housing in the country. It's no wonder the NDP is silent on that issue, Mr. Deputy Speaker.

Another program for small business, again in housing — the home improvement program that they tried knocking for a while, but then all of a sudden, when 350,000 home owners in this province took . . .

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

Some Hon. Members: Hear, hear!

Ms. Smart: — Thank you, Mr. Deputy Speaker. I don't have much time left as the debate is running out, but I want to point out that the minister opposite who has so much to say about what his government has done for small businesses is the same person that would not legislate the store hours in this province and has caused a lot of harm to small businesses all across this province, Mr. Speaker.

And he is laughing and thinks it's a joke what's happening to the businesses. Well, Mr. Minister, I represent the downtown area of Saskatoon, and if there's one thing that the downtown area of Saskatoon has in common with the many municipalities and many communities across this province is that there are a lot of empty store fronts in the downtown area of Saskatoon — a lot of small businesses that have gone out of business since you became the

government of this province, Mr. Speaker, Mr. Minister.

And in the failure to legislate the store hours, there are more businesses going out of business. And that is the problem, that is the problem with this government opposite. It doesn't care about small businesses, Mr. Speaker. It's busy wheeling and dealing deals with people like Guy Montpetit from Montreal that they give a whole lot of our money to. And Cargill, one of the largest corporations in the world, is getting money from this government to build a fertilizer plant while . . .

The Deputy Speaker: — Time has elapsed.

Some Hon. Members: Hear, hear!

MOTIONS

Resolution No. 23 — Support for Farmers

Mr. Toth: — Thank you, Mr. Speaker. It's a privilege to stand in the legislature today to debate this motion that I'm going to present, seconded by the member from Kelvington-Wadena. The motion, and I'll read it, Mr. Speaker, is:

That this government be commended for its recognition of the importance of the agricultural economy, for its unwavering support of farmers, and for measures it has taken to help lessen the plight of those employed in agriculture in Saskatchewan.

And I think it's very fitting, Mr. Speaker, that we are entering this debate on the importance of agriculture to our province in light of the debate on rule 16 which has just taken place.

And when we speak about agriculture and we look at agriculture in the province of Saskatchewan, it's one of the most important sectors — business sectors and economic sectors — of our province. And as agriculture indeed thrives, Mr. Speaker, small business in the rural community and even in the larger centres thrives as well. So I believe our debate this afternoon really ties in well with the debate on motion 16. Mr. Speaker, agriculture is indeed the foundation of our provincial economy.

As we are gathered here today, in recent times, Mr. Speaker, there have been a number of questions asked and there's been a fair debate range around the fact of the employment and the amount of employment or unemployment within this province. Mr. Speaker, I don't think there is an individual in this room who doesn't realize the importance of agriculture to employment in Saskatchewan. In fact, agriculture, it directly employs more than one in six of Saskatchewan workers. Mr. Speaker, that's for every six jobs, there's one . . . one of those jobs is directly related to agriculture.

And just recently, I believe, the Premier just informed us of the fact that there are over 10,000 jobs were affected last year, or in the last couple of years because of the drought we've been facing. And certainly we are more than happy to see the rain and the moisture and the type of growing conditions this year.

And as I've been talking to farmers and to business people in the communities in my area, people are more than optimistic and really looking forward to the summer and to this fall and to a crop — not just the farmers putting something in the bin and some grain and higher grain prices, but even the small-business community, even the business men and women in our small communities. They are more than happy because they know how affected they are by agriculture and how agriculture operates in our province.

Mr. Speaker, if agriculture's not flourishing in Saskatchewan, nothing is. And the last two years have really proven that fact. We have seen how the economy has just come basically to a standstill because of the effect of the drought on agriculture.

Mr. Speaker, it is a reality that agriculture is very important. That is why we must recognize and support the agricultural economy in Saskatchewan to the fullest of our capabilities. And I believe that our government has been trying and working hard and is succeeding in showing its support for agriculture because of the importance it plays in our province. That commitment is reflected by our farm assistance and protection programs.

Mr. Speaker, we have aggressively pursued our own policies provincially and lobbied hard for national policies which will continue to strengthen the industry and protect our province's family farms.

We can take a look at the production loan program, Mr. Speaker. This loan program virtually affects every farmer in the province. It was announced late in 1985 to ensure that producers had access to operating funds to plant their 1986 crop.

(1600)

Back in 1985, Mr. Speaker, we were already seeing the effects of drought, and I believe at that time too there was an area of the province where heavy flooding had really delayed seeding and farmers were facing a very difficult situation in obtaining funds in order to operate and to expand their farming operations. Therefore, Mr. Speaker, the government of the day, this government, brought in the production loan program which was money at 6 per cent — 6 per cent money, Mr. Speaker, made available to farmers.

And how many farmers took advantage of the program? Mr. Speaker, there were 57,000 Saskatchewan farm families who took advantage of that program. Where else could you find 6 per cent money, 6 per cent operating money to run your farms.

Mr. Speaker, the Premier of this province and the government of the day believed in the farm community and said, we will help you out. We will give you the opportunity of applying for \$25 an acre at 6 per cent and you can pay it back as you have the funds to do it. And, Mr. Speaker, again I reiterate, 57,000 farmers took advantage of that program.

Mr. Speaker, when you look at the overall effect of the program, there was \$1.1 billion in low interest loans to

the farming community — \$1.1 billion. And you may ask, well how was that money used? Well, Mr. Speaker, I remember talking to many of my small-business people, like the fertilizer dealers and the implement dealers and the fuel dealers, and many of them were very happy and very positive, in fact were very thankful that this program came into effect, because on many cases they had outstanding accounts receivable.

And because of this program, Mr. Speaker, many of those small businesses were helped out as the farming community went in, and in many cases, Mr. Speaker, the first thing they did was went and said thank you to the small-business person who carried them and paid off their loans.

The farm families of this province appreciated this program when it was first implemented, Mr. Speaker, and I believe many farm families still appreciate it today.

Mr. Speaker, I believe when we look at the farm program and look at the \$25 an acre, certainly there have been arguments as to the need and whether it was needed during that time or whether it's still needed today. We also are aware, Mr. Speaker, that at the time when the farm program, \$25 an acre program was introduced, that the members opposite were not really in favour of that program. In fact they opposed it, Mr. Speaker. They were not in favour of lending money to farmers or making money available to the farm community. But, Mr. Speaker, this government realized that the farming community is a very important part for the economy of this province, for the wheels of this province to turn.

Mr. Speaker, I believe, even in the debate on the \$25-an-acre program, the label was made of farmers that it was just another welfare program. And I would suggest that farmers are not welfare people, and farmers rejected the fact that a program such as that that they would be labelled as welfare people. These people were taking out a loan; this program is a loan to farmers. Mr. Speaker, we were putting some trust in the farming community of our province.

Honourable farm families, Mr. Speaker, realized that they weren't taking out a grant — although maybe some farmers suggested it should be, and maybe some other people did; maybe even politicians suggested it should be a grant — but they realized it was a loan. And I know there are many responsible farm families who appreciate and accept a loan for what it is. And what is a loan? A loan, Mr. Speaker, is something that you take with the realization that you have to pay it back. They were taking out a loan with full intentions of repaying it. And people like the members opposite were accusing them of accepting it as welfare — taking out a loan with full intentions of repaying that loan, Mr. Speaker. And that I don't believe is welfare; it is showing faith and trust in our farming community.

That program, that program alone provided more assistance to farm families than anything the NDP opposition had done in their term of office, Mr. Speaker. In all 11 years the members opposite never really put out, or gave, or put the type of faith and trust in the farming community that this government did back in 1985.

The production loan program offered a three-year repayment program. And then, Mr. Speaker, as the drought continued, when some farm families found it difficult to make those payments, they were offered an alternative. What was the alternative? Was the alternative, well, we offered you a loan; pay it back today or we'll take over the farm? No, Mr. Speaker, we offered them an alternative of either paying it off in the three years, as they had agreed to under the original agreement, or they could choose to take a 10-year agreement repayment program.

And, Mr. Speaker, many farmers opted for that 10-year repayment schedule which made it a lot easier, made the payments a lot smaller, and made it much easier for the farm families to repay the loan — a loan which they realize was a loan, and which they wanted to make good with the government and with the taxpayers of this province.

That option for 10 years was the first seven years at 6 per cent . . . the first three years, pardon me, at 6 per cent; the last seven years at nine and three-quarters per cent. It breaks down to a little over 8 per cent for 10 years, and where else do you find money available, 10-year money, at a little over 8 per cent?

Mr. Speaker, we know what the interest rates are today, and they're well over 12 per cent. We all realize that 12 per cent interest is difficult to operate under.

Mr. Speaker, the option offered to farmers accommodated the farm families that were having difficulty, and I believe they appreciated it. It is helping those farm families in tough spots, and today as we look at the brightness in the farming economy, I'm sure that many farm families are saying, thank you, thank you for putting some faith and some trust in us when we were having difficult times.

Mr. Speaker, we have shown support by establishing the Agricultural Credit Corporation of Saskatchewan. This corporation was first established in 1984, and I'd like to take this opportunity to outline the history of the ag credit corporation.

I believe, Mr. Speaker — and I'm just going to relate a little incident I had yesterday. When we talk about the ag credit corporation, it takes over for part of the land bank program that was offered by the members opposite. And I was in the home of a very close friend who doesn't happen to have the same political views that I have. And in fact, Mr. Speaker, as I was visiting with him yesterday, he had just lost his brother in a tragic light aircraft accident.

And he brought up the political side of the argument. And he mentioned to me, he said to me, he said, you know, when the NDP were in power and we were in power, we had the land bank system. And he said, I really believe the land bank system was a very positive thing for the farming community. But, he said, I realize that the land bank system opened itself to a lot of abuse, and in the long run it turned out it wasn't the real program that we were hoping it would be.

And so, Mr. Speaker, we see in 1984 the establishment of the ag credit corporation. The ag credit corporation was established to again help farmers by giving them money in times of need, helping them in the area of increasing the livestock herd or expanding their livestock facilities.

I say the history behind . . . because this budget introduced an expansion to that corporation's mandate. Mr. Speaker, you're aware of the fact that just recently, I believe, over a week ago the Premier introduced some more . . . an expansion in the mandate of agricultural credit corporation. And in a few moments I will take just a few minutes to let the farm families and the people of this province know what that expanded mandate is and why it has been put into place in order to help agriculture and agricultural farm families — not just agriculture or farm families, but business men and women and the workers of this province, as the money circulates through the farming community.

The agricultural corporation was established in 1984 to provide to our farm families low interest loans. And why would they need low interest loans? Well, Mr. Speaker, we are all aware of the problems that were faced by high interest rates in the early 1980s, interest rates which — and even I think you and I agree — it was very difficult to make a go, to even make your payments when you're making exorbitant interest payments such as we were in the neighbourhood of 18, 20, and 21 per cent.

Ag credit provided an alternative to the banks and to the high interest rates. Mr. Speaker, literally thousands of farmers have received loans from the agricultural credit corporation. These loans total over \$155 million — over \$155 million in low interest loans to our farm families. I believe this is another illustration of our government's unwavering support to agriculture, to the main economic sector that drives this province.

The agricultural credit corporation has a number of programs geared toward aiding farm families in difficult times. And each and every one of these programs, Mr. Speaker, were they supported by the members opposite? It seems to me that most of the programs were opposed by the members opposite.

As I said before, Mr. Speaker, those members voted against every program and initiative created to aid and support farm families in our province. And I believe if we look at the record, that would be indicated. Let's just look back and you'll see what the truth is.

I expect that even today we may find that members opposite will, instead of presenting some positive input into the farm legislation that is brought forward, will be probably looking at it more on the negative side. And we will wait and see for response from the members as we get into debate on the agriculture credit corporation Bill.

As I referred to a moment ago, the mandate of the agriculture credit corporation is to be expanded essentially to enhance the range of financial services provided to farmers for capital acquisitions. These changes, Mr. Speaker, will encourage and assist the young people of this province to enter the agricultural

industry.

And there's no doubt that over the past number of years with the difficulties in the farming situation, many young people have chosen not to go into agriculture or not to go into farming. They found it a lot easier to maybe go to university, or go to a technical school and get a job where you knew that you could work from nine to five and had a reliable cheque coming in every week or every month. And in agriculture that certainly hasn't been the case, it's been a lot of hard work.

But the men and women who built this province around agriculture still believe in it and we as government believe in it. And that is why we have the ag credit corporation in existence. ACS (Agricultural Credit Corporation of Saskatchewan) will offer, as part of its extended mandate, financing on the home quarter and necessary farm-related facilities, and capitalization for the first year's start-up costs.

Debt refinancing will also be made available to producers who are in financial difficulty who reach a settlement with their lenders and who continue to show sufficient viability. Mr. Speaker, for those debt refinancing programs, the ACS lending criteria will be revised to: provide loans up to \$500,000; increase the net worth limit to \$500,000; and remove the limit on off-farm income to eliminate any disadvantage to farmers and new entrants with off-farm employment.

I believe that is one area, Mr. Speaker, where most people are more than happy to see the change in ACS' line of borrowing and lending — the fact that we have eliminated the off-farm income.

I know in my area that I have talked to many farmers. I've had many calls from a number of young farmers who are really trying to establish and get into farming, and their personal goal is to become full-time farmers. But as of now they find it is difficult and they have had to have off-farm income. And it's been difficult for them to borrow from ACS because their off-farm income was too high.

Well today, Mr. Speaker, through this new legislation, they will be able to continue their off-farm employment while they build up their family farms with the hope in the future of establishing themselves as full-time, full-fledged farmers.

I don't intend to go over the entire budget, but some of the details are important and relevant to this resolution. Another initiative produced by this budget was a mortgage guarantee program. It will provide retiring farmers with a guarantee on mortgages to new or developing farmers.

Mr. Speaker, this program will ensure financial security for retired farmers and will provide the youth of Saskatchewan with the opportunity to pursue a career in agriculture. As I have been asked by a number of younger farmers, and even by farmers who are ready to retire, by fathers or even by neighbours who would like to sell the family farm to a neighbour or their son, Mr. Speaker, many of the older generation have indicated that even at

10 per cent or 12 per cent interest, to finance or to mortgage a farm it is very difficult and they have a hard time seeing their son or their young neighbour friend who they'd like to see farm, making it to the end.

And, Mr. Speaker, with this mortgage guarantee program, what they will be able to do is come to an agreement with their son or with their neighbour to sell the farm to them and take an initial down payment and then so much over a period of years. They then will be the lender.

And what the government will do is just guarantee the loan so that should something happen to the young individual who takes over the farm, the father or the neighbour will not be out the money. And that way, Mr. Speaker, we will be able to have an intergenerational passage of a farm from one family to another.

And as we see, Mr. Speaker, many farm families want indeed to see the family farm passed on to the younger generation.

(1615)

In fact I just received a phone call this morning, and I've been dealing with a family in my constituency who are going to be celebrating 100 years — 100 years on the same farm. And as I've talked to them, they have been very proud and really looking forward to the day when they accept this plaque from the provincial government commemorating 100 years of the same farm family being on that original piece of property.

And when we talk about farm families being on farm land for a number of years, farming through intergenerational transfer, there's another farm family, Mr. Speaker, in my constituency, in the first part of August is going to be celebrating 100 years in the Hereford breeding business — 100 years. That's a long time to be in one business and to especially be raising . . . or working with cattle or in the Hereford business, or whatever. It's a long time for that many generations to continue to have that kind of interest.

Mr. Speaker, this guarantee program will remove the risks associated with the sale of land and will encourage retiring farmers to leave their capital in agriculture for the benefit of the purchaser.

As was indicated yesterday when I was just meeting with some farmers, one individual said to me, he said, you know, there's a lot of farms around here where the land has been paid for over and over and over again. And that is true. One family buys the farm and pays for the farm, borrows against it, works for a number of years — 20, 25, 30, or 40 years, turns around, sells it to the son. He in turn borrows the money and finances it. He maybe farms for 20 years, and it seems that land is just continually being paid for.

Under this program, Mr. Speaker, I believe we will be able to have intergenerational transfer of land at a much reduced rate and certainly at a rate at which farm families can pay for the land and pass it on to their own younger generations.

Mr. Speaker, when our farm families were threatened with a high debt situation, our government reacted. For example, we implemented The Farm Land Security Act to provide a moratorium on farm foreclosures. And I believe even today there are many farmers who appreciate that Bill which has given them just an added breath of life and an opportunity to look and investigate ways and means of retaining their farming interest and continuing to farm and to be in the agricultural business.

Mr. Speaker, this Act provides producers facing financial difficulty with the opportunity for a fair review of their financial status. This Act ensures that banks and lenders who apply to the court for the purpose of foreclosure must give the Farm Land Security Board 120 days notice. They have to give 120 days notice, Mr. Speaker.

Why do they have to give the notice? This notice gives the board time to review the farm family's financial situation. The situation of the farm family involved in that foreclosure is then able to be reviewed and the farm debt review board or The Farm Security Act under The Farm Security Act are then able to work together with the lender and the farmer to maybe come to a compromise or an agreeable solution which allows that farm family to continue to operate in the agricultural sector.

The board also mediates between the lender and the farmer. They prepare a report, Mr. Speaker, that the court gives primary consideration to.

Mr. Speaker, up to September of 1986, the board has received 756 notices. Out of those 756 notices of intention to foreclose, they have had 443 cases which have been completed. And out of those 433 cases, 247 of them have received favourable judgement by the board, Mr. Speaker.

And here again, I can talk about farmers who have used this avenue of coming to agreement, and on many occasions, Mr. Speaker, farm families have again said to me and said to the government, thank you; thank you for your willingness to support us; thank you for the avenues you have opened up to us so that we may pursue our farming activities.

Two hundred and forty-seven farm families have received favourable judgement and are more than pleased with that. I am positive, Mr. Speaker, that since these figures, those numbers are no higher, as more of these cases have been reviewed and have been brought before the courts. And in light of the growth conditions and the crops as we see them now, and the higher grain prices, I believe even the lending institutions realize it is important to keep farm families on the family farm.

Our government has initiated many programs in support of our farm families, and I'm really proud to be part of a government which has stood behind the agricultural sector in this province.

Mr. Speaker, we can talk a lot about the programs locally, but also let's look at the special grains program which was initiated by our government through the Government of Canada. A \$1.1 billion deficiency program for 1987, Mr. Speaker; Mr. Speaker, a program through which the

Premier of the province went to the Prime Minister of Canada and told the Prime Minister of the problems that we're facing in this province — and not just Saskatchewan, but all of Canada, because of the problems with relation to drought and the lack of money in the hands of farmers. Because of that, Mr. Speaker, because of his persistence and because he thought a lot of the farm families of this province, the Premier went to the Prime Minister, and the Prime Minister and the federal government delivered \$1.1 billion deficiency program.

Did the farmers appreciate that, Mr. Speaker? I believe they did. And not only the farm families but the business community; the small businesses within our province appreciated that deficiency payment, as it meant there was money revolving in the economic sector of our province, from the farmer to the small-business person to the working person, and over and over again, Mr. Speaker.

Mr. Speaker, in 1985, in response to drought conditions and high feed costs, our government also introduced the livestock cash advance program. Now many of us who are farmers are aware of the fact that for years the grain sector had the cash advance program through the Canadian Wheat Board in which, because quotas sometimes weren't large enough for you to deliver enough grain so that you could make your payments, you could go and on the basis of what you had sitting in the bin, you could apply for an interest free cash advance, take out your money, and then as you delivered, you would make your payment back. It was a loan.

Well, Mr. Speaker, we felt that the livestock sector in agriculture needed the same type of opportunity. When they were strapped for cash, where could they go? They had no other alternative but maybe to see their lending institution for another operating loan at high interest rates. Therefore, Mr. Speaker, the livestock cash advance program was introduced. That livestock cash advance program was \$125 on livestock, for cattle; \$25 on hogs. And, Mr. Speaker, many farmers took advantage of that as well.

And many farmers have used it very wisely. As they've sold their stock they've repaid the loan. Then as the herd is increased, they've taken out some more money against the herd. And as they've sold it again . . . this works the same way the grain cash advances work.

Mr. Speaker, this program has been saving producers an estimated \$22.4 million in interest costs each year — \$22.4 million. I believe, Mr. Speaker, that is a substantial saving to the farm families, to the farm communities of our province.

Mr. Speaker, this program was designed to provide livestock cash advances to improve producers' cash flow and to help them retain their herds. By the end of 1986, more than 18,600 producers received \$187 million in advances, saving, and I'll repeat it again, \$22.4 million just in interest. If they would have had to go to the bank, that's what it would have cost them over and above the money they had borrowed. This is another example, I believe, of how we worked to protect our farm families in rough times.

We also look out for the future of our farm families. Our Saskatchewan Pension Plan does just that. And, Mr. Speaker, it is the first such plan offered anywhere in Canada. And this pension plan was designed to give Saskatchewan residents a greater opportunity to provide for their own security in retirement. It allows farmers to pay into a pension plan.

And this pension plan doesn't just help farmers who are in a situation where they haven't been able to pay into a pension plan; it allows them as well to provide for their wives and their spouses through the pension plan.

Many farmers and many spouses . . . and as I worked with my constituents every day, I find there are, especially the women of our society, the farm women who have in many cases given a lot of their time, a lot of their effort, enjoyed being out, not just working in the home, but working outside on the fields or on the land, or helping their husbands, have been not, if you would, adequately taken care of. And this Saskatchewan Pension Plan is a means, Mr. Speaker, which helps farmers and their wives plan for their future.

And it doesn't just help the farm families, but it's a pension plan in which the government makes matching contributions, and it works also within the small-business sector. It helps everyone in rural Saskatchewan, anyone in Saskatchewan who doesn't have the opportunity of a pension plan.

This is the first time in Saskatchewan, first time in Canada, that farmers or business people or anyone without a pension plan has been given the option to be covered by a pension plan. And, Mr. Speaker, I believe, because of its popularity, we have seen many other provinces and governments and countries looking at our plan because we all realize that as the population grows older it costs more to live and it costs more to subsidize, subsidize a senior. And so it works out a lot better if people can plan ahead and put money away for their retirement.

Mr. Speaker, let me speak a little bit about the counselling and assistance program for farmers. This program is aimed at farm families who have had difficulty obtaining operating funds from their lending institutions — Mr. Speaker, farmers in immediate economic distress.

What happens, Mr. Speaker, is that panels made up of farmers can recommend that eligible farmers receive a government guarantee for operating and call it consolidation loans. They can guarantee farmers who are experiencing financial problems loans from lending institutions.

And again, Mr. Speaker, there are many farm families who have been able to work together with the counselling and assistance program in order to help them come to workable solutions and agreements that have given them a second chance and a second opportunity to maintain their family farm.

They also offer counselling. And you ask, well why would you need counselling — a person's farmed for a number of years? But, Mr. Speaker, I don't think that there's any

one of us can't . . . or it doesn't hurt to hear someone else's views and get some more input as to how we can make our farm or our business work just that much better, counselling on such things as changes in production and management techniques.

And I believe many people have accepted this counselling with a lot of gratitude and thankfulness as they have put the recommendations to practice and have seen how it has helped them in their farming situation. This has brought about changes that will in the future improve net farm returns.

Mr. Speaker, the programs and initiatives I've mentioned here today are but a few of those currently in place. And to mention them all would take up a fair bit of the time this afternoon.

Just before I close, Mr. Speaker, I was just looking at a news release that had come out recently. And as we look at the farming situation, I don't know if there is a farmer in this province who would just as soon see the prices of their product be high enough to help them make their payments and continue to farm on their own without government interference or government assistance, or however you want to put it.

And I just wanted to mention something here. Talking about our agricultural trade balance, dated June 9, '89, it says:

A dramatic rise in the value of some grain and oil seed exports in 1988 has given Canada its best agricultural trade performance since 1984. In 1988 exports exceeded imports by \$3.48 billion, which represented an increase of 64 per cent from 1987.

I believe to the farming community that is welcome news. And the farming community, the farmers of this province, and even the business people — and I come back to business because I believe farming is a business — welcome that type of news because they realize as a product is sent to market and sold on the world market, as the product moves, it means income to the farming community, income which spreads right throughout, from the farm gate to the business sector to everyone involved.

And we have people right throughout this province . . . in fact, I believe in the last year and a half or two years, more and more people have begun to come to realize the importance of agriculture in our province as they have seen what the effects of agriculture have done.

And I believe that this government has shown its faith in the farming community. It has shown how much it believes in agriculture, and I believe that is why this government, this Premier, the Premier of the day, the member from Estevan, have placed so much importance and have brought forward legislation, have brought forward programs that have assisted farmers and helped them throughout the difficult times. And I know, Mr. Speaker, that as the production cycle turns around and we get into our better crops, many people are going to be thankful that we were there when it was difficult.

And I know I appreciate that — and I'll just relate a personal thing — I appreciate the fact that my parents were there when it was difficult, to aid me, aid me when I was even going to university or away at school and even starting up on the farm. I wouldn't have been able to do that without the help of my parents.

(1630)

And I'm sure many young farmers today not only are thankful to their parents, but many farmers will be thankful to this government for the effort, for the work, for the programs it has introduced, for the support it has shown to a sector which is so important to the province of Saskatchewan.

Mr. Speaker, I trust that today that many members, or all members of this House and this Assembly will follow my lead and support this motion in support of the agricultural sector, in support of farmers in the province of Saskatchewan.

And so I move, Mr. Speaker, seconded by the member from Kelvington-Wadena:

That this government be commended for its recognition of the importance of the agricultural economy, for its unwavering support of farmers, and for measures it has taken to help lessen the plight of those employed in agriculture in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Petersen: — Thank you, Mr. Speaker. I know the member for Humboldt would probably like to get into this to denounce us and tell the world out there what he thinks of our programs, and I can probably give you his speech in one or two words. It would be, too little too late, doom and gloom, you're not there rhetoric, so on and so forth. Because, Mr. Speaker, that has been the constant criticism we've heard from the NDP over the last seven years that we've been in office.

Every day we sit in this Assembly, and agriculture is the topic — it's too little, it's too late, you're not doing enough. My God, Mr. Speaker, we go out and we talk to the industry out there. We talk to Sask Wheat Pool. We talk to the stock growers. We talk to the cattle feeders. We talk to the SARM (Saskatchewan Association of Rural Municipalities). And let's talk about a program that we introduced, the production loan program.

We talked to everyone. The Sask Wheat Pool said, bring on a program, lend farmers money to put in the crop at 7 per cent. We went one better — we did 6 per cent. Did we get one bit of good news from the opposition? Did we get one bit of credit? Not at all. Not one accolade at all. They didn't even say, well thank you, it made some sense.

Even the National Farmers' Union who have not been noted for being friends of this administration and have been critical of us on a number of occasions, sent a letter thanking us for our foresight in dealing with that situation.

But the members of the opposition? No way, no way. You

know, we asked them what their farm policy is, and they don't really have one. They didn't have one in '82; they didn't have one in '86. You know, you talk to them; you try to find out where they're going to improve on what we've got. And they say, well wait, wait, we'll tell you about it, but right now you guys aren't doing enough.

Drought and all the rest of it's hit us. We've provided money for farmers, low interest loans. We've helped out as far as drought payments were concerned, provided incentives for farmers to dig dug-outs, provided water, money through the water corporation, Mr. Deputy Speaker. And again not one comment from the opposition giving us a little bit of credit for doing some good out there.

It's as though they just stuck their head in the sand and won't look at the real world. They're stuck back in 1942 or whenever it was or whenever the CCF (Co-operative Commonwealth Federation) brought in their manifesto. And that's what they think the world should be — communes, nothing but communes. Absolutely wonderful and great, definitely . . . (inaudible interjection) . . . Well, go out and ask some of your members. Go out and ask some of the people that profess to vote for you. Ask them what they think of our moves in agriculture. And they'll not deal with the present, they'll deal with the past. They'll talk about how it was in the '30s. They won't talk about how it was in 1981 when I was paying 22 per cent interest and the Premier of the day said, tough luck young fellow, pay 22 per cent interest; the government doesn't belong in there trying to help you. They don't talk about that. They never talk about that.

Actually they have what I'd call a Darryl syndrome. You've heard the terminology, you know, this is my brother Darryl and my other brother Darryl. Well the NDP have a Darryl syndrome when it comes to agriculture. I'll let you take it from there.

As far, Mr. Speaker, as the situation we find Saskatchewan in today, we're pretty good because it rained, Mr. Deputy . . . Mr. Speaker, pardon me. It rained.

Now I don't know what the NDP are going to have to cry about. They took perverse pleasure in the hardship that farmers were having, and their quotations of "Tory times are tough times" rang across the land, saying, nobody's helping you with the drought. They said, no one's going to help you; the drought is upon you, and no one is there helping you.

Well I suppose we could go through a list of things that we were there for the farmers on, but the NDP would probably say, too little, too late. You know, Saskatchewan Water Corporation supply program, eight and a half million; farm purchase program, 87 million; counselling and assistance, Mr. Speaker, 21.5 million; farmers' oil royalty rebate, 37.4 million; livestock investment tax credit, 28 million; ACS capital loans, the interest subsidy portion thereof, 13 million; and so on and so on.

And I'll get back to the list after a while. But the NDP said, oh the Conservatives aren't doing anything for you, Mr.

Farmer. They aren't doing anything for rural Saskatchewan. And yet when I go back to my list, I see millions and millions of dollars put into the rural economy of this countryside of this province to help farmers, to help farm families get through these tough times. And the NDP did nothing but stand up and say, it's too little, too late; it's too little, too late; and it's a drought and we're in terrible, tough times.

And now it's rained. Now it's rained, Mr. Speaker, and the crops look good. It's green across the country. Now I don't know what the NDP are going to have to cry about next. I don't know how they're going to criticize us on agricultural policies.

Mr. Speaker, you heard the Premier introduce into this legislature a new farm financing package. Mr. Speaker, you'll find that that package, that package, is the second half of what we said two years ago would be a comprehensive agricultural program carefully thought out in consultation with the farmers. Certainly there were some who said: hey, we don't like this; we don't like that; yes, we like this; yes, we like that point. And we met with all of them, all who cared to come. We listened to all. We went around, talked to groups, and the second half of the program is in place.

The first half, of course, was the farm security Act, the safety net portion: the portion whereby farmers who were in difficulty were assured that they would live to fight again, if you would, to see another day; the portion whereby if a farmer was in financial difficulty, he knew that he could find . . . he or she, I should say, knew that they could find an impartial judge, an impartial group, Mr. Speaker, to deal with a situation that they and their financial institutions had not been able to agree upon.

The financial institution and the farmer were invited to come into mediation in later years . . .

The Speaker: — Order, order. Order, order. Order. Order.

Mr. Petersen: — Thank you, Mr. Speaker. It was getting difficult to hear myself, and I don't wish to shout as I've got a bit of a cold. And members opposite say I'm not missing anything, but I assure you if they'll just be quiet and listen, they might learn something and they may even be able to develop some kind of an agricultural program or platform for themselves to stand upon.

I mean, all they've had so far was the leader putting his cowboy hat on backwards and say, hey vote for me boys, I'm a great guy. And the critic . . . well I'm not too sure who the critic is. Occasionally we have the member for Elphinstone and then the member for Quill Lakes and the member for Humboldt. They all stand up and ask questions. And we're not sure who the real critic is. Would the real critic stand up? Would the real critic please stand up? I know a couple of them want to be leaders of the opposition over there.

Maybe one of you guys would just like to be the ag critic and concentrate on it very carefully, very carefully; concentrate on it, because your job as critic is going to become more and more difficult. Your jobs as critics is

going to be more and more difficult when you take a look at the second half, as I've said, of our package in agriculture, the financing package for young farmers, the refinancing package for farmers who have experienced some difficulty, the intergenerational transfer of land that will be coming along.

As I started to say, Mr. Speaker, to begin with we tried to make sure that farmers would live to see another day. And indeed there have been thousands of farmers who have had notices of intent to foreclose filed with the farm debt review and the farm security board and who have reached a settlement with their financial institution.

The mediation side of it, Mr. Speaker — the mediator will come in, assess the situation, take stock of it, work with the farmer preparing his financial statements, and then a meeting will be called between the financial institution and that farmer. The mediator attempts to get both sides to see some middle ground. On subsequent meetings, Mr. Speaker, an agreement may be reached. If it's reached, in many cases it means that that farmer will have to give up some land; the bank will have to give up some collateral. The bank will have to forego some payments; the farmer will have to forego some of his collateral he's put up. There's a meeting of the ways, if you would.

And I think this mediation process is very, very important, Mr. Speaker, because too often we've found farmers and financial institutions who had been good friends with one another for many years, worked together. The farmer had been a client of this particular bank for quite some time, had fallen into a situation where the farmer didn't want to talk to the bank. He was scared to. He didn't know his rights. He didn't know where he was at. He was upset. He was concerned. He had pressures on him. And the stress, the stress on those farm families, Mr. Speaker, is something that should not be ignored.

We were at Laird, Saskatchewan, at a meeting, with my good friend, the member from Rosthern, and my colleague across the way, the member for Humboldt, and we were talking to the farmers there, and three farmers stood up in that crowd and told us their personal situations. Now those personal situations, Mr. Speaker, were fairly traumatic. The problem, Mr. Speaker, was that they had never had to face this kind of stress ever before. And they were quite happy to find out that we had . . .

The Speaker: — Order, order. Order. Hon. members have their opportunity to speak. The member from Kelvington-Wadena has his opportunity now, and as I mentioned earlier, perhaps we should give him that courtesy.

Mr. Petersen: — Thank you, Mr. Speaker. I guess members opposite just asked me to start again and I might just do that since they may have missed something that I was saying. But I suppose they can go back in *Hansard*. I'm sure the microphones have picked it up as well as some of their comments that are continually coming across the floor. We won't go into that note right now.

But as I was saying, Mr. Speaker, the stress that's on farm families is significant, and those people at Laird, Saskatchewan stood up and told us their situations. And

it's very, very tough to do, Mr. Speaker, stand up in front of your peers, your colleagues, people you don't know, and tell them your personal situations. But I give them credit for it. I give them the ultimate credit for it.

I found many of the people in the hall that day had worked with the farm security board — some of them had some actions against them — and we talked about the counselling and assistance program for farmers. Mr. Speaker, a young fellow at the back of the hall got up and said, well why don't you advertise this more? Why don't you tell us about it some more? I haven't heard of this program.

It's been around for four years, Mr. Speaker, and I was quite surprised to find that he hadn't heard about it. We have tried to provide that information to the farmers of Saskatchewan, and I would presume that members of the opposition have also presented to people who give them calls in their particular riding, the numbers of these programs that we have and the basis on which they operate, because they are good programs. Over 3,000 farmers have been in the CAF (counselling and assistance for farmers program) program.

And it's helped many, many, many of them continue farming until this year, Mr. Speaker, when we finally had timely rains. Prices are at a reasonable level. We've seen some fluctuations in the market, Mr. Speaker, but prices are at a reasonable level. If we get an average, or just a little better than average harvest, and prices hold where they are right now, I would say, Mr. Speaker, I would predict that most of those farmers who have been experiencing difficulties in past years will have the brightest year they've had for some time.

And I would also say, Mr. Speaker, that with the new financing and refinancing packages that we're putting in there, many of those farmers will be able to qualify for these programs, and indeed return to the situations where they are total owners of their own land, they are in complete control, and they no longer have to be concerned about losing their land to the financial institution, whether it's Farm Credit, the bank, or a credit union.

And that's a good thing, that's a good thing for rural Saskatchewan. You'll see, Mr. Speaker, many communities whose populations have been depleted in past years, people who have left because if the farmer doesn't have money the small-business man doesn't have money.

(1645)

We heard a motion earlier about small businesses, Mr. Speaker, in which the opposition was decrying the action of this government. And the actions of this government, Mr. Speaker, as far as small businesses are concerned, have been exemplary.

This spring in the legislature we saw the minister in charge of SEDCO announce programs which will help small businesses. And they have been asking for them because they too, they too have had a problem because the farmers don't have the money to spend that they had

in past years. It's not just one small group of people, Mr. Speaker, that get hurt when we have tough times in agriculture in this province — it's an entire spectrum out there. Rural Saskatchewan is completely at the mercy of agriculture.

Mr. Speaker, when you talk about helping agriculture people, you want to look at more than just providing a safety net and a refinancing package. You want to talk about diversification, Mr. Speaker. You want to talk about providing a better infrastructure in rural Saskatchewan whereby the rural people — farmers, townspeople — can have more than just primary agriculture as the mainstay of their life. You've got to have other types of processing, Mr. Speaker.

For many, many years everybody said, well you can be hewers of wood and drawers of water, load your wheat in the elevator and off it goes down the railroad to be exported. But we've seen there's a little problem with that, as evidenced by some of the things we've seen in the last five years. You need jobs for young people, Mr. Speaker. Members opposite take some sort of perverse pleasure in jumping up and down and saying our population in Saskatchewan is going down. Well it's holding its own. And I'll give you that much, that it isn't increasing by leaps and bounds. And we've got a few more people now than we had in the '30s, Mr. Speaker.

Now we've seen declines in ag populations not only during a CCF administration, but a Liberal administration, an NDP administration. And indeed, we've seen farm families decrease in number during our administration. And it's not a phenomenon that's new.

The '70s, apparently, according to members opposite and everything I can find out, started out pretty tough, wandered along, world prices increased, things got pretty good out in the ag country, land prices went up, land bank was there jacking the prices up, and farm families still left the farms. We lost 11,000 farmers during the NDP administration, so it's not a phenomenon that is there simply because of tough times, Mr. Speaker, or world markets dropping off.

You have got to have something there, something else there, than primary agriculture. And the member from Moosomin spoke about people who have left the agriculture industry as young people and went to university perhaps to take up careers as teachers and lawyers, or working as a machinist or mechanic or whatever, because they said it was a little different way of life than what they wanted to ... than what they had experienced as children on the farm. They wanted to do something different than farm.

But the trouble is, Mr. Speaker, when they do those jobs, they have to leave rural Saskatchewan. They have to go to Saskatoon or Regina or Moose Jaw, Prince Albert — they can go to Prince Albert now and work at Weyerhaeuser — or they have to leave the province, as I had to, and work in British Columbia, because that's where the jobs were in 1972-73.

And I went there. I went there, Mr. Speaker, I went there. Things were tough. You couldn't get a job here in

Saskatchewan, so I had to go there. But because I had wanted to farm, when the opportunity came I went back and I did farm. And I didn't do it under land bank. As a matter of fact, I had to go farming against land bank, bidding against land bank, and that cost me plenty of money. But, Mr. Speaker, not all people are able to do that. Not all people are able to have the infrastructure that was there for me, and so we see people leaving rural Saskatchewan.

When you take a look at the diversification initiatives that this government has put forward, Mr. Speaker, you'll see that we're working very, very hard at keeping people in rural Saskatchewan. And as a matter of fact, we've even started decentralizing government agencies. Crop insurance has moved out of Regina. The water corporation has moved out of Regina. Our rural services network, instead of centralizing things and bringing them all to one point, we've moved them out; we've opened more doors, Mr. Speaker. So we believe in those sorts of things.

And if you take a look at the rural services network and our whole thrust in that area, not only in the ag secretariat under the Department of Agriculture and Food, but under Rural Development, with the rural services networks we have now got rural networks that will work with young people, work with investment groups. We have economic development groups in rural Saskatchewan working to build on the strengths of a particular community.

And we took a look at some interesting things, like in Kelvington they're talking about a factory to make chips, you know, corn chip things, only they're not made out of corn, they're not made out of potatoes, they're made out of pea flour fried in canola oil. Well it's an interesting concept, and it's something that will sell — it's a health food, and it's going to be done in Kelvington.

And I use Kelvington because that's my constituency and I know it quite well. But it's going to provide jobs for many, many people in the area, not just making sure that the equipment is working but in the bagging and the loading and the handling. And you've got a small example of rural diversification, Mr. Speaker.

The NDP would probably have said, well tell you what; first of all you've got to make sure that the government owns 90 per cent and you've got to put it in Saskatoon, and away you go. And then we'll talk to you about rural diversification.

Either that, or they'd have said, well you've got to grow it all on land bank land or you've got to have a commune in order to qualify. You can't set up anything out there unless you have a group of people who happen to believe the way that the NDP did.

Well we'll take all comers, Mr. Speaker. We take people of all backgrounds; we take people of all political stripes. We say, if you've got a good idea, well, we'll work with you; we'll deal with you; we'll see what can be done.

I'll tell you, the member for The Battlefords who has been criticizing this government in past days should take a look

at the RV manufacturing firm that's in their town. Take a look at it; ask how many people are employed there.

You know, we've looked at other things. We hear that Gainers is a terrible, terrible thing. Well we're processing meat.

Weyerhaeuser — little old Prince Albert. Weyerhaeuser. Weyerhaeuser. Many farmers in that area supplement their income by working for Weyerhaeuser corporation. They work for Weyerhaeuser corporation. And there's more people working there now than ever before with the advent of the paper mill, Mr. Speaker.

Those types of things are something that the NDP will not accept as reasonable. You take a look at a number of other . . .

The Speaker: — Order. Now I've asked the hon. members several times to refrain from constant interrupting, and some have and unfortunately some haven't. Unfortunately, one hon. member has now begun to use unparliamentary language. And I believe that hon. members, when they're asked to refrain, should have the courtesy to refrain and not for ever interrupt the speaker.

And I think there are limits to everything, and some hon. members have stepped across the line. I'm sure they're aware of it, and if they do it again we'll have to take the necessary action.

Mr. Petersen: — Thank you, Mr. Speaker. I appreciate your ruling, and I can only say to the hon. member, it probably takes one to know one . . .

The Speaker: — Order. Let's not belabour the point. And carry on with your remarks relating to the motion. Order, order. Order, order, order. Order.

Mr. Petersen: — Thank you, Mr. Speaker, and I apologize if I would appear to belabour the point in any way.

Well let's take a look at something a little bit different here now. Let's take a look at where we're going in the future in agriculture. Let's not talk about the past, like the NDP. I mean, I've recited a number of programs that we've had in place; told you, Mr. Speaker, and the people of Saskatchewan and the members of the opposition, who are obviously awake — they have to be, painfully so — about programs that this government has put in that have helped farmers.

And I've backed it up with statistics; I've backed it up with numbers; it's there for people to see. The very fact that we have as many farmers in rural Saskatchewan still farming today as we have is testimony to this government's success. I wish that we would have never had to do any of those programs, Mr. Speaker. I wish that world markets would've been good. I wish that the drought had never happened. But it happened. It happened, Mr. Speaker, and we dealt with it.

So let's deal with the future of agriculture. Let's deal with the future of agriculture. Let's take a look at where young farmers will be going.

And I'll just mention one program before I adjourn debate here: the "farming to win" program, Mr. Speaker. It was introduced in 1986. And we take young farmers, farm families, and we work with them in workshops and we teach them about finances, farm finances, how to manage, how to hedge, so on and so forth. It just moves right along, Mr. Speaker, helping young farmers understand the world as it exists today — not as it existed under the opposition; not as it existed in 1940 or '30, but as it exists today and where we will be going into the future.

And that consists of a series of workshops, whole families involved, Mr. Speaker, specific financial, business management courses. And that's something the opposition never ever wanted to do.

And, Mr. Speaker, I could go on and on and on and on and on, but I think we've probably gone on quite long enough on this topic, and I'll let someone else speak.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Well thank you, Mr. Speaker. Well, Mr. Speaker, I see that the government, the members have taken up a substantial amount of time expounding to us the great virtues of their government. I would just bet that I couldn't find more than half a dozen people who believe them. And that's the problem they're having. And it's unfortunate that I wouldn't have more time to tell some of the truths, some of the truths about this government and what the costs to farmers are actually going to be next year, compared to what they were this year with the federal budget increases, with their lack of agricultural programs, with their rhetoric and lack of action. But unfortunately there's not very much time remaining, so I would move that we adjourn debate.

Debate adjourned.

Hon. Mr. Hodgins: — Mr. Speaker, with leave of the Assembly, I would move that we go to government business, Committee of Finance.

Leave granted.

COMMITTEE OF FINANCE

Mr. Chairman: — It being 5 o'clock, this House does now stand adjourned until 7 p.m.

The Assembly recessed until 7 p.m.