

July 4, 1989

The Assembly met at 2 p.m.

Prayers

## ROUTINE PROCEEDINGS

### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Lingenfelter:** — Mr. Speaker, I give notice that on Thursday, I shall move a motion for returns following:

For the period from the date that the RCMP investigation into the matter regarding GigaText translation service began to the date this return was ordered, a list of all payments by the Government of Saskatchewan to Tanka resources, and the date and purpose of each.

**The Speaker:** — Are there any more notices of motions? We were on introduction of guests, but we can go back.

**An Hon. Member:** — Why would you let him go back?

**The Speaker:** — Well, I suppose we'll need leave of the House. We were on introduction of guests, and I had announced it, so . . .

**An Hon. Member:** — You didn't recognize me . . .

**The Speaker:** — No, no. I'm afraid you weren't, sir.

**An Hon. Member:** — But I was.

**The Speaker:** — Okay, okay. Is leave granted?

Leave granted.

**Mr. Koskie:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that I shall on Thursday move that an Order of the Assembly do issue for a return showing:

For the period from the date that the RCMP investigation into matters regarding GigaText translation services began, to the date of this return was ordered, a list of all payments by the Government of Saskatchewan to Mr. Ken Waschuk, and the date and purpose of each.

I so move.

**Mr. Lautermilch:** — Mr. Speaker, I give notice that on Thursday I shall move an Order of the Assembly do issue a return showing:

For the period from the date that the RCMP investigation into matters regarding GigaText translation service began, to the date this return was ordered, a list of all payments by the Government of Saskatchewan to Mr. Terry Leier, and the date and purpose of each.

**Mr. Tchorzewski:** — Mr. Speaker, I give notice that on Thursday next I shall move a motion:

For the period January 1, 1988, to the date this return was ordered, a list of all air trips taken by

Saskatchewan cabinet ministers and government employees on any aircraft owned by Mr. Guy Montpetit, indicating in each case: (a) the date of the trip; (b) ministers or officials on the trip; (c) purpose of the trip; (d) the firm or agency to whom the trip was charged.

### INTRODUCTION OF GUESTS

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. It is my pleasure to introduce to the House, and to you, sir, a prominent member of the Parliament of Canada who is seated in your gallery, the Speaker's gallery, Audrey McLaughlin, the member for the constituency of the Yukon, and also a leadership candidate for the federal New Democratic Party. And I ask members of the House to join me in welcoming Audrey McLaughlin to this House.

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

**Mr. Van Mulligen:** — Thank you, Mr. Speaker. Mr. Speaker, I should like to introduce to you, and through you to the members of the Assembly, a constituent of mine, Mr. Hoang Nguyen. He is remarkable in the sense that in the space of one week I was able to send him a letter congratulating him on becoming a Canadian citizen and also graduating from high school. I think this constituent is going to be a credit to his community, his province, and his country. And I ask members to join with me in welcoming him here today, and he's seated in the Speaker's gallery.

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

### ORAL QUESTIONS

#### Position on Proposed Federal Sales Tax

**Mr. Shillington:** — My question is to the Premier and concerns the western premiers' conference and one of the subjects which Saskatchewan people had hoped you would discuss and apparently did not.

Mr. Premier, you will be aware that sometime later this month the technical report on the implementation of the federal sales tax is due. Mr. Premier, this tax has attracted more comment, none of it favourable, than any taxation measure emanating from the federal government in recent years. Consumers are concerned about its level; business men are rightly concerned . . . and business people, rather, are rightly concerned about the complexity of these taxes.

Mr. Minister, Saskatchewan people had hoped they would have some comment from you and western premiers and that you would show some leadership; apparently you haven't. The question, Mr. Premier, is: what position is the provincial government going to take on this, and when are we going to know what your position is?

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

**Hon. Mr. Devine:** — Mr. Speaker, the western premiers did discuss the sales tax, the new sales tax proposal, and we reviewed it for an hour or so as we looked at the proposals that were coming forward from the federal government. There certainly was not a consensus among the four western premiers as to how the new sales tax should be implemented, what it should look like.

The members opposite ask my position. I said I have read and certainly heard that all political parties at the national level have recommended, Mr. Speaker, that a new sales tax be implemented because the old one discriminates against manufacturing and exporting. And I said we would examine this new proposal to see how it could better improve the taxation system in the province of Saskatchewan and in Canada.

For some provinces there is not a sales tax, and that presents a problem for others, Mr. Speaker. They're looking at a modification so that in fact when you put a sales tax along with a federal sales tax there's some jurisdictional problems. We're working through those.

The Minister of Finance is in contact with the federal officials on a regular basis to examine how that might work, and proposals are coming forward from the business sector, from consumers. I haven't heard any from the opposition yet, Mr. Speaker, but we would certainly be prepared to look at alternatives so that we can have a more efficient and a fairer sales tax at the national level.

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

**Mr. Shillington:** — Well, Mr. Premier, apart from that discussion of what took place at the western premiers' conference, surely you understood that the point of my question was we were asking, Mr. Premier, what is your position with respect to this tax? What's this government position?

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

**Hon. Mr. Devine:** — Mr. Speaker, I said publicly that we are examining the proposal as it comes forward from the federal government. We know the existing tax . . .

**The Speaker:** — Order, order. The Premier is giving the answer to the question, and he's having difficulty if he's interrupted, and I think we should give him the courtesy of answering the question.

**Hon. Mr. Devine:** — I said at the outset that we would like to see a more efficient and effective and a fairer tax at the national level because the existing tax is deemed to be unfair by all political parties, and certainly by us, and I'm not sure about the opposition. But people would like to see a fairer tax. They would like to see one that encourages us to be in manufacturing and processing, and particularly in the export business.

So we are prepared to look at the proposal. If we can improve it and modify it because of some of the concerns by business and consumers, manufacturers and processors, we're certainly open to suggestions.

We're examining it in detail, we need a lot more detail, Mr. Speaker, and we look forward to getting that kind of detail in the future.

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

**Mr. Shillington:** — Well, I think . . . new question. Mr. Premier, I think that can be fairly be summarized by saying that you're in favour of the tax then if you defend it to the extent that you do.

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

**Mr. Shillington:** — Mr. Premier, since you adopt this tax . . .

**The Speaker:** — Order, order.

**Mr. Shillington:** — Mr. Premier, since you adopt this tax as your own, will you now begin to deal with some of the problems that its implementation is causing. One of those problems is that — as I'm sure you're aware — Michael Wilson has stated that he is powerless to prevent business men from hiding the tax, and that is up to the provinces. Your Minister of Finance says no, that's up to the federal government.

The question, Mr. Premier, is: is your government constitutionally, as Mr. Wilson says, are you constitutionally able to prevent manufacturers and businesses from bearing the tax, and do you intend to do so?

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

**Hon. Mr. Devine:** — Mr. Speaker, I point out to the . . . The opposition's Finance critic is quoted on June 14, saying that if we must have a federal sales tax — and I'm sure the leadership candidate would be very interested in this — if we must have a federal sales tax, then we should have one sales tax in this country, not two.

So you've already adopted the whole thing, Mr. Speaker. You've said that you want one tax in this country, which could only be federal, so you've lock, stock, and barrel adopted the federal proposal, and you're asking me, Mr. Speaker.

Well I will say to the hon. member, we are examining the proposals. We know there are provincial sales tax and federal sales tax, Mr. Speaker. We want to know how they fit; we want to know the jurisdiction; we want to know the constitutionality of those. I have not, Mr. Speaker, holus-bolus adopted one sales tax for all of Canada, and I'm not prepared to do that right now.

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

**Mr. Shillington:** — New question, Mr. Speaker. Mr. Premier, if you depend upon your Finance minister for advice, you're inevitably going to be taking things out of context, as you just did. That was taken out of context.

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

**Mr. Shillington:** — Mr. Premier, I wonder if you're going to deal with the question which I asked. Does this province have the constitutional power to prevent businesses and manufacturers from burying the tax, as Mr. Wilson says you do, and are you going to exercise that responsibility?

**Hon. Mr. Lane:** — Mr. Speaker, in response to the technical question asked by the hon. member about the province's ability to require the declaration of the federal sales tax, it is our position, and that of our constitutional advisers, that it is a direct power of the federal government and its taxing power to be able to declare how that will be stated on the invoices, and that we have disagreed with Mr. Wilson's statement.

**Mr. Shillington:** — Supplementary, Mr. Finance Minister. What you have said is that you disagree that the federal government does not have the power to deal with it. I think the minister would agree that the province does have the power to deal with it if you so wish. And are you going to?

**Hon. Mr. Lane:** — That's not what I said. I mean, you're saying I'm taking things out of context. We quote you directly saying that your position is, with respect to the federal sales tax:

... if we must have a federal sales tax, then we should have one sales tax in this country ...

That is the New Democratic Party position as stated by your minister of Finance in *Hansard* on page 1907. So having said that, Mr. Speaker, what I said, what I said, Mr. Speaker, was that we have publicly stated that we disagree with Mr. Wilson's interpretation as to whether the tax should be publicly stated or not when he said it's in the province's power.

It is a direct result of their constitutional power to levy the tax. They have the power to declare how that tax should be stated on invoices, sales receipts, at the cash register, whatever form it may be, as a direct and a legitimate result of their constitutional taxing power.

#### Application of Proposed Federal Sales Tax

**Mr. Lingenfelter:** — Mr. Speaker, my question's to the Minister of Agriculture. In light of his comments of accepting the federal government's federal sales tax and the new proposal, can you tell me and the Assembly and the Saskatchewan implement dealers association, who are very curious about how this new tax will apply to parts and equipment and farm machinery, whether or not in fact this sales tax will apply to farm machinery for the first time in many, many years in this country; will it, in fact, apply to farm equipment, and mean literally thousands of dollars out of the pockets of farmers, along with your support after the implementation of this program?

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

**Hon. Mr. Lane:** — The hon. member knows there is a general exemption for farmers under the federal proposals. It is our view, of course, that it should not apply to repairs. We have some indication that it will not be

applying to repairs of farm machinery. We have made it clear to the federal government that our view ...

**An Hon. Member:** — But it does apply.

**Hon. Mr. Lane:** — No, it is not that clear, to the hon. member. That's your interpretation of that, which we know is somewhat highly subjective, if I may be very polite, Mr. Speaker, as opposed to misleading.

The federal government has been made aware. It is the view of some of the technical papers that it doesn't apply to repairs of farm machinery, Mr. Speaker.

**Mr. Lingenfelter:** — I want to get this straight from the minister because I think he is not accurate. I'm talking about farm equipment, new farm equipment, Mr. Minister, not parts alone. Can you guarantee the farmers of this province that this federal sales tax will not apply to farm machinery?

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

**Hon. Mr. Lane:** — Mr. Speaker, it looks like, from the technical papers as filed by the paper, that the exemption for new farm machinery in fact exempts the sales tax, or the general goods and services tax of the federal government. So the paper supplied by the federal Department of Finance would seem — and it is our interpretation, but we certainly are supportive of all the clarification necessary because we've also advised the federal government that there will be misleading statements by political opponents — there will be a fear campaign, as we saw in the free trade, which was highly inaccurate, and that the technical information exempting farmers from the legislation should be quite clear, Mr. Speaker.

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

**Mr. Lingenfelter:** — Final supplementary to the Premier, and the Minister of Agriculture. Mr. Minister, when you were in Camrose, Alberta, and Mr. Getty was stating his opposition to the federal sales tax and you were agreeing to it, did you at that time get agreement from the federal government that farm equipment, farm machinery, would be excluded from the federal sales tax? Was that a commitment you got from Michael Wilson and the federal government?

**Hon. Mr. Devine:** — Mr. Speaker, Michael Wilson or the federal people were not in Camrose; it was a western premiers' conference, and so we talked about various alternatives and proposals that are coming forward and the details that are coming out with respect to the new federal sales tax. But the federal government was not represented, and we said that we would take it back through our officials and through our ministers of Finance to continue to pursue all the details with respect to the tax.

**An Hon. Member:** — So it does apply.

**Hon. Mr. Devine:** — And the hon. member sits in his place, Mr. Speaker, and he keeps saying, it does apply, it does apply. Well it's the same game they played on almost everything else, Mr. Speaker.

I will say we're examining all the details. They're presenting them here. Their position, as stated by their finance critic, says that they're in favour of one sales tax. The NDP are in favour of one sales tax for Canada, which means they've adopted holus-bolus the federal sales tax, and nobody else can have this jurisdiction. It's even in there, Mr. Speaker, and they even don't know what the details are, and they've bought it hook, line, and sinker — the whole thing — and they've adopted it coming out of Ottawa just like that, Mr. Speaker.

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

### Storm Damage in North-west Saskatchewan

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. I direct my question to the Premier, and it concerns the tragedy that took place in north-western Saskatchewan this weekend. Mr. Premier, this past weekend residents of the Poundmaker Reserve and residents of Cut Knife and the Cut Knife area suffered a devastation caused by a tornado and a very severe storm.

I'm sure you've been made aware of this, so you'll know that individuals were injured, property was severely damaged, many homes were totally destroyed, and crops were destroyed.

In view, Mr. Premier, of this disastrous situation, and in view of the fact that the federal government will only provide disaster relief if the appropriate initiative is taken by the provincial government and the municipal government, will you tell this Assembly what your government has decided to provide in disaster relief to the people who have suffered from that severe storm this past weekend?

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

**Hon. Mr. Devine:** — That's a good question, Mr. Speaker. I will respond to the hon. member, saying that I am getting information from the MLA from Cut Knife-Lloydminster. The Hon. Herb Swan, the Minister of Environment, is touring the area today, and I plan to personally review and tour the damage that has been done to the communities, to the farms, and to the reserve. I'm advised that the disaster financial assistance program, which is federal/provincial, may apply to Cut Knife as an area as a result of the tornado destruction.

The information on the program shows that it covers uninsurable items. Municipalities must pass resolutions declaring their area in need of disaster assistance. The program kicks in if damage is considered equivalent or greater than five mills of R.M. property, or \$25,000 to individual property in R.M.s or towns, and the federal assistance will kick in if uninsurable damage is greater than \$1 million, or \$1 a head. In other words, the province would be responsible for the first million dollars worth of uninsurable damage. If the uninsurable damage is between 1 and \$3 million then the cost is shared 50-50 between the province and the federal government; and insured damage is the responsibility, obviously, of insured companies.

So let me say damage is . . . With respect to the Indian reservations, are the sole responsibility of the federal department of Indian and Northern Affairs, but our officials are involved in that as well, Mr. Speaker. So I can say that our ministers and our M.L.A. will be reporting. I will be getting briefed from people who are obviously in the area, as well as our members of the legislature.

And the disaster financial assistance program is the legislation that we have before us to help and provide assistance to people who have been, as the member points out, hurt in a very terrible situation where it's taken farms, it's taken homes, taken the roof right off community centres, and caused a great deal of damage, Mr. Speaker.

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

**Mr. Tchorzewski:** — New question to the Premier, Mr. Speaker. Mr. Premier, you have just given us an outline of the program that's in place. You have not given us an indication of what your decision has been. Surely, Mr. Premier . . . (inaudible interjection) . . . I don't know why, I don't know why they're so sensitive about a straightforward question about this, like this, Mr. Chairman.

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

**The Speaker:** — Order. Order. Perhaps . . . the hon. members have had a really good rest on the weekend, I can see that. However, let us just get on with question period, and if both sides would refrain from interrupting the other, I'm sure it will work out just fine. So let's give the members the courtesy of not interrupting.

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. Surely, Mr. Premier, it shouldn't take a major inquiry for you, under the guide-lines which you have announced, to be able to make a decision. People up there have suffered a great tragedy and they need to know, and every day that you delay is making it much more difficult.

You've made snap decisions before. You didn't do an inquiry like this when you bankrolled GigaText. You didn't take that kind of time when you provided a huge subsidy to Cargill, Mr. Premier. The federal government needs to know what your position is going to be so that it can take the appropriate action, and they're waiting for you, Mr. Premier.

Why can't you tell the House today, and through the House the people of Cut Knife and area, what your decision has been, instead of trying to make the most political advantage out of it, instead of dealing with the problem that those people face?

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

**Hon. Mr. Devine:** — Mr. Speaker, the people of Cut Knife and area need help. The people of Cut Knife and area need help, and they need responsible people in the legislature to treat it with respect. This has got nothing to do with GigaText; I don't know why he brings it up.

The first question was very good. You want to talk about

decisions? The people of southern Saskatchewan have wanted water managed in the Rafferty and Alameda for years, and you want another study. Come on, let's deal responsibly in here.

I will go and look, and my ministers are there and my MLA are there, and we will make sure that we will provide the appropriate kind of assistance to the people of that area. They need our help and they need our support, and we are going to do it properly, Mr. Speaker. And we don't need that kind of attitude in this legislature or in Saskatchewan. You're more interested in grandstanding than you are helping people.

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

**Hon. Mr. Devine:** — I believe, Mr. Speaker, it's time that somebody said to you . . . Well I won't say it, Mr. Speaker.

His first question was good; his second question, Mr. Speaker, I believe was a little out of line. If he cares about people, he'd work with me and the other members of this House. And we can go out and help them a great deal, Mr. Speaker, but we'll do it right.

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

**Mr. Tchorzewski:** — Mr. Speaker, new question. If the Premier does it right this time that'll be the first time he's done something right in a long time.

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

**Mr. Tchorzewski:** — You did not worry about due process and doing things according to the process when you approved the Rafferty project in spite of the federal law which said that you didn't have an appropriate licence . . .

**The Speaker:** — Order, order. Let's just settle down. Let's just settle down, and as I mentioned earlier, I know you've had a good rest. Let's allow question period to go forward. Order, order.

**Mr. Tchorzewski:** — Mr. Speaker, putting aside the political rhetoric, Mr. Premier . . .

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

**Mr. Tchorzewski:** — . . . I think that it's incumbent upon you as the Premier of this province to tell the people of Cut Knife and the Cut Knife area what your position is. You have had several days to look into this. When a disaster strikes, you don't wait for the long weekend to come to an end before you send your ministers out there to take a look at it.

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

**Mr. Tchorzewski:** — So I ask you one more time, Mr. Premier, why is it that you're not able to at least give some indication to those people, through this Assembly, what it is that you're going to do so that they know where they stand.

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

**Hon. Mr. Devine:** — Mr. Speaker, I went through the process so that the hon. member would know the details. It takes an R.M. resolution. It takes an R.M. resolution, then it takes the province, and then it takes the federal government. And we have to work in tandem and together.

I happen to have the MLA from that area working there, and he's being involved with it, Mr. Speaker, with the R.M. councils, with the mayors, with the farmers, with people. And he is there with the Minister of the Environment, Mr. Speaker, who is involving all the kinds of things that we do in this legislation.

I am going to look at that, Mr. Speaker. I'm being fully briefed about it. Now with the MLAs involved — the people are involved, the Minister of the Environment is involved, and it takes an R.M. resolution and the co-operation at three levels — then I would just think, Mr. Speaker, it's reasonable that if he's anxious to have people helped, that he would keep his questions on the money, on the target, on the people, and not fly all over the place from GigaText to Rafferty to everything else.

I just said, Mr. Speaker, we have a process and we'll follow it and we will make sure that we can do everything to help the people that have been damaged, and particularly the uninsurable damage in the area of Cut Knife-Lloydminster and the reserve.

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

### Chairmanship of PCS

**Mr. Mitchell:** — Thank you, Mr. Speaker. My question is to the minister responsible for the Potash Corporation of Saskatchewan. We understand, Minister, that your high-paid, full-time chairman of the potash corporation has now taken a new job in the province of Alberta, but Mr. Schoenhals will continue as a part-time chairman.

Now since you felt it was important when you appointed Mr. Schoenhals to the position to have a full-time chairman, can you tell us how we're now going to make out with a part-time chairman. Can you also tell us what his salary was and what his benefits were as a full-time chairman, and what they're going to be as a part-time chairman?

**Hon. Mr. Lane:** — Mr. Speaker, the position of the chairman, in terms of whether it's full time or part time, will be dealt with at the next board meeting. And I think it's fair. It came between board meetings. I'm not aware of the specific date.

I can give the assurance that the chairmanship will be a part-time chairman at the next board meeting.

Secondly, we should keep in mind that at the time of the appointment of the chairman, Mr. Schoenhals, there were several activities that had to be undertaken. One, we brought in new management. The potash corporation of today is considered one of the best-run potash mining companies anywhere in the world, Mr. Speaker.

Secondly, Mr. Speaker, we have readied the corporation for privatization. Now I know the hon. members opposite disagree with that, are filibustering and delaying that, Mr. Speaker, but in fact, Mr. Speaker, that is the right thing to do for the people of this province. It's the right thing to do for the potash corporation.

I was very forthright at the time of the appointment of Mr. Schoenhals as to what the payments would be, Mr. Speaker, and it's public record.

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

**Mr. Mitchell:** — Now, Mr. Minister, can you tell us why the people of Saskatchewan should continue to pay what is obviously going to be a considerable salary and benefits to a person who is now going to be an Alberta resident when the only qualification he ever had for the job in the first place was that he was a defeated Tory cabinet minister? Is that how our taxpayer should be spent, Mr. Minister?

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

**Hon. Mr. Lane:** — I suppose the only thing that causes me to give a serious answer to that question, Mr. Speaker, is the respect that I have for the hon. member.

But I remember, Mr. Speaker, when it was the Potash Corporation of Saskatchewan that had on its salary, at its executive level, the provincial campaign chairman of the New Democratic Party, paid for by the taxpayers of this province, Mr. Speaker, paid for party hack after party hack after party hack; paid to help get the NDP elected in Saskatoon, paid for by the taxpayers, Mr. Speaker; more and more money, high expense accounts. High expense accounts, Mr. Speaker, that restaurants today still haven't recovered from the loss of those, Mr. Speaker.

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

**The Speaker:** — Order, order.

## INTRODUCTION OF BILLS

**The Speaker:** — Order, order. Now I think the member for Regina Wascana, the member for Assiniboia-Gravelbourg, and the member for Regina Rosemont, I think it's . . . you know, I've been asking you people to please contain yourself, and I must point you out and ask you to refrain from interrupting this House. We're trying to proceed with the business and you, among other people, have been interrupting rather regularly, and I'm asking you to refrain once more.

### Bill No. 73 — An Act to amend The Saskatchewan Human Rights Code

**Hon. Mr. Andrew:** — Mr. Speaker, I move first reading of a Bill to amend The Saskatchewan Human Rights Code.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

### Bill No. 74 — An Act to amend The Saskatchewan Farm Security Act

**Hon. Mr. Andrew:** — Mr. Speaker, I move first reading of a Bill to amend The Saskatchewan Farm Security Act.

**The Speaker:** — The member from Quill Lake and Meadow Lake, could I have your attention please.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

### Bill No. 75 — An Act to amend The Saskatchewan Evidence Act

**Hon. Mr. Andrew:** — Mr. Speaker, I move first reading of a Bill to amend The Saskatchewan Evidence Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

### Bill No. 76 — An Act to amend The Credit Union Act, 1985

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Credit Union Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

### Bill No. 77 — An Act respecting the Licensing and Operation of Medical Laboratories

**Hon. Mr. McLeod:** — Thank you, Mr. Speaker. Mr. Speaker, I move first reading of a Bill respecting the Licensing and Operation of Medical Laboratories.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

## ORDERS OF THE DAY

### MOTIONS

#### Resolution No. 11 — Programs to Assist Farm Families

**Mr. Koskie:** — Mr. Speaker, it is indeed my pleasure, and I will be moving at the conclusion of my remarks the following motion:

That this Assembly condemn the Government of Saskatchewan for its failure to design long-term programs that specifically assist and protect farm families in economic distress.

I want to say, Mr. Speaker, when we take a look at Saskatchewan, there is no doubt in my mind that the most important economic engine in Saskatchewan has been agriculture.

The agricultural community sell their products on the world market, but our farming community and farmers have become efficient . . .

**The Speaker:** — Order, order. I'd like to ask the minister . . . Order. I'd just like to remind the member from Quill Lakes that . . . Order, order. The member from Weyburn is interrupting and I would like to remind him to refrain.

Now the member from Quill Lakes is being unparliamentary in his attitude towards the Chair, and I'd just ask him to carry on. Carry on or the proper action will be taken. Now the member for Quill Lakes may continue.

**Mr. Koskie:** — Well I appreciate that, and I appreciate order in the House when we're speaking on important issues. And I was speaking on one of the most important issues here and constantly we're being interrupted by the member . . .

**The Speaker:** — Order, order. The member from Weyburn has been dealt with. I ask the hon. member from Quill Lakes to just continue his speech and not belabour the point.

**Mr. Koskie:** — Thank you again, Mr. Speaker. I intend to, and I hope that order will be kept in the House while we discuss a very important issue. And the issue I think all members should have concern, and that is in respect to agriculture.

Never before in the history of this province have our farming community been under more strain than they are at the current time. And I look at the legislative agenda in this House and it's absolute disgrace. Here is a government that indicates that they're fighting for farmers, and today on the 67th day . . . 69th day, what do they do? They introduce their legislation in respect to agriculture. Almost 70 days they have totally neglected issuing any statement or any Bills to assist agriculture in this province.

And as I was saying, Mr. Speaker, to me agriculture is the most important economic engine that we have in this province. We have built up a large agricultural community. We have people in agriculture that are proud of being farmers. They're efficient, they're independent, and they're not looking for hand-outs, but they are looking for government action in designing programs where they may participate to give them proper security in difficult times.

I want to say, Mr. Speaker, that the actions of this government, as I said, is a disgrace. Way back in the year of 1987 — September 17, 1987 — the Premier initiated a symposium, and he also set up a task force of MLAs and an MLA committee to report on the *Farm Finance for the Future*, and not one single action has been taken as a result of that report or as a result of that symposium.

And the taxpayers paid for it. A big show-case — symposium on the future of agriculture. That was in 1987. And we have literally lost thousands of farmers since then, and this government has not moved.

And as I said, today is the 69th day, and what do they introduce? They introduce a Bill to amend The Saskatchewan Farm Security Act. And it's the same with all of their other legislation. So I say, Mr. Speaker, if we take a look at agriculture here, we've been at a very difficult time.

The Premier of this province indicated in 1985, he stated that what was needed for agriculture is a long-term policy. That was in 1985. He met with his counterparts in

Ottawa, and today Saskatchewan farmers are still looking, searching for a long-term agricultural policy which will protect them against the adversities of weather and also the prices.

We have to realize, Mr. Speaker, that Saskatchewan farmers and Canadian farmers have to compete against the U.S. treasury and also against the European Common Market, which heavily subsidize their farmers. I can only say that, with the recent rains, there is some optimism, but the inherent problem still exists.

And I want to say, Mr. Speaker, a little bit about the nature of the problem. It has been set out here by the Premier's own MLA, the nature of the problem. They've indicated that one of the basic problems that have developed during the last four or five years because of drought and also because of poor commodity prices is that there has been a soaring debt accumulation in agriculture.

And as I go around through Saskatchewan and through my constituency, Mr. Speaker, what we are finding is families being destroyed because of the inaction of this government and the inaction of the federal government in designing a long-term program.

Many, many farmers have found themselves in a huge debt situation and are unable to service that debt. Yet this Premier announced in a throne speech and in the budget that some debt restructuring would take place. But what has happened? Sixty-nine days and the Premier has not brought in even second reading of any legislation in order to address the problems.

Debt is a major problem, and unless we are able to restructure some of the debt, I'm going to tell you here today, and the people of Saskatchewan know, that many of our young and best farmers will be driven off the land.

Take a look at the exodus of people from this province, and you know what happens. Go out to the farming communities and see how many have closed ranks, given up farming. Take a look at the disasters in families. And I know the member from Kelsey-Tisdale will probably know that the problems are so intense facing the farmers that even some have taken their lives.

(1445)

And here we sit in this legislature and they claim to be representing agriculture and the farming communities. And it's now 69 days and they've brought forward not one single piece of legislation, but rather they would debate ringing the bells or whether or not the bells should be rung.

They're obsessed with privatization, but they're not obsessed with the nature of the real problem, and that is finding a solution for agriculture.

This spring many of the farmers were backed up against the wall. They didn't even have sufficient funds because financial institutions had cut off all operating loans. And the members from here, as well as from our side, were at a meeting for about a hundred farmers, and only two had been granted by financial institutions, operating loans.

Well I'll tell you, Mr. Speaker, our party and our leader initiated a policy and asked the government, the Saskatchewan government, to come to the aid of the Saskatchewan farmers by guaranteeing operating loans for those who need it. And what did we get? No action whatsoever.

And I've talked to farmers who have been unable to farm in a proper manner because they had not the finances in order to put the input . . . to pay for the inputs in putting in their crop.

Other areas we find, in the difficult time of the agriculture, what do we find? We find interest rates increasing. We find the increase in the cost of transportation of their commodities to port, and we find the erosion of the Canadian Wheat Board.

I want to say, Mr. Speaker, that we have said and we identified what was required. We did it federally and we did it provincially. We said that there should have been operating loans for farmers in need this spring. We also asked for a moratorium on foreclosure — because many farmers were losing their land — at least a moratorium until the drought assistance program came through from the federal government.

We have initiated a resolution in this House, asking the government to join with us to impress upon Ottawa the disastrous effect of high interest rates. And we asked them to join with us so that we could send a message to Ottawa, and the government refused to join with us in passing a unanimous resolution opposing high interest rates. Instead what they did is to put their . . . almost exactly the same resolution as what we put on, and then it has sat on the books.

I want to say that agriculture, as I said, we have said that we have to have some form of income stability. Farmers in times of drought have to be able to get their costs back and to make a half-decent living.

We say that there has to be debt restructuring. In the province of Saskatchewan alone, the farmers are indebted to financial institutions to the tune of over \$6 billion. We say that that debt should be restructured. That would be long-term planning for the future of agriculture, but this government has procrastinated.

We have said in respect to drought payment, the federal drought payment, along with the Saskatchewan Wheat Pool, that that drought payment should have been substantially higher, and indeed we called during the federal election for \$800 million to be paid to Saskatchewan farmers rather than the approximate 425,000.

So we say that it's absolutely necessary if agriculture is to continue, since we deal on a world market, that the Government of Saskatchewan and the Government of Canada should work together to develop a long-term agricultural policy which would give income stability, which would help with the debt restructuring, which would provide a policy of intergenerational transfer.

As I said, this is a very critical year for Saskatchewan farm families; for many, the situation is desperate. And we are losing our farm families. In 1981 there were over 67,000 farmers in Saskatchewan, and today that figure is close to 60,000. The fundamental problems, of course, are the absence of any comprehensive, long-term income stabilization and debt restructuring programs to address the crisis in agriculture. And it should be noted that the federal and Saskatchewan governments together hold more than one-half of the total \$6 billion owed by Saskatchewan farm families. And certainly, if the governments wanted to, there would be no problem in setting up a restructuring of the farm debt, but they have not seen fit to do so.

In respect to farm debt, I can only say that the headlines indicate that the grain farmers are most often at the debt board. Grain farmers have been the most frequent users of the government's Farm Debt Review Board system. And during the past year more than 41 per cent of all farmers appearing before the debt review panel were from Saskatchewan, although the province has less than 22 per cent of the Canadian farmers. And since the program started in August of '86, to deal with farmers in financial difficulty, Saskatchewan has accounted for 36 per cent of all the cases.

I think that illustrates just how serious the problem is here in Saskatchewan, and that a debt restructuring program has to be part of the solution if we are to retain our young farmers.

Here in Saskatchewan we find also that the Farm Credit Corporation, the federal Farm Credit Corporation, has moved in also with foreclosures. In the spring, as I said, Mr. Speaker, what we asked for is a halt to foreclosures. I can say that this was also brought forward by a number of other groups, including the Catholic crisis farm group, that asked that a moratorium be brought forward into a longer term policy. What they were saying is: we can't drive any more farmers off the land until we have a solution. And what is happening is that many are being driven off the farm.

I want to illustrate the disastrous nature of what we have here in agricultural policies by looking at what's happening in Saskatchewan. We have farm foreclosures left and right. In 1988 the Agricultural Credit Corporation of Saskatchewan, that's the one headed up by the Premier of this province, launched 620 legal actions against Saskatchewan farmers. And so far this year it has already launched 300 more, and has referred a further 2,000 production loan files to its lawyers. Here we have a provincial government not providing a solution but increasing the problem facing the farmers by initiating legal actions.

And also I want to say that what this government should be doing is looking for a long-term solution, and should be working with the federal government. The federal government's Farm Credit Corporation continues to also do as the agricultural credit corporation here, and that is to launch legal actions. In the last two years the Farm Credit (Corporation) has filed more than 800 notices of foreclosure on Saskatchewan farmers, and another 286 notices are currently being processed.



This gives you some idea, Mr. Speaker, of the magnitude of the problem that is facing agriculture and being exacerbated by the provincial government and by the Farm Credit Corporation of Ottawa.

I want to say that during the past year more than 41 per cent of farmers appearing before the debt review panel were from Saskatchewan, and as I said . . . although they only represent 22 per cent of Canadian farmers in total. And in fact, in total, some 2,948 Saskatchewan farmers appeared before the debt review panel.

Friends of the farmers, they call themselves. Well I'll tell you, talking to the farmers now, they know they have no friends on the government side across the way.

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

**Mr. Koskie:** — We find that on the Prairies, machinery dealers were the most frequent instigators of actions against farmers, but in Saskatchewan the Farm Credit Corporation and the machinery dealers shared top spot with 24 per cent each.

Mr. Speaker, needless to say, the commercial lending institutions are also taking legal actions against farmers here in Saskatchewan. But the federal and provincial governments' actions of the past few months suggest that a different course will be followed by these governments. Let me cite a few examples.

And rather than the Premier, the Minister of Agriculture, standing up and speaking on behalf of agriculture, he has said nothing in respect to the adverse agricultural policies that have been put forward by Ottawa. Take interest rate alone — we have indicated that interest rate is too high. They're driving farmers off the land. And what does the Premier, the Minister of Agriculture do? Doesn't say a word. The federal government's high interest rate policy has hit the Canadian farm sector with a multimillion dollar blow at a most inappropriate time.

Along with other Canadians, farmers are being hit with commercial loan rates at a five-year high. This is at a time when the financial conditions faced by Saskatchewan farmers are already desperate. Farm debt across Canada is 22 billion. Over a third of all farmers face burdensome debt, and one in 10 are on the verge of bankruptcy. Only one-third of Saskatchewan farmers are substantially free of debt, according to lending institutions. In Saskatchewan, total farm debt is close to \$6 billion, meaning an average farm debt of \$150,000.

This interest rate policy will do nothing to alleviate that burden. And as I've mentioned, Mr. Speaker, threats of foreclosures of farms are mounting; and during 1988, 1,245 notices of foreclosures were filed with the Saskatchewan Farm Land Security Board, involving 916 farmers. The Farm Land Security Board predicts that 1,500 foreclosure notices filed will be filed during 1989 on Saskatchewan farmers.

I ask, can we expect to stem increasing foreclosures on farms with the current agricultural policies and with the current high interest rate policies? In 1981 Saskatchewan

had 19 farm bankruptcies. In 1988 the number of farm bankruptcies had gone up six times the level of 1981. As a result, banks and other lending institutions are forcing farm families off the land. The Royal Bank tripled its holdings of farm land in Saskatchewan in 12 months prior to the end of October in 1988. They now hold, as of this date, over 120,000 acres in this province. The Farm Credit Corporation is holding over 38,585 acres of Saskatchewan farm land, which it is attempting to auction off. Farm Credit Corporation predicted another 200,000 acres of Canadian land could come into their possession by the end of March 1989.

Again this policy of high interest rates, along with the trends of bankruptcy, are of concern to the people in agriculture. And just as Saskatchewan farmers contemplated spring loans to cover the cost of seeding and other preparations, commercial rates again increased dramatically.

(1500)

And on April 20, the Bank of Canada rate jumped to 12.6 per cent, continuing the upward spiral of recent months. A year ago the rate was 9.1 per cent, and many farmers are indeed facing interest rates of 14 to 16 per cent.

The prairie grain organization, as diverse as the Saskatchewan Wheat Pool and the Western Canadian Wheat Growers Association, have all called for a halt on this crippling policy of higher interest rates. Economists have estimated that every one percentage point increase in interest rates translated into \$100 million lost revenues to agriculture and to the farmers.

As Harvey McEwen of the Western Canadian Wheat Growers Association indicated, he said:

Interest rates may be breaking inflation in Toronto, but they are breaking many western farmers and small businesses here in Saskatchewan.

And where is the Premier and where is this here outfit, them other members who indicate that they're standing up and representing farmers? Have you heard one peep from any one of them in respect to the higher interest rates? Not one word.

Also, during the last federal election, the New Democratic Party, both provincially and federally, called for massive drought assistance to the farmers of Saskatchewan who underwent probably one of the worst droughts in living memory.

And during the election, both the provincial Tories and the federal Tories indicated that there would be a drought-assistance program — over 800 million across Canada, which is about 400 million plus to Saskatchewan. The Wheat Pool and the New Democratic party indicated that that was about half as much as what was needed. But the Minister of Agriculture, the Premier, he joined in with the chorus, said that farmers would get, in the early part of the new year, a drought assistance program. They said that it would be out before spring seeding.

Well the facts are considerably different, Mr. Speaker. We find that the initial payments under the program will be \$12 an acre in areas most severely affected by drought, \$7 an acre in so-called moderate drought areas, and where there's a lesser degree of drought, there's no initial payment whatsoever.

I want to say also that the designation of the drought areas is also a matter of major concern, major concern to the farmers of Saskatchewan. Drought districts have been determined on a township by township basis. And as a result, farmers who had their crop wiped out by drought may receive a reduced payment or no payment at all because they live in the wrong township.

Mr. Speaker . . . And finally, to qualify, farmers must give Agriculture Canada officials permission to inspect their farm incomes and records for the past six years. Never did the provincial government participate in getting the rules and regulations, or the amount. And in fact the provincial government, I say, was the direct cause that the federal government did not get those payments out earlier in the new year, because the provincial government had promised to participate in the drought assistance program and they reneged on that program.

And I think it's a disgrace that a government would not put up a share of the drought assistance when the farmers needed it, but then in the next breath they can turn around and have \$290 million that they can guarantee for Cargill. But not for the drought assistance direct payment to the farmers; they had no money. They had money to finance the upgrader in Lloydminster — no doubt about that — some \$230 million in equity in the upgrader in Lloydminster, but when they were asked to participate in the drought assistance program for Saskatchewan farmers, they said they had no money. The treasury was empty, they said.

Yes, Mr. Speaker, there's more that has happened during the course of the past year. And not only has the provincial government neglected and refused to put in place a sound, long-term agricultural program, they have procrastinated and they have indeed been a party to the erosion of some of the protection which agriculture had previously.

And I want to talk here is the removal of oats from the wheat board. Across this province, I'll tell you, there was meetings in respect to the position that the farmers took in the erosion of the wheat board, and at meeting after meeting after meeting farmers came and said that we do not want oats and we do not want a further erosion of the wheat board. And what did the Premier of this province, the Minister of Agriculture, and the mouth from Weyburn who is chatting again, the member from Weyburn?

Well let's take a look at what Decima said in respect to the prairie producers in the erosion of the wheat board by the exclusion of oats from the wheat board. The questions that were asked in this here Decima poll: dissatisfied with the federal government — 84 per cent in Saskatchewan; satisfied with the wheat board — Saskatchewan, 75 per cent of the people; approve of the removal of oats from the Canadian Wheat board — 71 per cent in Saskatchewan disapproved of removing oats from the

wheat board; prices believed higher under Canadian Wheat Board — a higher percentage, and in Saskatchewan 48 per cent, compared to Saskatchewan 28 per cent which said it would be lower under the Canadian Wheat Board; the system preferred — Canadian Wheat Board, Saskatchewan farmers, 94 per cent indicated support of keeping oats and not eroding the Canadian Wheat Board.

But what did this government do? What did this Premier do? What did this part-time Agriculture minister do? He joined in with the Mulroney boys and, as a consequence, oats is removed from the Canadian Wheat Board. And right now, what would have been potentially an oat market, suddenly under the free trade arrangements that Mulroney and the Premier negotiated, more erosion of protection to the Saskatchewan farmers in that now the oats from United States can come in tariff-free and compete with the oats that is produced here in Saskatchewan.

Well that's standing up for Saskatchewan farmers, I'll tell you, standing up for them as they leave left and right.

Not only has this government, the provincial government, the Premier, the minister, or so-called Minister of Agriculture, not designed any agricultural policy for long term to meet the needs of Saskatchewan farmers, but I want to say, Mr. Speaker, that he stood by while the federal Tories in the last budget attacked the farmers as they attacked other taxpayers across this country.

It has been estimated by various sources . . . the *Grainews* indicated that as a result of the federal budget, that the average farmer would be tagged with over \$1,000 new tax impositions. And what did the provincial government do? The Premier stood up and said, well the farmers, they have to expect to be able to pay a little too — as farmers leave the farm and families are destroyed and young people are driven from the farms.

Gasoline prices for on-farm use will increase sharply January 1 when the federal government ends its 5 cent per litre rebate of excise tax. In fact it is estimated by the wheat pool that the estimates that the combination of the two programs could cost the average Saskatchewan farmer \$600 a year.

An end to interest-free advance payments on stored grain was another initiative taken by the federal government. And where was the part-time Agriculture minister? He was not available for comment.

We find other actions being taken by the federal government, and idly by, the provincial government has not come to support the hard-pressed community of agriculture in the province.

I want to say that provinces have been told they will have to start matching the federal crop insurance payments this year. In other words, I think the . . . what happened is that the drought payment that was promised both by the Agriculture minister here in Saskatchewan and by the Tories in the last federal . . . federal Tories in the last federal election, there was to be a sharing of the cost of

the drought payments. And what happened is the provincial governments backed out, and as a result the federal government is picking up the total contribution to the drought payments.

But a saw-off has been instituted, and the federal government is going to be the winner, but not the Saskatchewan taxpayer. Because now the . . . previously the federal government picked up 50 per cent of the crop insurance cost and the farmer picked up the remainder. What is happening now . . . and the province paid for the administration. That was the contribution.

What has happened now is that the federal government has cut back on the share of the crop insurance and, as a consequence, that has to be picked up by the provincial government. That runs, estimated this year, at \$90 million is going to be the cost to the provincial treasury, and subsequently over \$100 million annually.

Yes, Mr. Speaker, agriculture is having a difficult time. It's being attacked by the federal policies of taxation, and here by the inaction and the lack of concern on the part of the provincial government.

I just want to say that there can be no end to the bad news that the farmers have been receiving. Now they have been told that the initial payments will drop dramatically this year. As of August 1, spring wheat will be down 9 per cent; durum, 21 per cent; feed barley, 29 per cent; designated barley down 30 per cent from current levels.

We've found out also that there's going to be a hike in the freight rates, an increase of 24 per cent. For an average producer who ships 500 tonnes or more of grain, paying the increase will cost upwards of \$800 annually.

Not one word from the provincial government as the wheat board is eroded; as the initial prices are decreased; as the hike on the freight rates are increased — no protection, no spokesman, no one speaking on behalf of agriculture.

Now we find also that there will be no interim payment under the western grain stabilization program. No payment when the farmers in Saskatchewan most desperately need a western grain stabilization payment — for the first time in four years no spring payment, not a word from the members opposite, not a word from the Premier, not a word from the part-time Agriculture minister.

And I want to say that there's another concern to the farmers. Not only is there no long-term agricultural policy in place, but there is a massive erosion of some of the policies that were in place. Now Ottawa intends to change the method of distributing the Crow benefit subsidy — not a word. Not a word from the members opposite, not a word from the Premier, not a word from the part-time Agriculture minister in respect to the cutting back of the . . . changing the method of distributing the Crow benefit subsidy.

Certainly the wheat pool and many of the agricultural associations have clearly indicated, Mr. Speaker, that any payment should be made directly to the railroad and not

to the producer. That has been the position, and now the federal government is planning on changing that method.

(1515)

I want to say, Mr. Speaker, the provincial government's reaction to all of these problems is to go ahead with the whole concept in the farm financing area, and what they are proposing at least in the budget and throne speech is equity financing.

Provincial budget makes it clear that some kind of equity financing program will be implemented, although the people across this province in all of their hearings indicated clearly to them that they want to own the land, that they don't want foreign investors coming in, buying up the land, and then subsequently becoming tenants to foreign ownership.

I say the idea has been rejected by the producers, yet it's the only essential program the provincial government seems prepared to offer. This certainly does not address any of the long-term problems facing many of the Saskatchewan farm families.

And I will say once again that the federal and provincial governments, in my view, must work together to solve the crisis in agriculture through stable, predictable income stabilization and debt restructuring programs. But the reality is that, given the records of both the federal and provincial government, programs for farm families will be initiated only as political gain rather than as a thoughtful method of supporting agriculture, one of the most important segments of our economic stability.

I want to say, Mr. Speaker, that I view this with a great deal of concern, concern that we here in Saskatchewan, an agricultural based province, and as I've said, I admire the ingenuity, the independence, and the efficiency of our farmers. And I can't believe what is happening here in Saskatchewan, that we in this legislature have not even turned our mind to one piece of legislation or one program during 69 days of this session to address those very serious problems.

I say, Mr. Speaker, it's a very major concern to me, because time is not on our side. And although the prospect for crops look better, and I certainly hope that the farmers will indeed get a good crop, but to many of the farmers, they need some long-term agricultural programs. And as I said at the outset, what we have to do is to get into the position of restructuring some of the debt, and that debt can be restructured over a longer period of time at a subsidized interest rate. And as the minister . . . or the former minister of Finance, the Minister of Justice indicated, he said that governments, oh, they can borrow at about 3 per cent less than the normal lending rate to business or to agriculture. If that's the case, I think that what we should be doing is dealing here today with some of the proposals that we have put forward before in addressing agriculture here in Saskatchewan.

And the Premier indicated, the Premier indicated in '85, when we pulled him out of this legislature and took him into south-western Saskatchewan, where 12 and 1,500 people rallied to get action of an inactive government —

and I say to you, Mr. Speaker, that we do need action today, not tomorrow.

I would challenge members who are going to speak, or may speak in respect to this resolution, government members — I challenge them to justify to the people of Saskatchewan, to justify to the farmers of Saskatchewan why we have sat in this legislature for 69 days and have not dealt with one single piece of agricultural legislation.

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

**Mr. Koskie:** — Mr. Speaker, go around to rural Saskatchewan today and the so-called friend of the farmer has no credibility any longer. I'll tell you, you go out there and Tory policies are not on the minds of the farmers. They've seen your *ad hoc* approach. They've seen your *ad hoc* approach and they don't want *ad hoc* political programs.

What they want is good concrete economic policies which will be put in place. They don't want another 1986 election campaign where you'll throw out \$1.2 billion in production loans and go begging to Mulroney for another billion dollars — they don't want that, they want a policy that will give them protection in respect to an income stability. They want a program which will give them restructuring of debt; they want a program which will give stability to their operation. They don't want mere political bait every time in the election.

Well I'll tell you, the farmers across Saskatchewan have you boys figured out, because in the last federal election, Mr. Speaker, there were 14 seats in this province, and 10 seats, and rural seats, were won by New Democrats, and they were promising their drought payments at the time. But the farmers of Saskatchewan don't trust you any longer. They know that all your programs are *ad hoc*, and they're out there for political gain, not for sustaining agriculture as we knew it in the past.

Mr. Speaker, much too much time has passed since . . .

**The Speaker:** — Order, order. It seems that we have a subdebate beginning, and perhaps if you'd just stick to the main debate.

**Mr. Koskie:** — I can understand they'll want to heckle because they're concerned because they can't go back to their ridings, Mr. Speaker, because the farmers don't like Tories any more. They're telling me they're sick and tired of their *ad hoc* approach. They're sick and tired of the Premier . . .

**The Speaker:** — Order. I'd also like to remind the hon. member not to use anything as an exhibit. Order, order. The member well knows the rule. I'll allow him to continue.

**Mr. Koskie:** — I want to refer to a report initiated by the Premier, sent out a group of MLAs running around this province. They were going to look at the future of farm finance — 1987 they ran around the province, spent hundreds of thousands of dollars on a symposium and on a road show and came back, and do you know what they said? They said in this report that about 40 per cent of the

farmers were either insolvent or in serious financial trouble. That's what their report says. And what did they do since then? Not one single iota of programs which would address the major problems facing agriculture today.

And so, Mr. Speaker, as I said here, this spring we had an opportunity, we had an opportunity to help the hard pressed farmers, and we on this side asked the government to consider, number one, guaranteeing operating loans to those who were most hard pressed . . .

**An Hon. Member:** — What did they say?

**Mr. Koskie:** — And the government said no. We asked for a moratorium until the drought payments came. The Premier, the part-time Minister of Agriculture and the member from Kinistino didn't support those motions. So what is happening? Farmers are leaving right and left. The crisis in agriculture is there, and this government spends time. Do you realize they spent 13 days — 13 days — trying to put into place whether or not we should ring the bells for one hour or more, or whether it should go to a committee. That's their priority; it's not agriculture.

The member from Kinistino is reported to have the statistics, and he indicates in one rural municipality in Saskatchewan 157 farmers, I'm advised, and he has indicated that 80 of them are under legal actions of foreclosure, either by the Farm Credit Corporation or by the agricultural corporation of Saskatchewan — 80 out of . . . half of the farmers. And this government sits idly by and will not take any action in order to institute programs which indeed could help the farmers and the farm families.

I'll tell you, Mr. Speaker, that in the last federal election — and I worked with the federal counterparts — we promised the people of Saskatchewan and they reacted. We said that we have to give agriculture a high priority because it's important to the economy of Saskatchewan, and unless we have a sound agricultural policy here in Saskatchewan, the rest of the economy will suffer. And as a result, we have seen what has happened — the loss of thousands and thousands of people, some 13,000 in the first five months of this year.

So, Mr. Speaker, we said to the government, we said we should put on a moratorium until they got the drought payments. We said, let's join together and urge the federal government not to increase interest rates — they refused. We said that what you need is an income stabilizing program for farmers. We presented one to Saskatchewan in the last federal election, and won 10 out of 14 ridings — 10 out of 14 ridings we won, as Tory after Tory went down to defeat in rural Saskatchewan. And what is going to happen after the next provincial election is Tory after Tory going down to defeat, Tory after Tory.

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

**Mr. Koskie:** — Because their *ad hoc* programs are no longer accepted by the Saskatchewan farming community and Saskatchewan farm families.

We said that you have to have a long-term agricultural

program, one which will provide basic stability of income to the farmers, one which will restructure debt. And we indicated that also in respect to the cost sharing, that rather than shifting the cost sharing from the federal government to the provincial taxpayers, that we would have fought and fought hard to maintain that the federal government pay a reasonable share in crop insurance.

But what has happened here is that the Premier, the part-time Minister of Agriculture, didn't fight, and as a result the Saskatchewan taxpayers are now going to pick up 25 per cent of the total cost of crop insurance.

Mr. Speaker, the situation is not only desperate in my riding, but it's desperate across Saskatchewan. And certainly we can save many of our young farmers; we can take the terrible tensions that are facing our farm families, and it wouldn't cost a terrible amount of money to do so because one-half of the debt is held either by the provincial or federal government. And don't tell me that two governments could not in fact restructure that debt so that farmers in this province could survive. And we've called upon the provincial government to do that.

Mr. Speaker, the farmers of Saskatchewan are rapidly learning who are their friends, and they indicated that across Saskatchewan during the last federal election when 10 out of 14 ridings were won by New Democrats. And I predict that in the next provincial election, rural seat after rural seat will be won by the New Democratic Party as a direct result of the lack of concern by the Tory government opposite.

Therefore, Mr. Speaker, I'm pleased to stand up and to speak on behalf of rural Saskatchewan because I represent one of the best rural constituencies in Saskatchewan. And therefore I move, Mr. Deputy Speaker:

That this Assembly condemn the Government of Saskatchewan for its failure to design long-term programs that specifically assist and protect farm families in economic distress.

I so move, seconded by the member from Humboldt. Thank you.

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

(1530)

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. Mr. Deputy Speaker, we will probably hear in the future, and hear in the past, sorry tales from this government, sorry excuses about how problems were created in 1981 because of the world situation, or whatever the excuse is. But they will never take the blame, even though they were in government from 1982 till the present. They'll talk about the production loan program and how great it was, and if I had a dollar for every time a farmer told me that they wished they never would have taken that production loan program, I could have paid mine off.

They will talk about their farm purchase program, which was a short-term program that put as many farmers in trouble as it helped farmers. And they will talk about all

their other programs. I'll tell you, Mr. Deputy Speaker, there are many, but the problem is that they do not address the problems of Saskatchewan farmers, and that problem is the one of the mounting debt and the lack of predictable income.

Saskatchewan farmers, Mr. Deputy Speaker, are asking for a government, for a premier who will stand tall for Saskatchewan when it comes to standing up to Ottawa. And unfortunately we do not have that; we have not seen that in the past number of years. What we have seen is a Premier and a government who sits idly by holding the hand of Brian Mulroney while Saskatchewan farmers are in ever increasing debt and more and more farm foreclosures.

And, Mr. Deputy Speaker, I did not believe myself, even though during the whole debate on the free trade issue, led by the little cheer-leader, the part-time minister or the part-time Premier of this province, led by the little cheer-leader saying that free trade was going to be the salvation.

And I thought, there are a number of problems with free trade. But, Mr. Deputy Speaker, I would not have imagined that free trade would have had such an impact on Saskatchewan in such a short period of time. And I'll give you a few examples of that. In the last federal budget we saw a number of changes that affected farmers dramatically, and I'll give you the totals of actual dollars that farmers are facing in the next year, in a minute.

But first of all I want to talk about the termination of the interest-free cash advance program. That is a direct result of the free trade agreement, pressure coming from the United States saying that we have to harmonize the programs in Canada and the U.S. So therefore what was one of the first things that the federal government did? With quiet applause from the Premier of Saskatchewan, it cut the interest-free cash advance program. Free trade strikes.

Another example is the loss of the fuel rebate from the federal government, another reason the Americans are putting pressure on the federal government to ensure that the farmers in Canada do not have any unfair trading practices, and they deem any rebate or subsidy as an unfair trading practice, or an unfair advantage to them or to the Canadian farmers. So therefore we lose the fuel rebate. Free trade strikes again.

Another thing we can look at is the grain freight rate increase. Grain freight rates in the U.S. — and here's something that's very amazing, Mr. Deputy Speaker. When Canada was in the negotiations with the free trade agreement between Canada and the U.S., the U.S. specifically pointed out the Canadian grain freight subsidy structure as an unfair trading practice, an unfair advantage to Canadian farmers.

But not once did our intelligent negotiators on the Canadian side, not once did they refer to the whole Mississippi water system which transports the majority of American grain to port to export; not once did they mention that that is run by the civil corps of . . . the Army Corps of Engineers, rather — a total subsidy 12 months of

the year for all the grain and other products moving down that point.

But no, that wasn't brought up by our intelligent negotiators. Some fair practice that is. We don't even mention their subsidies; they spell out specifically what they consider a subsidy in Canada.

Something else that is very disgusting, Mr. Deputy Speaker, is the drop in initial grain prices, a tremendous amount of money that is being taken away from farmers, and I'll say there are a number of reasons. To be quite honest, there are a number of reasons why an initial price drop took place.

First of all, to be fair, I think one reason was that because the Canadian Wheat Board wanted to get all the grain in, and so in order to encourage farmers to get all the grain in, there's much more incentive in shipping it when the prices are high this year than there will be at the beginning of the new crop year in August.

But the other major contributing factor, one of the other major contributing factors, Mr. Deputy Speaker, is that under the free trade agreement, during the negotiations, the Americans specifically spelled out that any deficiency in the pooling system for grains that would have to be picked up by the Canadian government would be another unfair trading practice.

So what does the Canadian government do? They drop the initial price of grain rock bottom, so that they make sure there is no deficit in the pooling system, and make sure that there's no subsidy going to be going to farmers. That's long-term programming — long-term programming, but wielded by the hammer of the U.S.

Where was this Premier, where was this government when it came to standing up for Saskatchewan farmers in these four major areas that directly are affected by the free trade agreement? They were singing the Hallelujah Chorus to Brian Mulroney. And in fact the Premier of this province was going around promoting — promoting loud and clear that free trade was going to benefit Saskatchewan farmers.

Well he has deceived them in the worst possible way. He has deceived them because he did not tell them the truth, even though he knew what was going to happen, and we knew what was going to happen. And there's a little word for that.

Mr. Deputy Speaker, I want to now tell this House and the people of this province why I think there's such a dramatic need for long-term programming and why this government has failed miserably when it has come to standing up for Saskatchewan farmers, when it comes to telling Ottawa that you have to stop this Draconian mode that you're in by reversing all the income from Canada away from the large corporations and onto the backs of taxpayers, and specifically Saskatchewan farmers.

If we look at the federal budget, there are a number of issues that affect all families and farm families included. The gas tax, cigar and alcohol tax, sales tax, unemployment insurance, and the surtax all add up to

about \$710 per farmer. And I'm going to add these up for you, Mr. Deputy Speaker — \$710 out of the pockets of Saskatchewan farmers next year.

The interest on the cash advance program that farmers will be paying, as you know, there's a maximum of \$30,000. If you take an average of that over a period of years, and it depends on whether grain moves or not, but you're looking at roughly \$1,000 a year extra that a farmer has to find to pay interest on that cash advance.

The loss of the fuel rebate, Mr. Deputy Speaker, the loss of the fuel rebate . . . (inaudible interjection) . . . If the member for Weyburn will quit speaking from his seat and listen, he might learn something. The loss of the fuel rebate will definitely . . .

**The Deputy Speaker:** — Order. Why is the member on his feet?

**Hon. Mr. Hepworth:** — Well would the hon. member explain to the . . .

**The Deputy Speaker:** — Order, order. Does the member have a point of order?

**Hon. Mr. Hepworth:** — Well will the hon. member accept a question, Mr. Deputy Speaker?

**The Deputy Speaker:** — Will the member accept a question?

**An Hon. Member:** — No.

**Mr. Upshall:** — Mr. Deputy Speaker, I know why the members are very touchy over there, because they have failed miserably, they have deceived farmers, and they know they're on a slippery downhill slope in the next election.

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

**Mr. Upshall:** — As I was saying, I'm talking about an average farmer with about six quarters, roughly, the average-sized farm with six quarters in the brown soil zone, just so that you know I'm not pulling these figures out of the air. The loss of the fuel rebate, Mr. Deputy Speaker, will mount up to about \$600 of new cash that farmers will have to find this next year.

And then there's the increase in the interest rates. The interest rates have gone up nearly 4 per cent. And the average farmer who has a debt of roughly \$100,000, that is \$4,000 of new money that that average-sized farmer is going to have to find — \$4,000 of new money, because the federal government says it's trying to control the inflation in Ontario, and what it's doing is breaking the backs of farmers in Saskatchewan.

And what does this Premier, this Minister of Agriculture in Saskatchewan do? He stands idly by holding Brian Mulroney's hand, saying absolutely nothing on behalf of Saskatchewan farmers.

And then add onto that the grain freight rate increase. To an average farmer shipping about 24,000 bushels, Mr.

Deputy Speaker, that will add another \$1,000 of new money that that farmer is going to have to find before he starts paying any bills. If you add all those things up, Mr. Deputy Speaker, you're looking at about \$7,300 of new money that an average farmer is going to have to come up with just to contend with the federal budget and the increase in interest rates and the increase in the freight charges this coming year.

And why did we not have a Premier of Saskatchewan who would stand up to Ottawa and say no, this is wrong; we have a crisis here; we have six and a half billion dollars of debt in Saskatchewan; we cannot afford to have our farmers come up with this money because, simply, many of them do not have it; and in that case, if they don't have it, it is going to inevitably drive many of them out of business? But where is the Premier of this province? He's silent, holding Brian Mulroney's hand.

And a devastating amount adds up when you take into consideration, when this average-sized farmer who is growing about . . . or is planting about 600 acres of land — 200 to wheat, 200 to durum, and 200 to barley — when you add up the money that he is going to lose because of the drop in the initial prices, as I said, prompted to a large degree by this free trade agreement; if he's seeding 600 acres, Mr. Deputy Speaker, and gets average crops, he's going to lose \$12,000 because of the drop of the initial price — \$12,000 per average farmer.

Add on to that the \$7,300 of new cash that he is going to have to come up with because of the federal budget, the interest on cash advances, the loss of the fuel rebate, the increased interest rate, and the increased grain freight rates, you're looking at — and these numbers are almost too incredible to believe — but you're looking at \$20,000 per average farmer.

I wonder if this government over here has stopped to figure out the actual cost of the federal budget, the increases, and the cost to farmers of lowering of the initial grain prices — \$20,000 per farmer. And that is not a figure I picked out of the air. If any of the hon. members over on that side wants to sit down and figure this out, it will come out to very close to the same thing.

And if you just extend that one step further, Mr. Deputy Speaker, \$20,000 per farmer, and if you were to take an average of 60,000 farmers in this province, that comes out to \$1.2 billion of loss to the Saskatchewan economy — \$1.2 billion. And that is not to mention the feds opting out of the crop insurance program. Over the next two years you can add another \$200 million onto that. That is not to mention the loss of the two-price wheat system, and that is a whole other topic in itself. And you're looking at nearly one and a half billion dollars that is going to come out of the economy of Saskatchewan on the backs of Saskatchewan farmers.

And where is the Premier of this province and this government when it comes to standing up to Ottawa saying no, this is wrong. We simply cannot afford this cost; we simply have not got the money out here because we've had a devastating drought last year; we've had years of low prices and mounting debts. The Premier of this province and this government, they stand up and they

say, well that's okay — not one word against the federal government.

We need a government and a leader in this province who will stand up on behalf of Saskatchewan farmers for the rights that they have, the right to a livelihood in this province, a right to be able to visit their small town, and a right to have neighbours, and this government and this Premier is simply not doing that.

So a billion and a half dollars, a billion and a half dollars is what's coming out. And now here's the little ironic twist. We have a long overdue drought payment and Saskatchewan's portion — I'll get to the details of this in a minute, Mr. Deputy Speaker — Saskatchewan's portion is about \$425 million, money that was sorely needed in this province, and money hopefully that we will get . . . we will see by the end of July if they're going to come through with their promise — 425 million.

Do you realize, Mr. Deputy Speaker, they're putting \$425 million into Saskatchewan farmers this year and they're taking 1.5 billion out next year. And where is the Premier of this province? Why is he not standing up for Saskatchewan farmers? Four times! And they expect the farmers to bow to the East when they're getting their drought payments, when they're taking out four times what they're putting in. Well that's one tremendous deal. I think they learned that direct from Weyerhaeuser and Cargill and Guy Montpetit. I mean they're starting to operate like them.

(1545)

This Premier, this government, is not standing up for Saskatchewan farmers. In fact the Premier said, when asked about the federal budget he said, well he could live with it. Well he may be able to live with it, Mr. Deputy Speaker, but I tell you, the Saskatchewan farmer certainly cannot live with it and they will not live with it, because given the opportunity, I predict they will turf out every Tory in this province.

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

**Mr. Upshall:** — Another thing that this Premier is not standing up for that's going to directly affect Saskatchewan farmers is the average thousand dollars it's going to cost every Saskatchewan farm family and other families when the federal sales tax is introduced — a thousand dollars, rough guess, and it may be more.

Mr. Deputy Speaker, I want to now talk for a minute about the drought aid program that I just mentioned briefly. We have in the past seen these wonderful governments work in harmony, for their benefit and not for the benefit of Saskatchewan farmers; no long-term planning. And that's the exact reason why we have this motion.

We have seen the big announcement before the last federal election. Four cabinet ministers from Ottawa were in four different cities making a great big announcement just before the election. And they said, in their words, it was going to be a drought program that was quick, that was responsive, and that would deliver much needed aid.

Well that sounded pretty good. We all knew we came through a tremendous drought. Except in the back of every farmer's mind, I'm sure they were asking themselves, is this an announcement to sustain agriculture in western Canada, or is this an announcement to sustain a federal and provincial government? Because they're questioning that.

But quick, responsive, and deliver much needed aid. Well, quick. The announcement was made before the federal election, as I said, in October, after we'd come through one long year of drought, of wondering how we were going to make the payments. I have never seen such a long, slow, frustrating process in my entire life, as the implementation of this drought program.

It was like a comedy of errors, because nobody seemed to know what the program was. Nobody seemed to have any answers. And you talk to the minister's office and you get a different story than when you talk to the department. And farmers were very, very disgusted when they'd phone into the toll-free line and they couldn't get an answer, or they'd phone in and they were told something that was not quite accurate because — no fault of the person on the other end of the line — they simply weren't told by the government what was going on. Quick — and it wasn't very quick; it was a long, slow, frustrating process, and wasn't responsive.

The Saskatchewan Wheat Pool and our calculations showed that nearly \$800 million was the need to compensate for the drought. But we're supposed to bow to the East because they're going to give us 425 — half of what the actual need was.

Responsive? I don't think so. And deliver much-needed aid? Well as I said just a few minutes ago, it delivered aid; it delivered about 425, we hope, million dollars. But in the next fell swoop comes the \$1.5 billion grab from Saskatchewan farm families.

And this program said it was going to be 40 to \$45 an acre. They built the expectation that in the drought area, the hardest hit area, you're going to get 40 to \$45 dollars an acre. And if you look at the drought map, the majority of the province was in that. But the problem is, when you start multiplying out the area times the 40 or \$45 dollars an acre, it doesn't come anywhere near covering that area at that amount of money.

But they devised some little tricks. They split the payment into two. And one of the most disgusting features of this whole thing was, if a farmer had 10 quarters of land in the \$12, or most severe area, and one quarter of land in the \$7, or the moderate area, then he got paid only on the \$7 basis. That's a nice little trick to save money. But they built the expectation. And I would predict, Mr. Speaker, that this drought payment for the most part will pay only about half of what they said it would — only about half of the 40 to \$45 dollars an acre.

And they will couch it. They will couch it by saying, well these areas were drawn, the boundary lines were drawn. But the sad part of it all is that the input costs were already in the ground before any drought payment was received

by Saskatchewan farmers. They did not see any money. They had to budget, they had to find cash, they had to buy their input costs, and they had to do their seeding before any money was received from Ottawa. Any in many cases, Mr. Speaker, that was almost impossible for them to do, because many of them were facing foreclosures. Many of them simply did not have the cash because they did not have the crop the year before to buy the input costs to keep the cycle going like they normally would. And on top of that we saw many of the institutions, banking institutions, cutting back on operating lines . . . lines of credit for operating. In fact, many institutions cutting them entirely out.

Then we've come through this whole slow process, and then we see in the federal budget that only half of the actual amount of money was allocated. And of course there is a number of us in Saskatchewan who put forward an uproar saying, look this money had to come forward. Alberta and Ontario and Manitoba all said that they weren't going to put any money in, and then Grant Devine . . . I'm sorry, Mr. Speaker — the Premier of this province stands up and he says well maybe he won't either. But the whole slow negotiating process was simply because these people could not get together. It was dragged out.

And then the federal government said, well yes we will give the whole amount of money that we promised. And isn't that something. There was a great sigh of relief across Saskatchewan when finally the federal government said, yes it was going to actually keep a promise, and a promise before an election. And that's why Saskatchewan farmers will not put up with this kind of government. They will not put up with this kind of double-talk and this kind of deception any longer. And they proved it in the federal election even after the announcement of the drought program. In Saskatchewan, 10 out of 14 seats said that we trust New Democrats more than we trust the Tory governments. And they will do that again, Mr. Speaker.

But the big announcement came through a slow process seven months after the actual promise. They decided, as I said, to keep their promise. Seven months after they made a promise they decided, yes we're going to keep it and give the actual amount of money that they said they would. Isn't that amazing. Isn't that wonderful. Again, we should all kneel down and bow to the East.

But I'll tell you, Mr. Speaker, that it's totally unacceptable, and Saskatchewan farmers are telling me that it is. And now they're saying, well the final payment's going to be out by the end of July. The last I hear, by way of Ottawa, is they hope to have the cheques in the mail by July 17. Well we will wait and see. And we will wait and see how many farmers get 40 or \$45 an acre. We will wait and see how many farmers get 15 to \$20 an acre, or maybe less, because they're going to have to spread . . .

**The Speaker:** — Order. I have to ask the hon. member to not continue to interrupt the member from Humboldt.

**Mr. Upshall:** — Thank you, Mr. Deputy Speaker. Again, the member from Weyburn is making no sense of the . . .

**The Speaker:** — Order, order. I think it's best at times like



this, the member just carry on with his remarks and not refer to a member.

**Mr. Upshall:** — I'm sorry, Mr. Speaker. I should refrain from that, but it's very tempting.

As I was saying, seven months after they made their promise, the federal government decided they were going to keep their promise. And now they say they're going to have their final payment out by the end of July. That'll be a full 10 months after they said they were going to have a drought payment in place early in January for Saskatchewan farmers.

**An Hon. Member:** — It's a year since the drought.

**Mr. Upshall:** — And as my colleague points out, it's over a year since the drought began. Isn't that incredible. Very responsive, very quick, very timely.

And the whole reason is, Mr. Speaker . . .

**The Speaker:** — Order. Why is the member on his feet?

**Hon. Mr. Hepworth:** — Would the hon. member entertain a question as to why it would be so different to receive a drought payment . . .

**The Speaker:** — Order, order. The member cannot indicate the question, just if the hon. member would entertain a question. Would the hon. member entertain a question?

**Mr. Upshall:** — No.

**The Speaker:** — The hon. member would not. The debate continues.

**Mr. Upshall:** — Mr. Speaker, I can't say what I'd like to say by being interrupted by the member for Weyburn so many times, because obviously . . . And I don't doubt that he's hurting a lot, because I've been down to Weyburn. I've spent some time around with some of the farmers in that area and I know the situation in that area.

And they are telling me that this member is not ever around any more. He's hiding on them. They can't get a hold of him. And I'm sure the reason is because of policies like his government, because of a leader like he has, and the Premier of this province holding Brian Mulroney's hand in Ottawa, and the whole time, the whole objective is self-preservation of government and not the self-preservation of Saskatchewan farm families.

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

**Mr. Upshall:** — So a year and a half, basically, after the drought began, we may see some final money. Mr. Deputy Speaker, another reason is that this government is so preoccupied with its privatization mania that they cannot do anything else but push forward with their warped ideology.

They're preoccupied with privatization, and they're preoccupied with damage control because of privatization. Everybody is going in the privatization

mode, and they've switched everything off and so they continually get into trouble. We've seen it with the GigaText, we've seen it with the slanderous statements to the auditor, we've seen it with the sweetheart deal of Cargill. And that's why this government gets in trouble; that's why they're constantly in damage control, doing damage control.

We have an incompetent government, Mr. Speaker, and we have an incompetent Premier. There is no long-term planning, and that is why we have to stand up in this legislature and continually ask them to stand up for Saskatchewan farmers, to continually ask them to stand up to Brian Mulroney and use some common sense when it comes to dealing with the crisis in Saskatchewan.

Another good example is the Canadian Wheat Board issue — and this should bring another round of applause from the member from Weyburn — it's the Canadian Wheat Board as it relates to oats, and the Canadian Wheat Board in general. That is a long-term program. That is a program that we have had in Canada for many, many years, that has served Canadian farmers well. It's served them as their marketing tool.

And we see the federal government and this provincial government agreeing that they're going to erode the Canadian Wheat Board little by little so that eventually it will be non-existent; pressure from the free trade agreement from the Americans because they have said they want to see the wheat board go because they class it as an unfair trading practice, an advantage to Canadian farmers, and a disadvantage to American farmers — a long-term stable program that this government is trying to do away with.

And now we see that the Americans are saying that because the Canadian subsidy on oats was a little higher than the American subsidy — and we all know how they calculate that — that there is no longer a licensing requirement. We also see that the free trade agreement strikes again.

And where was this Premier? He was just saying, yes, yes, yes, when Saskatchewan farmers were demanding no, no, no, do not touch the Canadian Wheat Board. There was no consultation. The farmers agreed; there was no consultation before the oats were taken out of the wheat board. It was condemned by the majority of the farm groups. And they are saying and I am saying, like many of the other Saskatchewan farmers are saying, that what is next, Mr. Speaker? Export barley will be next on the list.

And why are they going in that direction when this is a long-term, stable program? They're going in that direction because, Mr. Deputy Speaker, they care not for Saskatchewan farmers. They are bending to the powers of the American government. They are bending to their own agenda. And they are . . . I'll tell you, Mr. Speaker, they should not be in power.

They have now put the Canadian Wheat Board in jeopardy. Instead of taking oats out of the Canadian Wheat Board, and they said, oh yes, that oats was such a small volume, such a small volume that it doesn't have to be under the jurisdiction of the board. Well a volume . . .

**The Speaker:** — Order, order. I'm going to have to ask the member for Weyburn to please refrain from interrupting the member from Humboldt. It's important that we allow the hon. member to continue without constant interruptions and I'm sure he's aware of that.

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

**Mr. Upshall:** — Thank you, Mr. Speaker. As I was saying, if volume is the measure — they said that oats was such a small volume, half of one per cent — if volume's the measure, then why not put canola and flax under the jurisdiction of the board?

And they were saying that all the farmers of Saskatchewan were in support of them. Well, Mr. Speaker, Decima did a poll, sponsored by the Saskatchewan Wheat Pool, and I'd just like to read a few of the results from that poll. They said that 76 per cent of the farmers believed that there was not adequate consultation when oats was removed from the wheat board; 74 per cent want oats to be marketed by the Canadian Wheat Board. When asked if satisfied . . .

(1600)

**The Speaker:** — Order, order. Why is the member on his feet.

**Hon. Mr. Hepworth:** — The hon. member is reading from a report. I'm wondering if he'd table the document he's reading from?

**The Speaker:** — Order, order. The hon. member is not obligated to table it.

**Mr. Upshall:** — If there was any credibility to the member, Mr. Speaker, I would become annoyed, but I am not, because there is definitely no credibility there.

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

**Mr. Upshall:** — When asked if satisfied with the Canadian Wheat Board services, 75 per cent of Saskatchewan farmers said they were satisfied. When asked if they believed the price they were getting was higher under the Canadian Wheat Board, 48 per cent said yes, they were higher, and only 28 per cent said they thought they might be lower.

But here's the crux of the whole issue, Mr. Speaker. When asked what system they preferred, the system of the Canadian Wheat Board, or the system of the private grain companies, 94 per cent said they preferred the Canadian Wheat Board as their marketing tool, and 5 per cent said they preferred private grain companies — 94 per cent.

And you have to ask yourself, why would any government member, why would any cabinet minister, why would any leader of a Government of Saskatchewan do something that was totally opposite to what 95 per cent of the Saskatchewan farmers wanted? Are they being responsive to their constituents? Are they being responsive to the need of the Saskatchewan farmers? I say not. They're being responsive to their revered leader in Ottawa who is responsive to his revered leader in

Washington.

And that's the problem — Saskatchewan farmers are taking the brunt of it. No consultation, going against the grain of 94 per cent of the farmers. Mr. Speaker, the Canadian Wheat Board has to be the tool, farmers say, but this government says no, it's not going to be the tool. And little by little, it's being eroded. And we have been down that road before.

We are asking for long-term programs — that was why we brought forward this motion — and the wheat board is a long-term program. Because at one time we did not have a wheat board. And what happened? If you were wealthy enough a farmer to afford to hold your grain over until spring, then you got the top price for it. But if you had to sell your grain in order to buy groceries and supplies and pay off your machinery or other bills, then you got a very low price for it.

And why, you have to ask yourself, why does any government want to revert to that kind of a system when we have in Canada proven through the Canadian Wheat Board that the average price that we get is a benefit to all prairie farmers, is a benefit to the whole economy in general. But no, this government wants to revert to the old ways where only a few will prosper, and mainly those who are speculating on the grain exchanges.

But, Mr. Speaker, there are a number of other issues that I would like to touch on briefly.

**An Hon. Member:** — What about plant breeder rights?

**Mr. Upshall:** — Well the hon. member talks about plant breeders' rights. I'll talk about that for a minute.

It has been in Canada where the majority of the plant breeding has been done in the public sector, and through that we have ensured that there has been a gene bank; we have ensured that there has been enough genes around to produce new varieties for Canada and specifically for western Canada, where the majority of the grain is grown. But what will happen? What will happen?

And this is another program that we have a bit of stability under. Through the universities, through the public sector, we are ensured that Saskatchewan farmers will have good varieties. But when you get into private breeding of plants, you know what will happen.

First of all, we will see a great insurgence of multinational chemical companies. They will be going into plant breeding because they know eventually down the line it's going to be profitable. But where will they breed plants for? Will they breed plants for Saskatchewan, for the area that we have here? Or will they be breeding the majority of their plants for the huge, huge area in the mid-west states, where they have thousands and thousands of more dollars that they can take from farmers by selectively breeding plants for that area?

And I won't go into this whole speech, but I just want to mention another couple of things. What's happening now, Mr. Speaker, in the whole area of plant breeding, we are seeing plants being bred that are specifically

responsive to a certain type of chemical manufactured by that chemical company. It will be the elimination of any small breeders, because the large corporations will have what they call overlapping breeding programs, and they will be able to sell to one another, for substantial profit, the patent on those genes, where small companies and individuals like the universities in Canada will not be able to compete with that.

And we will see eventually a backing out of funding by the federal and provincial governments for the breeding of plants for Saskatchewan and other areas of Canada. And those are just a few of the reasons. And I guess I'll just add one more reason. You have to ask yourself, should there be . . . should it be allowed that genes, or human life form, should be in the hands of the private sector? That's the question. Do we allow the private sector, whose bottom line, whose motive is profit, to control human life form by patent? And I think the answer to that is no, because there is a great danger in there that when profit becomes the motive rather than the welfare of the people and the country, that the people and the country will be put in jeopardy. And that is the problem.

Another area I'd like to talk about, Mr. Speaker, briefly, is the method of payment — a long-term program that we have had in Saskatchewan and in Canada, western Canada, a long-term program that is being again put in jeopardy by this government and the federal government in Ottawa. Right now we have seen this combination do away with the old Crow rate system, we've see them introduce variable rate structures, and now we see that they're going to be trying to pay the Crow benefit to the farmers.

Well there's some differing theories. Groups like Saskatchewan Wheat Pool say, leave it alone, let it sit, be paid to the railways. That way you have some control over the railways. The federal government said, pay it to farmers. And this group of cowboys over here, they have some half-baked idea about paying it to them and they're going to distribute it, but actually nobody's listening to that.

But, Mr. Speaker, the pressure on the Crow benefit is again the result of the free trade agreement because it's seen as an unfair trading practice or an unfair subsidy to Canadian farmers, therefore the Americans say this has got to go. And Ottawa's just bending to that, and so is the Premier of this province.

Because what will happen? It is being stated that if you take away the Crow benefit from the railways and pay it to farmers, first of all, you're leading yourself up to a user-pay philosophy, where the farther you have to ship your grain, or if you're on a branch line, it's going to cost you more than it would be if you were sitting on a main line.

But the most inherent danger in this whole thing is that from continued pressure from the Americans, with their call for unfair trading practices, we will eventually see — and I would say in only a short couple of years — we will see that that subsidy to transport our grain from this land-locked province will be gone. And that is the danger.

Then you have to ask yourself: why would any government want to have farmers lose that benefit, a long-term program, a program they could depend on to get their product to market in a fair and equitable manner? Why would any government want to change that?

If this government says it's standing up for farmers, it doesn't make sense if they're bowing to Ottawa, who are bowing to Washington, saying you have to get rid of this program. But farmers in Saskatchewan are realizing this whole process and how it's taking place. They're seeing that this government . . . the rhetoric sounds good, but their practice is terrible, and it's causing many farmers to go bankrupt.

And we see how this government is looking in long-term programs. There is a \$22 billion debt in Canada, and over one-quarter of it is held here in Saskatchewan — over \$6 billion. There is no predictability in income. A program that farmers have been asking for, for years and years . . . just tell me what I'm going to get if I'm going to get something; but if I'm going to get nothing just tell me and I'll try and work around it. There's no predictable programming. There is no long-term debt restructuring.

As my colleague said earlier, the \$6.5 billion — over half of it held by the provincial and federal governments. They could take the lead. They could show the banking institutions that they were serious about helping farmers; they're serious about making sure that family farms are maintained, that small communities are maintained, and that the way of life in Saskatchewan continues.

But they're not doing that, and there's a reason for that. And there is a very good reason why this government, why we have to bring forward to this government motions like this condemning them for not bringing forward long-term programs — programs that if any one of those members listened to their constituents in rural Saskatchewan, they would hear them telling them: just be predictable. Whether it's western grain stabilization, whether it's the drought payment, whether it's the special Canadian grains program — be predictable.

And that message is out there loud and clear if they care to listen. But they care not to listen because that is not their agenda. Their agenda is to reduce the number of farmers in Saskatchewan. And for the life of me I do not know why, because Saskatchewan is being built on a tradition of small towns, communities, built on the basis of farm families supplying those communities with needed cash, so that the storekeepers and the implement dealers and all the other people can exist in harmony with that community. Why are they trying to take this form . . . this life-style away from us?

Just a small example, as an aside. We have seen recently a development in a fertilizer business whereby Saskatchewan could have had a potential for three separate fertilizer manufacturing plants — one in Rosetown, one in the Melfort-Tisdale area, and one in the Yorkton-Melville area — with very little costs from the taxpayers of Saskatchewan to get these things in operation, very little cost.

But what does this government choose to do? It chooses to put in jeopardy the economic activity in those areas to give Cargill a guarantee of \$230 million for a plant in Belle Plaine and a \$60 million cash up front to give Cargill a guarantee of 83 per cent of the cost in return for 17 per cent equity by the government — taking all the risk.

And now I do not begrudge a fertilizer plant being built in Belle Plaine. I mean, we want to have more industry in this province, and that is good. But giving \$290 million to Cargill whose net sales last year . . . or whose gross sales last year were something in the order of \$38 billion, a budget bigger than the province of Saskatchewan by far, putting in jeopardy the economic activity in three areas of this province.

Why would they do that? Is that good long-term programming for rural communities? And all the while they're saying, well we're going to have this competition, the price of fertilizer is going to go down. I heard them with my own ears. Well I'll say it will be . . . there'll be two moons in the sky before any developments like this cause the price of fertilizer to go down. And they know that, but they're trying to couch it in those terms.

But Saskatchewan farmers do not believe them because they've tried time and time again to trick them and they will not stand for it any longer. It's like the old saying: fool me once, shame on you; fool me twice, shame on me. And I think Saskatchewan farmers know the method of this government, and they will not accept it any longer.

Statistics show, Mr. Speaker, that in the past year 41 per cent of the farmers appearing before the debt review boards were from Saskatchewan — 41 per cent in a province that has less than 22 per cent of Canadian farmers — simply because there's no long-term predictability; there's no long-term planning; there's no long-term debt restructuring — the basis on which these farmers depend to make sure that their farm families continue into the future.

There were 916 foreclosures filed with the Saskatchewan Farm Land Security Board, and it's predicted that about 1,500 or more will be filed this year. The Royal Bank, as of October '88, held 120,000 acres. And if you can believe this, the federal Farm Credit Corporation now holds about 600,000 acres of farm land.

(1615)

And that is . . . if there's no other reason, when we see the exodus of the people from this province, when we see the exodus of our farmers, when we see the financial institutions in the government increasing their share of farm land, then we have to stop and say why? when the federal government and provincial government control half or more of the debt, when they're the ones who can put into place a long-term program to stabilize the income through a predictable program. Why do we continue to see the institutions holding more and more and more land?

And it's a very simple theory. The federal government can get money a lot cheaper than the farmer can. And instead of charging 14 or 15 per cent, they could charge maybe 8

or 9 per cent or 7 per cent, and a very small subsidy. In fact, last year they wrote off about \$450 million of farm credit. And the farmers were losing their land, and the bankers and the federal government . . . the taxpayers, rather, were footing the bill.

Well why can't the federal government say, no, this is not right; we can get money for a low percentage; we can subsidize it by a couple of per cent. The subsidy would be far less than a \$450 million write-off, and Saskatchewan farmers would be able to keep their land, and the economic activity of the small town would be able to continue. It seems quite simple.

Then why don't they do it? Because that's not their agenda. Their agenda is to limit the number of farmers, to reduce the number of farmers. And I don't think that's our view. I know that's not our view. Our view is that we have to continue to have farm families in Saskatchewan to keep the economics going.

Another contributing factor for the exodus of farmers from the land is that this spring many farmers saw they could not get operating loans. Some institutions were cutting them out altogether, and farmers were being put into a position where they had nowhere to go and they had a crop before them to put in and they had no money.

In situations like that, Mr. Speaker, it is up to the government to fill the gap. Farmers work on operating credit every year — it just rotates around and around and around. And when the institutions decide that no, they're no longer going to be supporting farmers, what does this government do? It just stands idly by and says, no, we're not going to help you either. So therefore more farmers were being put into bankruptcy.

Operating loans are an essential part of the way of life of a farmer. As I said, if the institutions don't do it, the government has to do it. Where is this Premier, where are these members opposite who say they represent rural areas? Why are they not listening to farmers that are saying, look, I have to have operating credit; you have to make sure that I get it because that is part of the cycle that this province goes through.

Another little development, Mr. Speaker, is . . . and here's a real need. This is one of the main reasons why there's a real need for long-term programming. We've seen in the past a number of programs come out and a number of programs botched up by the governments because of administration. In western grain stabilization we saw a major pay-out in the spring, and after the election in 1988 we saw bills being sent to farmers because they said there was an overpayment. Well farmers were very unhappy about that — the need for a long-term predictable program.

And another little quirk that's coming up now is that, if you can believe this, there are bills being sent to farmers — and maybe some of the members should listen to this because they probably don't know — bills being sent to farmers for overpayments in the 1987 special grains program. And you'll get a little notice in the mail saying that you owe so much money as an overpayment to the special grains '87 program, and you will not be getting

your drought payment unless you pay this bill. And eventually what will happen, you can ask them to take it off your first payment and you'll get the remainder, or if you don't do that you say, look . . . they don't even give them a detailed explanation. This is the ironic part. They don't tell them why there's an overpayment, simply a note saying: you have an overpayment. Pay it or you don't get your drought payment. But eventually what will happen, they will have it reduced from any drought payment they get.

Is that not a need for a long-term program when from two years ago farmers have to pay back on an overpayment because of some miscalculation or some glitch in the system or some problem with a permit book or land that they held? That's why we need a long-term, one long-term program — to kick in in the bad times and to be there in the good times to build the fund. That's why we need those programs.

In fact, in Saskatchewan, Mr. Speaker, there are almost 2,400 farmers — 2,400 farmers who are being asked to pay back an overpayment from the '87 special grains program. That adds up to \$1.4 million that are going to have to be paid back from Saskatchewan farmers before they'll get their drought payment — 1.4 million — that's over a quarter of the total drought payment for Saskatchewan.

I mean, does that not tell the members opposite, does that not tell the federal government that there is a need for a long-term, predictable program, one program that the farmers can rely on to ensure their longevity in this province? It screams for it, Mr. Speaker, and this government, this Premier and the federal government do not respond. In fact, in Canada, just to exemplify the figures, in Canada nearly \$7 million will be paid back because of overpayments. Farmers don't have the money; what are they supposed to do? They're crying for long-term, predictable programming.

Mr. Speaker, in this legislature we have sat now for 69 days — 69 days — with a government bent on privatizing everything they can privatize, when the crisis is in rural Saskatchewan where farm families are suffering stress, where they're losing their land, where their towns — they're seeing their towns being wiped out right before their eyes, if they're there that long.

And this government sits on privatization and tries to push it forward — push it forward, again I might add, against the wishes of the majority of the people in this province.

Sixty-nine days and they have not completed one piece of farm legislation — not one piece. And that is why farmers are saying to me, and I'm sure to them — you guys don't act the way you talk. I mean, you can tell me all the nice things you're going to do, but you're not doing them.

And you also have to ask yourself why they're not. You have to ask yourself why there's no programs in the livestock area that will actually have farmers being able to predict what they're going to have to do in the future. They're tinkering with the programs; there are service fees on all the programs. I mean, each farmer pays 50, 60, 200, \$250, whatever it is, whether it's for counting cows

or whether it's for changing the production loan program or whatever the service fee might be — but all that money adds up to an enormous amount of cost to the taxpayers or the farmers of this province.

That's why we need long-term, predictable programs, not a mishmash of *ad hoc*-ery that can be manipulated. And after all this, after all the time the farmers are asking them for this, what do we see in the introduction of one piece of legislation? We see an entire Bill, almost the whole Bill, saying that the decisions will be made by the cabinet or will be done through regulations.

Is that being responsive to the need of a long-term program? That means the cabinet can decide when the program begins, when it ends, who qualifies, what the interest rate will be, what the penalties will be.

There is no need for debate in the legislature where we can ask questions of this government on behalf of farmers saying in this set of circumstances what will happen, or in that set of circumstances what will happen. There is no need for them to go before the farm groups and farmers and say look, you know, this is what we're doing. No, the decision can be made instantly in cabinet with nobody making the decision but the cabinet. After all the time, the farmers are asking for predictability.

Mr. Speaker, I want to make one more point on why there's a need for long-term programming and why this government is not standing up to that.

We are seeing increased pressure being put on the marketing boards, marketing boards that are there for the producers to rely on so that they have an income that they can rely on over a period of time so that there's no guesswork involved, or very little — some marketing boards, absolutely no subsidies.

But through the free trade agreement and through this government and through the government in Ottawa, we are seeing extreme pressure being put on marketing boards. And I'll use the egg marketing board as an example. This board, self-sustaining board, when they are marketing their eggs they have a check-off that they put into a fund and when there's a surplus of eggs and they have to take lower price and sell them to the cracking industry, they draw from that fund to ensure that their income is stable.

Why do these people want to get rid of those things? Why are they allowing the Americans to put pressure on them, to do away with orderly marketing, with long-term predictable marketing programs? And you will see in those sectors of the marketing boards, they are the most successful operations because they can budget. They know what their bottom line's going to be, provided they keep up their production. It's predictable; it's long term.

Everything that we the farmers are asking for, and that is, restructuring the debt through a long-term low fixed income, predictable programming by stabilizing the income, these guys are not responding. They simply do not respond to that. And that is why I say, Mr. Speaker, that farmers are not going to vote for these people in another election. As they did in the federal election — 10

out of 14 going New Democrat — it's going to happen again provincially.

And I think it doesn't matter what they do. They could pump out as much money as they wanted to Saskatchewan right now, in rural Saskatchewan; it isn't going to help them because the damage has been done. The farmers have seen through the smoke and mirror program. They've seen through the rhetoric. They've seen the actions, and they will respond by saying no to a Tory government.

So, Mr. Speaker, for those and many, many other reasons that I could mention and go on, I will be supporting and pleased to second this motion that condemns the government for its failure to design long-term programs, and specifically to assist to protect farm families in economic distress. Thank you.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. I must say that after listening for the last couple of hours in this legislature, that one point has certainly been driven home to me, and I'm sure it was to you and certainly a lot of members on this side of the legislature, is that the New Democratic Party is still fumbling around, wishing they had an agricultural policy.

And I'm going to give you some reasons, Mr. Speaker, why I know that's true, because we've listened to the member from Quill Lakes and the member from Humboldt. And I must admit the member from Humboldt actually is a farmer and does have a little bit of credibility when he talks about a few of the things that happen in agriculture. I'm not so sure that anyone else on that side of the House does.

But I know for sure, Mr. Speaker, I know for sure that the New Democratic Party doesn't have an agricultural policy, and that's because I look back over the history of our province in the last 15 years and the proof is there.

And it started in 1975, Mr. Speaker, as you well know, and there were a certain number of Progressive Conservatives elected in rural constituencies because they had a feeling for agriculture and what went on in rural Saskatchewan. And that continued in 1978, in 1982, in 1986, and today all of the seats in rural Saskatchewan with the exception of two, are represented by Progressive Conservatives.

And I ask you, Mr. Speaker, why did that occur, given the rhetoric that we've heard from the members opposite for the last two years? Why did that occur? That's because people in rural Saskatchewan know that the NDP has been bankrupt of rural and farm policies for a great number of years.

(1630)

We had the example, Mr. Speaker, of the guru from Semans who was the Agriculture minister in this province for many years, who seemed to take all his lines from the NFU (National Farmers Union), telling the farmer in this province, in the face of 22 per cent interest rates — and of

course I don't have to tell you, Mr. Speaker, about some of the things that he said, but telling every farmer in this province to sow this province wall to wall with wheat just before that famous 1982 election — that's in the face of 22 per cent interest rates.

Now I ask you, Mr. Speaker, what kind of an agricultural policy is it to tell every farmer in this province to give up everything else that he's been doing to make a successful living and go to one crop, in the face of those kind of interest rates, those kind of payments that are going to have to be made?

That kind of policy, Mr. Speaker, was utter foolishness. It took away some of the advances made in agriculture in this province 20 years previous and put them all down the drain by asking farmers in this province to go to a monoculture, put all their eggs in one basket, in the face of those kind of interest rates. And you and I both know, Mr. Speaker, what the result of that kind of policy has been.

We've heard the members opposite say that Canada and Saskatchewan need a long-term agricultural policy, and I agree. In over the term of this government, Mr. Speaker, there have been many initiatives instigated to arrive at that point, many negotiations that have helped with crop insurance, with programs, the disaster relief mechanism and crop insurance — things that have been instigated by this Premier and by this government, and by rural members on this side of the House, Mr. Speaker; never by any members opposite.

It's the same old story of being against everything, of finding a bogymen behind every bush, of blaming someone else for all the problems that occur. Never do we hear members opposite ever come forward with something concrete to build on.

And that is why, Mr. Speaker, that that movement which started in 1975 went right across the piece through rural Saskatchewan, and why I look around this side of the legislature and I see farmer after farmer after farmer sitting over here on the government side, because people in rural Saskatchewan know them as people they can trust, as people they can work with, and people who will try and build on the agricultural background in this province. And they obviously don't trust the members opposite, otherwise the members would be sitting over there and not on this side of the legislature.

Mr. Speaker, I spent the whole weekend in a hayfield doing what many of my neighbours are doing, making a living, working with existing government programs, working with members of the legislature on this side to come forward with programs that will have meaning, that will be long term.

Mr. Speaker, I didn't like the fact that in 1988 this province went through a terrible drought, that I didn't harvest one bushel of dry-land crop on my farm. I didn't like the fact that we had to spend \$3.7 million digging deep wells in this province. I didn't like the fact that we had to spend \$3.2 million digging 5,000 dug-outs and reservoirs. And I didn't like the fact that over \$1 million had to be spent on helping farmers pump over 4,000

dug-outs.

The fact of the matter is, Mr. Speaker, that when that need was there, this government was there. And you may call it *ad hoc*-ery; I call it being in touch with reality.

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

**Mr. Swenson:** — That's one reason, Mr. Speaker, that I believe that the hundred million dollars that is being spent on irrigation development over a five-year period in this province makes sense. It's not *ad hoc*-ery. It's a long-range program that is meant to provide water not only to farmers but to towns and villages. It's a water management plan that goes right through the whole south of Saskatchewan. It's a plan, Mr. Speaker, that means feed supplies, feed security for the cattle industry in this province. It's a plan, Mr. Speaker, that means long-term development in rural Saskatchewan because of the value added industries that will go along with it. It's a long-term plan; it's not *ad hoc*-ery.

Mr. Speaker, members opposite say that some of the programs this government has initiated, that have put a lot of dollars in farmers' pockets, aren't reasonable. And I notice the member from Humboldt said, well they'll talk about this and they'll talk about that, and they certainly aren't any good.

But the fact of the matter is when you start adding those various programs up, Mr. Speaker, they mean that a lot of farmers are farming today that wouldn't have been under the NDP administration given the same circumstances. Because all we would have had, all we would have had would have been an agricultural minister telling us to sow all the same crop across the breadth of this province, because that sums up the total of the agricultural policy that has emanated from that party in the last 15 years. And that is a sad, sad comment, Mr. Speaker.

And even though the farm purchase program was only five years in duration, it did pay \$70.4 million in interest rebates for farmers in this province — by and large young farmers, and the majority of them are farming that land today. Fifty-five thousand farmers in this province took advantage of that production loan, Mr. Speaker, and that added up to over a billion dollars, a billion dollars that circulated through the economy of this province, that kept people farming, that kept small towns and small business working.

I think of the livestock cash advance — not *ad hoc*-ery — a long-term program for people in the red meat industry in this province. And it's clicking in \$22.4 million a year in interest savings to livestock producers across the breadth of this province. That program has been in place for three years. It will continue into the future, Mr. Speaker. That is not *ad hoc*-ery.

When I think of the counselling and assistance program, it's been here since 1984, Mr. Speaker — that's five years. Nearly 2,500 farmers have benefitted to the tune of \$134 million. That's an average of \$71,000 per farmer. That's not *ad hoc*-ery, Mr. Speaker. Those are real dollars for real people who need money on a certain day in a given year to do something in their farming operation, and the

money has been there.

With any of these programs, Mr. Speaker, we expect that farmers, farm organizations, farm groups, will come and sit down at the table with us and design these various options. We expect that they'll do it with responsibility. And I think over the years, Mr. Speaker, the life of this government, that that has been the case.

I've had the pleasure and the honour of sitting in on several of those meetings. People through the grains industry, the livestock industry, people in irrigation, sitting down and hammering out programs that have been to the benefit of agriculture as a whole. And I think that's why most people in the agricultural industry applaud the fact that this government has now moved to the agricultural and food sector as being not only reasonable, but perhaps the future of this province.

This province has the ability to produce so many different kinds of products, so many different kinds of crops, it can have spin-off effects for everyone in this province. And even though the members opposite don't believe that that is the way to go . . . They believe with agriculture, as they do with every other industry in this province, that we should somehow build a fence around ourselves and that we should exist within this fence, as they tried to do with the land bank program, as they did with other agricultural things that the member from Semans talked about.

And we know, Mr. Speaker, from actually farming for a living, that that can't be the case. We know that we trade in a world environment, that the revolution in Tiananmen Square will have an effect on you and I as grain producers. We know that drought and famine and political upheaval around the world has an effect on you and I as producers of basic agricultural commodities.

And that's why it's incumbent upon us, Mr. Speaker, as we move into the '90s and into the next century, that we look at some of the alternatives, we look at those trading patterns, we look at the value added products that we can derive from some of the things that we produce and grow here and how we manufacture them, how we package them, how we make them acceptable to be marketed in that larger world scale. And that's why, when this government announced that change of . . . even though it is only a change of name, it's a change in attitude and a change in direction that is necessary for this province to continue to prosper.

And I hearken back to one more point, Mr. Speaker, that the member opposite made about this government wanting to get rid of farmers, how we wanted to do away with rural Saskatchewan. And even though it sounds ridiculous when there are so many members on this side representing those very types of constituencies, I wonder about that idea of theirs of sowing this province wall to wall with wheat; how that was going to encourage smaller farmers. Because we all know that when we get into a monoculture situation, that only the large farmer has the advantages of the costs of production, the large machinery.

And if there was any program that was going to do away with farmers in this province, it was getting everyone to

grow only one crop. And I'm sure, Mr. Speaker, if that program had continued on, there would be about half as many farmers in this province today.

And that's why people in rural Saskatchewan took a good hard look at the NDP Party and said no, that won't work in this province. And that's why in 1982, they turfed them out. And that's why in 1986, all but two rural members were returned to the Progressive Conservative government.

Mr. Speaker, I think that the initiatives brought forward in the throne speech and the budget speech are good initiatives and, as they are implemented, will have benefits to people in rural Saskatchewan all across our province. And I would think, Mr. Speaker, that had not the opposition walked out of this House for a two-week period, some of those agricultural initiatives would have been dealt with by now.

And they say that we are stuck in our ideological mode of privatization. And I say to them, they are stuck in the past. They are stuck with the pronouncements made by the NDP government in the 1970s, as far as agriculture goes. And they are not willing to move off of their ideological position when we talk about agriculture and food in the province of Saskatchewan.

I think of the vendor mortgage guarantee program which will be initiated in this province, whereby retiring farmers can participate in the financing of the younger farmer coming into agriculture in this province.

I think about the revised lending criteria by the agricultural credit corporation. The provisions of loans up to \$500,000, the increase of net worth, the removal of limits on off-farm income — things that will eliminate any disadvantage to farmers and new entrants into the farm economy. I think of things like the agricultural development fund which is so fundamental for us to move into these new ideas of cropping, these new ideas of exporting, these new ideas of packaging. Twenty-nine million dollars in the budget for the agricultural development fund which is absolutely key to the things that young farmers will be doing in this province in the next 10 and 15 and 20 years.

I think of the need for home quarter financing, Mr. Speaker, and the related facilities that go along with it. Often that homestead is the most difficult portion for a young farmer to finance. And I think of his housing, of his storage, of the shed that is so necessary to do farm repairs on. When I think of the people who are involved in the intensive livestock sector, the hog man, the guy in the feeder cattle, and I think it's only eminently reasonable, Mr. Speaker, that the agricultural credit corporation move into this area.

(1645)

We've seen a movement over the last number of years by some of the financial institutions to move away from home quarter financing, and we feel that by moving into this area we are filling a needed gap that's there. And it's a gap that was identified by members on this side of the House, Mr. Speaker, rural members who are out mingling

with their constituents, people who started up in agriculture not that many years ago. Many of the rural members on this side of the House are . . . only been in the farming game in the last 10 years — some of the most difficult years that farming and agriculture has seen in North America. They recognize those needs that are there and are putting input into that throne speech, input into the budget speech as presented by the Finance minister, so that we can come up with some real alternatives, some needed assistance to people who want to move into agriculture.

Mr. Speaker, as I listened to the members opposite, I heard nothing mentioned about crop insurance, about the movement by this government in conjunction with the federal government to move into a soils program, an identification of the degradation which has happened in this province over the years. It's absolutely fundamental, Mr. Speaker, that that whole area of crop insurance and the alternatives have to be talked about and identified.

And I know that the minister of rural affairs, in his added duty as crop insurance minister, has held long discussions with his federal counterparts as we identify a reasonable way to move into this program. We know that there are significant millions of dollars allocated by both levels of government to ensure that things like shelter-belt planning, things like the planting of grasses and legumes take place, and that they be done on a basis that has a long-term outlook to it and it isn't *ad hoc*-ery.

We know that there are millions of acres in this province that were broke up from their native grass by people in the late '70s and early '80s who thought that grain farming was the way to go. And without any indication from the NDP government of the day, they moved into that mode. And we know today that many of these soils were fragile. They are light and sandy, they're stony, they're peaty. They are soil types that aren't suited to the growing of grains.

And we know, as this province has gone through probably some of the driest years in recorded history, that those soils have not stood up to that type of agriculture. And it's absolutely fundamental that we, on a provincial and a municipal and a federal basis, work together so that these soils are identified and that there be a long-term program in place to get them back growing crops more suited to the soil type, get them back into the production of red meat, get them back into helping to diversify the agricultural community in this province. Because if those soils will not support red spring wheat production, they perhaps can support the production of beef, of mutton, lamb, pork, and some of the other crops such as the alfalfa industry, which currently is moving from the pelleting area into the long-fibre area with significant export opportunities for producers in this province.

And I believe those opportunities can be realized, Mr. Speaker, because we are identifying this problem of soil degradation. We are identifying that something has to be done over the long term, because those acres that aren't working out are costing each and every taxpayer in this province money, they are costing each and every farmer who pays premiums to crop insurance money. And I compliment the Minister of Rural Affairs for the work that



he has done with R.M. councils and with the federal government . . .

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

**Mr. Swenson:** — . . . in developing some initiatives that I know will bear fruit in your constituency and mine over the next few years.

It was humorous almost, Mr. Speaker, to listen to the members opposite as they talked about the western grain stabilization fund, and it seemed a total lack of understanding how that particular instrument works. They talk about payments as if they're something that you reach up into the sky and pull down, rather than understanding that that particular fund was set up with farmers and government to have a long-term rolling average which had farmers paying in a levy which has varied over the years, so that in the good times they could build a fund there, and in the bad times draw out of it.

And I don't think, Mr. Speaker, that that fund has ever been open to any political manipulation. The federal government came to the rescue of it because of the long number of years which the fund was in jeopardy. And I believe that farmers, as they grow good crops, are more than willing to pay their levy into a fund like that because they know that with matching dollars coming in, that it's a good plan.

And I think it's that type of plan, Mr. Speaker, that we've got to take and build upon. It's the kind of thing that was identified by Agriculture ministers across this country in 1986 as one of the foundations of long-term agricultural policy that can be built upon. And those things were clearly identified by our Premier and our Minister of Agriculture.

Never, Mr. Speaker, did members of the NDP, when they were in government or since, ever identify any of those types of things to build upon. They simply fall back on the old NFU initiatives, which we know farmers in this province put no value in. We know that they don't put any value in it because voters in the rural part of this province have consistently said no to that type of thing. And we have to think about the "Save the Crow" program which the New Democrats ran around this province with in 1982, and the obvious backlash from people in the rural sector who said that's absolute garbage, the fact that the New Democrats are running around this province saving the Crow when we all know, Mr. Speaker, that it was an absolute falsehood.

**An Hon. Member:** — And they had to eat it in 1983.

**Mr. Swenson:** — Yes, one of the members said they had to eat it in 1983.

It's taking those programs that have been proven and thought out in conjunction with agricultural associations and groups, Mr. Speaker, and building upon them for some long-term outlook that would be successful. And I believe this government, with our Premier who is well versed in agricultural issues, who is a farmer, in conjunction with many of the rural members who are on this side of the House, we can build and develop

long-term programs that will have meaning into the 21st century.

And I don't think anything that we saw displayed here today, Mr. Speaker, in some two hours by members of the New Democratic Party would give me any confidence as a farmer that those people opposite could come up with any type of a solution, whether it be short-term, *ad hoc*, or long-term, because they seem totally bereft of any understanding of what is actually happening in rural Saskatchewan.

And I think, Mr. Speaker, if the members opposite had been truly, truly interested in talking about solutions to agriculture, and whether they be debt, or cropping, or whatever, that they wouldn't have walked out of this legislature for two weeks on the flimsy excuses that they did. And I won't get into that, Mr. Speaker, because we've been all through those debates on the bell-ringing, on the other issues that have arisen in here.

But I guess what it clearly comes down to was a strike. And it was a strike against everyone in this province, particularly against farmers, because we know that in the budget speech, in the throne speech, there were things identified that this government wanted to do, things that we wanted to build upon, past experiences, past successes that we know needed to be beefed up, needed to be improved. And yet the members opposite simply wanted to walk out and go on strike.

And I think as they travel around rural Saskatchewan, Mr. Speaker, people will ask them about that. People will say, why did you go on strike when you should have been in here debating agricultural issues and other issues around the province. And yes, they should have been debating potash. And they will have no excuse, Mr. Speaker, because they have no agricultural policy. They simply drag out the NFU handbook from 1978 or '79 and spout the same old rhetoric.

And I think, Mr. Speaker, before members opposite stand in this legislature for another two hours and try and intimidate, talk fear to rural Saskatchewan, that they should actually sit down as a caucus, that they should take their urban cowboy mentality that purviews over there, they should sit down and honestly think about what they might do as a government. Heaven forbid. Heaven forbid that it should ever happen in this province, Mr. Speaker. Heaven forbid that it should ever happen, but before they waste the time of this legislature by haranguing us with stuff that is 10 and 15 years old, that they sit down as a caucus and honestly look deep down in their hearts at what agriculture and what rural Saskatchewan needs, and don't drag out the same old fear and rhetoric, because it obviously doesn't work, and it's been proven in election after election after election that it doesn't work.

And I think that the members opposite really have to dig down deep if they're going to get anyone in this province to believe that they seriously have any alternatives in rural Saskatchewan. Mr. Speaker, I've got many pages of notes here yet that we could talk about, but it being near, I would ask leave to adjourn debate.

Debate adjourned.

**Hon. Mr. Hodgins:** — Thank you, Mr. Speaker. Mr. Speaker, I'd seek leave of the Assembly to introduce a couple of motions respecting absences from the House for some members on both sides.

Leave granted.

## MOTIONS

### Leave of Absence for Members of the Assembly

**Hon. Mr. Hodgins:** — Mr. Speaker, I'd like to move, seconded by the member for Regina Elphinstone, by leave of the Assembly:

That leave of absence be granted to the members for Regina Victoria and Arm River, from Monday, July 10 to July 12, 1989, to attend the Eleventh Annual Conference of Canadian Council of Public Accounts Committees in Edmonton, Alberta.

Motion agreed to.

**Hon. Mr. Hodgins:** — Mr. Speaker, I'd also like to move, seconded by the member for Regina Elphinstone, by leave of the Assembly:

That leave of absence be granted to the members for Last Mountain-Touchwood, Moose Jaw South, Saskatoon Eastview, Rosthern, and Pelly, from Wednesday, July 12 to Monday, July 17, 1989, to attend on behalf of this Assembly, the 29th Commonwealth Parliamentary Association Regional Conference in Alberta.

Motion agreed to.

**Hon. Mr. Hodgins:** — Mr. Speaker, I would seek leave of the Assembly to now move to government business.

Leave granted.

## COMMITTEE OF FINANCE

The Assembly recessed until 7 p.m.