

EVENING SITTING

MOTIONS

Resolution No. 24 — Jeux Canada Games (continued)

Hon. Mr. Meiklejohn: — Thank you, Mr. Speaker. Prior to our break at 5 o'clock, Mr. Speaker, I was commending the many volunteers in the city of Saskatoon who are involved with the Jeux Canada Games, and we're very, very pleased with the fact that so many people are attending the games in the city of Saskatoon.

But I wanted to spend a little bit more time just reviewing again the tremendous job that volunteers do, not only in the city of Saskatoon but also in the province of Saskatchewan. There can be no doubt that the Jeux Canada Games will show-case the city of Saskatoon and the province of Saskatchewan during the next two weeks, but none of this would really be possible without the fact that there are thousands of people who have given of their time and their efforts to serve as volunteers in hosting these games. And that work has been going on for not only months but some have been involved for as long as four years. I'm very proud of the energy and the vision that these people have shown Saskatoon in giving so freely of this valuable time.

I singled out as well, Mr. Speaker, one Tony Dagnone, who is the president of the University Hospital but is also chairman of the Jeux Canada Games. And Tony, along with the other organizers and the many volunteers, have done a tremendous job at putting this particular event together. We're very, very pleased about the fact that the city of Saskatoon has been able to host a number of national events, not only this year but also in the past. And I made mention of the fact that the city of Saskatoon has the dubious honour of being the only centre in Canada which has hosted both the Canadian winter games and now the Jeux Canada Games. We know as well that this year earlier we hosted the Memorial Cup play-offs and also the Labatts Brier, which were unqualified successes.

Mr. Speaker, the one thing all of these events have in common is that they were made possible because of the volunteering spirit and vigour of the people of Saskatoon. The challenge of staging national events is enormous. It takes a dream and a vision and the courage to try, but above all it takes people; it takes the initiative and determination of people from all walks of life with a common goal and the will to succeed.

This year's games, Mr. Speaker, will be the best ever held in Canada. And the secret ingredient in this recipe for success is people, volunteers who make a commitment, not only to help out, but they make a commitment to excellence.

Excellence is something people from across the country have come to expect from Saskatoon and from Saskatchewan. Our people displayed it at the Brier and again in the Memorial cup, and now they're displaying it with the Jeux Canada Games. And excellence is the driving force behind the games themselves — young, talented, dedicated athletes striving to be the very best

that they can be. At the end of the day, Mr. Speaker, who finishes first counts not quite so much as the fact that each contestant, each young person, has competed at the highest level and has met the challenges of the games. Excellence is their reward, Mr. Speaker.

To the thousands of volunteers who made the 1989 Jeux Canada Games a reality, thank you and congratulations. You had the courage to dream and the will to succeed. And to all the athletes and coaches and everyone who participates in the games, we certainly bid you welcome to Saskatchewan.

Although the games will be completed by the 26th of this month, Mr. Speaker, we know that the legacy that they leave will be long lasting. Not only will it be long lasting with regard to the friendships that are made among the many athletes and the people who are involved in the games, but also we have to consider the legacy and the facilities that are left behind in the city of Saskatoon. These are facilities that will be available to be used by our young people for many, many generations to come.

And one other final thing, Mr. Speaker, that is going to be a tremendous benefit, not only to the city of Saskatoon but also to the province of Saskatchewan, is the millions of dollars that are going to be spent during the next two weeks. It's been estimated that some 20 to 25 millions of dollars will be spent in the city during the next two weeks.

So, Mr. Speaker, with that, it is indeed a pleasure for me to again say how proud I am that the Jeux Canada Games are being held in the city of Saskatoon, and I take pleasure in seconding the motion moved by the member from Regina Wascana. Thank you.

Ms. Smart: — Thank you, Mr. Speaker. I'm pleased to also support this motion as a member of the New Democratic caucus and as the representative for Saskatoon Centre constituency, the heart of the city of Saskatoon, as described by the member from Regina Wascana, the beautiful city of Saskatoon. The motion before us says:

That this Assembly commends the thousands of volunteers who are responsible for the Jeux Canada Summer Games to be hosted by the beautiful city of Saskatoon, and further, that the Assembly extends a warm welcome to all participants in the games.

Mr. Speaker, first of all I'd like to give credit to all the volunteers who've made the games possible. They're a very valuable part of our community life, especially in the city of Saskatoon which is known for its volunteer and community work, but they often receive very little recognition. Many hours of volunteer work have gone into preparing for the games themselves, and this kind of project would not be possible without people who are willing and able to give generously of their time and energy.

Mr. Speaker, I'd like particularly to mention the fact that the volunteers that have made the games possible range from elementary school children up to senior citizens.

People of all ages have been involved in this and I want to give particular credit and acknowledgement to the young people who have been involved in making the games possible.

Some Hon. Members: Hear, hear!

Ms. Smart: — There's also years of past volunteer service that should be mentioned. There are countless community organizations — the Lions Club, the Kiwanis, the community associations — that have helped in funding sports facilities which have been used to train the young people who are now participating in these games. Volunteers and community service groups contribute a great deal to our quality of life, and if a monetary value were to be attached to their work the figure would be absolutely incredible.

Mr. Speaker, the Jeux Canada Summer Games reflect the importance of sports in our community and hold up the goal that physical fitness is a worthy goal for any society. Both recreational and competitive amateur sports play an important role in increasing awareness and participation in physical activities by the general public.

And we know that having these beautiful facilities in Saskatoon will encourage people of all ages to be more engaged in physical activities and sports, and so we're very pleased to have this opportunity in Saskatoon to have these recreational facilities made available to us. The point I'm making, too, Mr. Speaker, is that there's an important connection between the level of fitness of a population and its general level of health.

Events like the Jeux Canada Summer Games are important ways to highlight sports with in the province. And it's important that sports continue to be a priority within this province past this particular celebration of sporting events. Any cuts in funding would have far-reaching, negative effects that would outweigh any short-term apparent gain, so we urge the government to continue supporting the sports facilities and the sports events in the province.

Mr. Speaker, another thing that the city of Saskatoon has tied in with the Jeux Canada Summer Games has been the importance of the arts. There's been a number of festivals of the arts around the city of Saskatoon, and I congratulate the city and want to extend my warm thanks for the fact that they have incorporated sports and arts together in the festivals that are going on right now in the city of Saskatoon.

I've mentioned already my thanks to the volunteers who are young people and to the young people who are involved in the sporting events themselves and in the arts events that have taken place. The Jeux Canada Summer Games emphasize the importance of youth and that it's important to provide opportunities for our young people to develop specific skills. Adequate training and facilities enable young people to determine where their strengths and special skills lie. And we want future stars to have opportunities to achieve their potential.

Mr. Speaker, it goes without saying that youth are the foundation of the future, that this province should be

doing everything in its power to enable our young people to stay in their home province and to participate fully in the life of this province.

Mr. Speaker, I, on behalf of our caucus, want to wish good luck to our athletes, particularly to the athletes from Saskatchewan, but to all of them across Canada who are taking part in the Jeux Canada Summer Games. We extend a warm welcome to all our visitors who have come to Saskatoon from around the country and from other countries as well. And we extend a special thank you to all the families of participating athletes for all the time, commitment, and sacrifice that they have provided in order for their son or daughter, brother or sister, to be able to participate in this event.

And it's particularly . . . I would like to underline this thanks to the families who have nurtured these athletes, Mr. Speaker, because we have in our caucus a member from Moose Jaw North whose young daughter is now in Calgary training and hoping to be a gymnast in the Canada Olympics some time in the future. And we know from talking to this member what kinds of sacrifices are involved in training a young person to be a first-class athlete, and we extend our appreciation to the families that have made this all possible.

So in closing then, Mr. Speaker, good luck to our athletes, a warm welcome to all our visitors to the city of Saskatoon, and a special thank you to everyone who's been involved in making these summer games possible.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Thank you, Mr. Speaker. Mr. Speaker, I don't want to be too long with my deliberation here, but I want to join with the colleagues on this side of the House and especially really bring it to the people's attention that it's just a timely motion to be discussing this particular resolution here on the floor of the legislature.

It indeed gives me great pride, sir, to be able to indicate to you that we have, as you probably already read in the *Star-Phoenix* about a young lady, Shannon Kekula. She's from my constituency originally — Marsden, Saskatchewan, sir. And the headline reads, "Saskatchewan thrower grabs gold." Shannon has won the first gold medal in the women's throwing shotput contest here in the Jeux Canada Games, and it does me great pride to see that she has achieved the first gold for Saskatchewan.

I want to say, sir, that I take my hat off to Shannon because I knew her from quite young and she definitely has contributed a life towards sports and her life towards sports. And also her parents, Rudy and Lynn, definitely travelled distances, long distances and spent many hours, not only with Shannon but the rest of the family. And I know that the dedication from the Kekulas have shown . . . And I can see Rudy and Lynn, their pride would be just . . . Well they would be just so proud, and as we are for Shannon.

So I just wanted to put it on record and congratulate Shannon and wish her the best in the future. Thank you.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Thank you, Mr. Speaker. It's really quite a pleasure to join with other members of this Assembly in voting for this motion, Mr. Speaker, and using this as an opportunity to wish the best of luck to all of the 3,000 athletes that are gathered in Saskatoon today and all of this week. And I would add my congratulations to that of the member from Lloyd-Cut Knife to the first Saskatchewan gold medal winner, Shannon Kekula.

We want to extend a warm welcome to all of the visitors from outside of Saskatchewan who have come to Saskatoon from all parts of Canada. We especially want to extend a warm welcome to the families whose athletes may be participating the first time, and who have contributed through a great deal of their own time and sacrifice so that their family members could attend here.

(1915)

A special congratulations to those people in Saskatoon who organized and spent many hours in planning and gave of their time for this event, and particularly that they've taken as their theme, or one of their subthemes, to make this a drug-free event. I think at this time in Canadian sports history that's a very significant goal and I wish them the best in that. This is a national event, a national event that we're pleased to host, a national event that we're pleased to compete at. Hosting an event like this is one way of emphasizing to the youth of Saskatchewan some of our values. One of the values in this particular case, sports, is an aspect very worthwhile in itself of developing.

There are other aspects and other things to gain from sports, but we know that we value it in itself. We have in our school system developed excellent programs and staffed our schools with personnel who are increasingly gaining in competence in the sports fields. We know that there's an additional benefit to all of us, and that comes when we look at the connection between the level of fitness of our population and the general level of health of all the people in Saskatchewan and in the country. So sponsoring something like the Canada games, Jeux Canada Games, gives those youth who are in our schools and in our communities an opportunity to have something to strive for, to show us just how good they can be.

I think it's very important, Mr. Speaker, that when we have an event like this that we assure that the programs that have been put in place are sustained. They're only valuable to everybody if they are sustained over the years, from those that are in school now to those who will be in school five, 10 years from now. And I think it's incumbent upon us as legislators to make sure that they are sustained.

I was pleased to hear a quotation from the Minister of Culture who indicated to a young athletes' group that the program specifically designed in preparation for this event will continue. It's clear that the message is there from the minister. I want to indicate to the minister that I and the people on this side of the House support him in full measure on that.

In particular at this time, we should be taking a very careful look at how we sustained the necessary coaching needed for this event. Looking at the funding that has been given out from Sask Sport over the last two years, which I have before me — and I will just quote from the one year — but the contribution to the coaching teams that are making our teams competitive . . . And it wasn't until the last five or 10 years that we were able to develop in Saskatchewan a cadre of coaches that would be competitive at a national and an international level.

And to a large part, this came about as a result of the grants which came from Sask Sport, last year to the total of \$19 million directly to sport, culture, and recreation — taken from the annual report of Sask Sport — and in addition to that, \$589,000 which was given directly to the Saskatchewan and Canada Games. It came from Sask Sport. I mention this at this time because, and I do this as a . . . to this House, that at this stage we have to look very carefully to make sure that those funds are sustained, take a careful look at the government's action in implementing the tax that is threatening that fund. I would think that the government would want to not jeopardize that fund in any manner, and if it's found, as I believe it is, that there is a threat there, that we should be prepared to alter our policies forthwith.

Having said that, Mr. Speaker, I want to close by defining . . . by giving one definition of success, one definition of success. There are several ways of defining success. Some people define success by winning on a lottery; other people define success by having achieved great wealth or perhaps winning at some other aspect. One way of defining success is if you can think of it as a time when you enjoy your own peak performance, enjoying your own peak performance.

We have 3,000 athletes in Saskatoon who are striving for their peak performances this week. They are the people who have worked hard, have trained over the weeks, over the years, have practised and have studied in their particular sport. I think what is most satisfying to us is that success that comes from enjoying their peak . . . their own peak performance. I close, Mr. Speaker, by wishing each one of the athletes in the Jeux Canada Games the satisfaction that comes from enjoying your own peak performance.

Some Hon. Members: Hear, hear!

Motion agreed to.

Resolution No. 48 — Increased Work-load for Health Professionals

Ms. Simard: — Thank you, Mr. Speaker. At the conclusion of my remarks, Mr. Speaker, I will be moving the following resolution:

That this Assembly condemns the Government of Saskatchewan for neglecting the provincial health care system, which has resulted in dramatic increases in work-loads for health professionals and a corresponding inability to attract and retain such personnel.

Mr. Speaker, there couldn't be a truer statement than what is just contained in the resolution that I have just read out to this Assembly. And if the member from Weyburn would just keep quiet, maybe he'd learn something.

Mr. Speaker, what we have seen over the last few years is a series of cut-backs and underfunding of the health care system by the PC government. We have seen so many cut-backs and such poor funding of the health care system that . . .

The Speaker: — Order, order.

Ms. Simard: — It has resulted in dramatic increases in the work-load of health care professionals and a corresponding inability on the part of the government to attract health care professionals to this province.

Some Hon. Members: Hear, hear!

Ms. Simard: — And I am just going to itemize some of the areas that I will go into in more detail later on this evening. We see a situation in Saskatchewan where nursing staff is greatly overworked, where our hospitals are understaffed, and a situation, quite frankly, Mr. Speaker, where nurses are leaving the province because they have better working conditions in other places.

We see a situation where it's almost impossible to get doctors in rural Saskatchewan, almost impossible. And what is this government doing to attract doctors in rural Saskatchewan? Nothing at all, Mr. Speaker: in fact its policies are geared towards reducing services in rural Saskatchewan.

We see a situation where this government engaged in twinning of health care regions and reduced the number of public health nurses out in rural Saskatchewan and in the cities; reduced the number of public health nurses, Mr. Speaker, which has resulted in cut-backs in services and overworked public health nurses, nurses who have far too heavy a work-load.

For example, you look at some of the twinning; the miles that they have to travel is absolutely phenomenal. They spend most of their time driving in vehicles as opposed to doing the front-line community health work that they should be doing and that public health nurses were originally implemented in this province to fulfil.

We see a situation where we are having a great deal of difficulty attracting specialists to the province. We only have to look at the Plains hospital situation where we lost a number of specialists that were crucial to the southern part of Saskatchewan, and these were lost as a result of cut-backs to the university, which resulted in the university cutting back on the Plains Health Centre program. And these specialists have been lost to this province and have not been replaced, Mr. Speaker, as a result of PC government cut-backs and underfunding to the health care system.

We see a situation in this province where the children's rehab centre in Regina has only . . . in Saskatoon rather, Mr. Speaker, has only one occupational therapist as

opposed to the three that should be there. We see long waiting lists. The occupational therapists, so I have been advised, resigned as a result of heavy work-loads. One was convinced to return but is on holidays, as I understand, now. The minister was supposed to report back to this House over a month ago and hasn't done so yet, obviously because he has no game plan to make sure that we get more occupational therapists in Saskatchewan and in the children's rehab centre in Saskatoon.

We see a situation where the number of public health inspections have dropped dramatically because of cut-backs to that area of health care.

We see nursing vacancies throughout the province. It's getting very difficult to hire nurses because of the fact that we are expecting them to do yeoman's work and because of the fact that nurses feel they are unable to complete their work, Mr. Speaker, in a professional manner, because their work-load is just too heavy for them to deal with patients in the manner in which they would like to deal with them. And that problem exists. And those are just a few of the areas that I want to deal with in a little more detail tonight, Mr. Speaker.

(1930)

If we take a look at the brief from SUN, from the Saskatchewan Union of Nurses, that I believe was tabled at the health care commission, the PC health care commission, in it, in appendix G, it shows quite clearly, Mr. Speaker, that the nursing paid hours per patient day in Canada for acute care hospitals in 1986, that Saskatchewan was the third lowest, ranked third lowest in the entire country with Newfoundland ahead of us, Nova Scotia ahead of us.

You know, Mr. Speaker, this is totally unacceptable. That leads to a situation where nurses are grossly overworked, where they are handling far too many patients, and I hear about it on a regular basis by people phoning and complaining about long waits, or IVs (intravenous) that have run dry and they were with their son in the hospital, and they had to run and find a nurse and what would have happened had the parent not been in the hospital and the IV had run dry. You know, like these things are happening in our hospitals, Mr. Speaker.

They are happening because this government has refused to properly fund the hospitals to staff them with adequate nursing staff. There were some 370 new nursing positions created by the government in the budget, but they have not been implemented. Only a portion of those have been implemented, and the government is giving us some excuse about studying the matter a little further to determine where these positions would go.

Well I would suggest, Mr. Speaker, that they have been government since 1982 and this matter should have been studied a long time ago. Before the government said it was going to put in 370 positions in the budget, one would have thought the government would have analysed it and studied it adequately at that time. And I believe, Mr. Speaker, that they have studied it, and they do know where these nursing positions are required but

they intend to save some money, save some money on the backs of the hospitals and the nursing staff in the province, and the patients.

They want to save . . . I forget how much the deputy minister of Health indicated would be saved as a result of . . . \$11 million. Here it is, Mr. Speaker, right in this *Leader-Post* article dated July 25, 1989. "Harried nursing staffs still waiting."

The delay in providing for the new positions — which have an estimated annual cost of about \$11 million — will save the government money, Babiuk conceded.

So what we have is a situation where the government has said X number of dollars will be put into health care, but they're going to try and save some of this money. In other words, they're not going to spend as much as they said they were going to spend. That's what it's coming down to.

And meanwhile, who's paying the price? The public who use the hospitals are paying the price and the nurses are paying the price, Mr. Speaker, and that is an . . . So it's no wonder that we find that it's getting very difficult to fill the nursing vacancies in some areas in this province because this government does not appreciate health care professionals and provide them with the sort of support that they require, Mr. Speaker.

And then we look at what's happening with respect to the interns. Look at the situation with the interns in the province today. The professional association of interns found it necessary, a couple or three weeks ago, to take some drastic action. And what they did is they sent a letter, Mr. Speaker, to all organizations of interns and residents in the country stating, and I quote:

While we are reluctant to speak so disparagingly about conditions in our province, we feel that we have no alternative other than to communicate the seriousness of the situation to other interns and residents across the country who may be considering making application for an internship or a residency program in Saskatchewan.

That's what they said in their letter. They also stated as follows:

An onerous work-load, extended working hours, and the possible effects of these conditions on patient care and doctors' health are of primary importance to our members.

Well there you have it, Mr. Speaker. In a letter that was sent out to our intern organizations across this country, Saskatchewan blacklisted — this government and this province blacklisted because of that government's policies with respect to health care, which is to continuously underfund health care to such a point that onerous work-loads and extended working hours have detrimental effects on patients, the health of doctors, the health of nurses, I would suggest, and on the quality of patient care in this province. And that's due, it's due to none other than the Minister of Health and the PC

government and their lack of any firm commitment to medicare in this province.

Some Hon. Members: Hear, hear!

Ms. Simard: — So what is that going to mean for recruiting future doctors, Mr. Speaker? We have a crisis situation in rural Saskatchewan where it's very, very difficult to get doctors to go out to the country. And what is something like this going to do? Because of the failure of the Minister of Health and the PC government to have any foresight, any long-term, strategic plan in health care, we have a situation where Saskatchewan is black-listed amongst up-and-coming future doctors across this country.

And what is that going to do to our rural constituencies, Mr. Speaker, where doctors are in great demand and are very difficult to attract to those locations? What is that going to do, Mr. Speaker? Well I suggest, Mr. Speaker, that this is only going to create more difficulties for our rural residents, more difficulties for our rural hospitals, and more difficulties for Saskatchewan in general.

Let me give you another example of what I'm talking about, the fact that this government has been neglecting the provincial health care system, resulting in dramatic increases in work-loads for health professionals and an inability to attract and retain personnel.

The Saskatchewan Lung Association has recently complained of specialist shortages as well, particularly respiratory therapists and physician specialists in respiratory medicine. And this is very significant, Mr. Speaker, given the fact that lung cancer has become the target killer of women in this country. And I have in front of me here an April 1, 1989 *Star-Phoenix* article where the "Lung association makes staff plea." And when asked to explain the shortage in this field, Piper — that's Dr. George Piper, the association vice-president — said:

When he came to the province 20 years ago (get this, Mr. Speaker, when he came to the province 20 years ago), there was a "feeling this province was a special place and it was something of a privilege to practise medicine . . . I don't have that feeling now."

That's what he said. That's the vice-president of the association. Mr. Speaker, he does not have that feeling now.

And I'll just go on and maybe give you some explanation as to why he says that.

The government has to pay respiratory specialists more than other provinces to entice them to Saskatchewan. It needs to foster "some sort of spirit, some *esprit de corps*" (he said).

And so what, in effect, he was claiming is that this government has not made health care a priority, has not made the attraction of specialists to this province a priority; has not provided specialists and health care professionals with adequate incentives to come to this province; has not established the necessary training

programs to encourage people to specialize here, such as occupational therapists. In short, in seven years, what they have done is cut, cut, cut, underfund, underfund, and we are facing a situation in Saskatchewan where health care is in crisis and we have an ever increasing demand for specialist and health care professionals, and this demand is simply not being met, Mr. Speaker.

If we take a look at radiology services, we see that there's a shortage of radiologists in the province today, which will become much more acute in the next decade unless something is immediately done by the government to reverse this trend, Mr. Speaker.

And the reason why is that Saskatchewan does not compete with the salaries offered trainees from individuals and institutions in some of the other provinces in Canada. So where they are being paid a little more, they will probably go, and it's important for this government to face that fact, Mr. Speaker, and look at ways of enticing specialists such as radiologists to come to the province of Saskatchewan.

In order for standards of radiological practice within the province to remain high, Mr. Speaker, because we want those standards to remain high because radiologists want to work in a situation where the work they perform is quality work, it will require a commitment on the part of the government to train and retrain skilled personnel, and a commitment, a further commitment, Mr. Deputy Speaker, to obtain the required equipment that would replace obsolete equipment and that would compete with other places in Canada. And this government simply hasn't been doing that.

If we take a look at obstetrics and gynecology, Mr. Speaker, we see that the ideal ratio of obstetrics-gynecologists per population is somewhere between one in 15,000 and one in 20,000. But the present ratio of specialists to population in southern Saskatchewan is one to 33,000. It should be one to 15, or one to 20, and it's one to 33,000 in southern Saskatchewan, and this is considerably higher than the standard mentioned previously. So what happens as a result of that? Well we have specialists, obstetricians and gynecologists in particular, who are overworked, who have heavy, heavy work-loads. So we have long waiting periods for patients to get in to see them; we have a situation where they're having to work much harder than what they may have to work in another part of the country, Mr. Speaker; and we see increased work-loads and long waiting lists as a result, as I said, as a result of the fact that we have fewer obstetricians and gynecologists than the recommended standard.

So I think it's imperative that the Minister of Health and the PC government start making this area a priority. And if we look at anesthetists we have a similar situation. We should have something like 83 anesthetists in Saskatchewan and we have something like 37. So what does that mean? That means that we have long waiting lists for surgery. And when we have long waiting lists for surgery, we have patients like some of the ones we discussed in the last session who are waiting for ever for hip replacements.

And as they wait for hip replacements, they degenerate, their health deteriorates. In one case that I recall, the woman could hardly even make it to the phone. She got to the point where she could hardly even walk to her telephone to answer it, because she had been waiting so long for her hip replacement. And we see long waiting lists in other areas of surgery as well. So we have a situation, because of the lack of anesthetists, that is simply jeopardizing patient care in this province, Mr. Speaker.

And I spoke a little earlier about public health nurses, for example; the fact that this government has cut back on public health nurses and has twinned public health regions and as a result has increased the work-load of public health nurses. And in spite of that, in spite of the fact that these public health nurses are doing more today than they were doing a few years ago, we see that the immunizations that they are required to do are actually greater. There's something like a 10 per cent increase in the number of immunizations that public health nurses are doing, in spite of the fact that each nurse is doing more just because of the increase in work-load.

We saw a brief that was presented by public health nursing supervisors in the province of Saskatchewan as a result of the twinning that the government went ahead with, indicating that they felt, because of the twinning arrangement that was being implemented by the PC government, that patient care would be jeopardized because of the fact that nursing supervisors could not give that sort of front-line help to the nurses working under the supervisor, simply because of the lack of time because more time would be taken in administration for public health nursing supervisors.

The brief indicated that this would jeopardize patient care, that it would result in overworked staff and poor staff morale as a result, Mr. Deputy Speaker. And that's what's happening in Saskatchewan today as a result of the cut-backs to public health nurses.

(1945)

The public health inspections is another very interesting area, Mr. Speaker. We see that from 1982-83 to 1987-88 that there was something like a 6.5 per cent decrease in the number of facilities that were inspected, and a 64.4 per cent decrease in the number of field visits, and a 31.1 per cent decrease in formal inspections by public health inspectors. And that is because, Mr. Speaker, prior to 1984 there were 45 public health inspectors in the province, and in 1987-88 there were only 33 positions, and three of those were vacant. Because there was a reduction from 45 to 33 and three of those positions were vacant, Mr. Deputy Speaker. That's what happened from '84 to '87-88. So we saw a substantial reduction in the number of health inspections of public facilities in this province. And what does that mean to the public of this province? Well that means increased risk — increased risk, Mr. Deputy Speaker, because these facilities are not being inspected as much as they were back in 1982-83.

And why have these cut-backs been made? These cut-backs have been made, Mr. Deputy Speaker, because this government has mismanaged, the government has mismanaged the economy. It has been totally

incompetent in the way it has governed over the last seven years. It has created a \$4 billion deficit because of its mismanagement and incompetence — a \$4 billion deficit. And, Mr. Deputy Speaker, it's now attempting to pay that deficit off on the backs of the sick, the elderly, and on the backs of the people in Saskatchewan, jeopardizing their health care, Mr. Speaker.

And that's obvious from the statistics with respect to public health inspections that I have just read to you. It's obvious that that is what's happening in this province today.

With respect to speech and language pathology services, there are insufficient numbers of speech and language pathologists, Mr. Deputy Speaker, and audiologists, in Saskatchewan. Let's just make some comparisons. And I take these comparisons from Health and Welfare Canada's publication. *Health Personnel in Canada, 1986* provides a comparison among provinces of population per active speech pathologist audiologist, and in 1985 the ratios were as follows, Mr. Speaker.

Canada, one to every 9,587. Manitoba, one speech and language pathologist to every 6,894 people. Alberta, one to every 6,538. Saskatchewan, one to every 13,416. So you can see, Mr. Deputy Speaker, that it's a pitiful record and that such shortfalls will only increase as time goes by.

And what makes this so tragic, Mr. Deputy Speaker, is that children need access to this service at a very early age if they have a speech problem or a hearing problem. They need access to this service immediately, as soon as you can possibly get them access to the service. But because of the long waiting list as a result of the lack of speech language pathologists in the province, children are not getting access to the service when they should. And this results in a lifelong impediment or it results in the need for a greater amount of service down the line when they finally do get access to the service. In other words, it costs the health care system more in the end than if this government had taken the preventative step of providing these services in the initial stage.

When the Minister of Health and the PC government talk about health care prevention, they think in terms of a flashy advertising campaign with flashy slogans and lots of money being blown all over the province in little bits and drabs here to get themselves a little bit of publicity. They don't think about the need for therapists for pre-school children at a very early age. That's real prevention, Mr. Deputy Speaker, that's real prevention.

And what else is real prevention is public health nurses out there working with the people, immunizing people, teaching them about how to look after their children, their little infants, their babies. And in a society, Mr. Deputy Speaker, where we don't have an extended family like we used to have, these public health nurses have a very, very important role to play and are not being used to their potential.

That is real prevention, Mr. Deputy Speaker. That's prevention, not some glossy brochure, not some glossy brochure or some purple heart invitation to a fancy celebration in Saskatoon where all the elite are served

food and balloons and everything else.

Real prevention, Mr. Deputy Speaker, is getting therapists to our children and to our rural communities as soon as we possibly can. Real prevention is getting public health nurses out in rural communities and in urban Saskatchewan, doing the work that doctors don't have to do, Mr. Speaker — it would free up our doctors to do other quality work — but doing work with families and with individuals to teach them proper health maintenance and proper primary health care. That's real prevention, Mr. Deputy Speaker.

Some Hon. Members: Hear, hear!

Ms. Simard: — And I'm just going to take a look at the area of community health services out of the provincial budget, and I want to point to approved person-year distribution by year. And what we see is a drop from 1982-83 from 448 to 410 in '89-90 — a drop of some 38 approved person-year distribution. So you can see from these numbers, Mr. Deputy Speaker, that the present government has not displayed any commitment to community care, despite the talk, despite all their rhetoric about community care and wellness and the fact that they want community involvement and they believe in preventative health care.

The figures simply don't add up, Mr. Speaker. They have cut back the health care budget so badly, they've underfunded health care so badly that we find there are fewer workers there today than there were in 1982, in spite of the fact that work-loads have been increasing as people's awareness of what a vital role community health workers can perform has also increased . . . (inaudible interjection) . . . And the minister from . . . The member from Weyburn says this is just the NDP view of big government is better government. And I think, Mr. Deputy Speaker, that shows where he's at.

He's prepared to jeopardize patient care by cutting back on therapists and specialists and public health nurses in Weyburn; he's prepared to see them cut back; he's prepared to do this, Mr. Deputy Speaker, because philosophically, Mr. Deputy Speaker, he feels it's every man for himself and every woman for herself and that the government should not be involved in providing health care to the people of this province. That's where he's coming from.

Some Hon. Members: Hear, hear!

Ms. Simard: — And it will be that same member, if he's re-elected and this government is elected, Mr. Deputy Speaker, who will stand in this House and vote for privatization of medicare, if, Heaven forbid, he should ever be re-elected again, Mr. Speaker. It's that sort of mentality that leads to this sort of philosophical axing of the services in the province of Saskatchewan — philosophical gutting of our services that have been built up by the people of this province for years and years and years, Mr. Deputy Speaker.

The people of this province are proud of their health care system. They love our health care system. They want to improve on it and expand it, not cut, cut, cut, cut, as the

member from Weyburn and other members sitting on that side of the House would have the government do.

And I can go on with things like chiropody services and the increased demand of something like 160 per cent, and they just have not increased the specialists in this area to meet with the increasing demand. And the list just goes on and on and on, Mr. Deputy Speaker. I could go on all night with respect to the issue of the lack of specialists in this province.

Pediatric service at the children's rehab centre, I had touched on lightly in my opening remarks. Well let's just go into that in a little bit more detail, Mr. Deputy Speaker. The situation, as I understand, is that all the occupational therapists, as of late June, because of unrelenting demands and constantly increasing work-loads, resigned their positions. I understand that one of these occupational therapists was encouraged to come back and decided to come back. She came back for two weeks and then went on holidays until September. Meanwhile we still have two positions that are vacant; we have long waiting lists for occupational therapists.

I am being contacted by parents on a regular basis who want their children to have the benefits of an occupational therapist and don't have access to occupational therapists . . . (inaudible interjection) . . . And the member from Regina South says we're making it up. Well I'm not surprised, sir, that they're not writing to you, because you would have no compassion or understanding about their situation. I'm not surprised they're not writing to you and therefore you're ignorant of the facts.

But this again, this again, Mr. Speaker, is very hard on these children because the longer a child waits for therapy, the greater the impact. It's crucial that these children receive their therapy as soon as possible.

And I just want to quote from Toni Lindner's book, *Early Childhood Education*. She points out, and I quote:

The research supports the contention that the best time to attack a child's mental, physical, or emotional handicaps is in the years from birth to early childhood. On the other hand, failure to provide remedial programs for disadvantaged and handicapped children at an early age can have negative results. Accumulative developmental deficits have been noted.

And, Mr. Speaker, that's what's happening today in Saskatchewan. We have a shortage of occupational therapists, and as a result we have children who should be receiving occupational therapy who are not receiving the service, Mr. Speaker.

An. Hon. Member: — Names, gives us the names.

Ms. Simard: — Well the member from Regina South says, give us the names. Well he knows very well that there is a waiting list of some 2 to 300 people at the rehab centre in Saskatoon and the children are having trouble getting in. That is . . .

The Speaker: — Order, order. I'd like to ask the hon. members to allow the member to proceed without repeated interjections.

Ms. Simard: — Thank you very much, Mr. Speaker. And so why do we have this shortage of occupational therapists? Well first of all, Mr. Deputy Speaker, the benefits and salaries are simply not competitive with other provinces, Mr. Speaker, they're not competitive. Another reason is, we don't have a school of occupational therapy in Saskatchewan and as a result the attrition rate is much greater than what it would be had we had a school of occupational therapy.

Mr. Deputy Speaker, when the school of physiotherapy was established we noticed a real increase in the number of physiotherapists that stayed in Saskatchewan. But what has happened today in Saskatchewan is this government, because of the fact that it has created an unprecedented deficit, it can't afford these increases and improvements in the health care system. It can't afford it and so it doesn't do it. And so we have an increasing problem with respect to occupational therapists in this province, and unless this government pulls up its bootstraps and does something about it pretty soon it will be at crisis proportions in a very few years if it isn't already there, Mr. Speaker.

Mr. Speaker, I just wish to say in conclusion, and I mean I literally could go on with all the specialties in the province and virtually prove the same point on every single one, Mr. Speaker, but the fact of the matter is, in conclusion, we have a situation where the nursing staff in the province is greatly overworked. We have a situation where nurses are not nursing as much as they would if the working situation was far better.

We have a shortage of doctors in rural Saskatchewan, a serious shortage of doctors in rural Saskatchewan, and this government is doing nothing — nothing, Mr. Deputy Speaker — to make sure that doctors are located in rural Saskatchewan. In fact it's engaging in policies that in effect discourage doctors in rural Saskatchewan because it is not improving rural hospitals and providing them with the sort of equipment that is necessary to attract professionals.

(2000)

We see a situation where this government has cut back on public health nurses, has cut back on public health inspectors, which has resulted in increased work loads for public health nurses, which has resulted in a decrease in the number of public health inspections done in the province, in both cases jeopardizing patient care and jeopardizing health care and the medicare system in Saskatchewan.

We see a situation where the Plains hospital, I refer to for example, because of cut-backs to the university which cut back to the Plains hospital, we see specialists that left this province who have never been replaced, Mr. Speaker, never been replaced because of this government's cut-backs and underfunding — because of the mentality that was demonstrated by the member from Weyburn that he has absolutely no commitment whatsoever to health care in the province — and because

of the fact that this government has absolutely no long-term plan, but is simply engaged in ad hoc cuts, ad hoc cuts, underfunding to the health care system as well as other social programs, but I'm talking about health right now.

And for that reason, Mr. Speaker, I'm going to move the resolution, seconded by the member from Saskatoon Centre:

That this Assembly condemns the Government of Saskatchewan for neglecting the provincial health care system which has resulted in dramatic increases in work-loads for health professionals and a corresponding inability to attract and retain such personnel.

Some Hon. Members: Hear, hear!

Ms. Smart: — Thank you, Mr. Speaker. Mr. Speaker, I'm pleased to second this motion as the critic for seniors' issues because of the concern that the seniors have about the health care system in this province, in particular about the situation in the nursing homes in this province and the nursing care in the hospitals . . . (inaudible interjection) . . . The member from Regina South was scoffing at the idea of the need for occupational therapists too, Mr. Speaker, and I want to remind him that the Saskatchewan Seniors Association, at their annual meeting just a few weeks ago, called on the government to establish a school of occupational therapy.

The situation of the lack of occupational therapists in the province, as outlined by my colleague, the member from Regina Lakeview, is completely the truth. The seniors are concerned about it also. They're concerned about it for themselves and they're concerned about it for their grandchildren and young children that need that kind of care.

Mr. Speaker, the Saskatchewan Registered Nurses' Association did a vacancy survey report concerning the actual and anticipated vacancies for the period of 1987 from May to August, and they found that there were a number of actual vacancies and also anticipated vacancies of nursing. And in 1987, there was 112 per cent increase in actual vacancies of nursing positions in the province compared to 49 in 1986. From 49 in 1986 to 112 in 1987 — vacancies. Nurses are leaving the province and positions are not being filled. And that's a shame, Mr. Speaker, because the people need that kind of health care. They particularly need the nursing care.

And I just want to very quickly report on what's happening with the nursing and the long-term care. And I can't do better than read a letter that was in the paper in May of this year, in the *Star-Phoenix*, from a nurse who says this:

I would like to dispel the popular misconception that nurses employed in special care homes do not work as hard as nurses employed in the hospital sector.

And it's in the nursing homes in particular, Mr. Speaker, that the nurses are having a problem with needing to have

additional staff. The letter goes on to say:

I am currently employed as an evening registered nurse in a special care home. I provide professional care to 49 Alzheimer patients and supervise six resident attendants. During the night shift this number increases to one registered nurse per 149 nursing home residents and approximately 220 residents in the attached apartment complex, as well as five resident attendants.

The immediate nursing home residents account for about four to 37 times the patient load of a hospital nurse. This staffing level is considered better than some nursing homes, and you can see that it's very, very low. I provide all emergency treatments to patients and decide if and when to notify a doctor or to send a patient to hospital. Decisions are based solely on my judgement as I am usually the only medically trained staff member on the unit or in the building.

The public must be informed that nurses employed in special care homes are educated, caring professionals who play an essential role in the delivery of health care. We deserve respect and credit for the service we provide when families cannot or will not provide care for their elderly relatives.

Don't kid yourself, the nursing shortage is coming to Saskatchewan and will hit the nursing homes the hardest, especially when the baby-boomers reach maturity. Without the dedication and abilities of long-term care nurses, who will care for your grandparents, your parents, or you?

Mr. Speaker, I think that's very well put. It certainly demonstrates the concern that I would like to be able to speak at further length on, because the concern about the nursing staffs in the nursing homes reflects the pressure from this government or the move of the government towards privatization.

There are many people in the nursing homes who've had to hire private nurses to get the care that they need. And that's another development of privatization, where nurses are able to get hired on privately by the people who can afford it and the other people in the nursing homes have to go without care. And that's happening in the nursing homes in this province now, Mr. Speaker. And I want to speak further on that, sir, but I realize that there's other items on the agenda so I beg leave to adjourn the debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Speaker: — Order, order. Could we have order.

Hon. Mr. Hodgins: — Mr. Speaker, by leave of the Assembly I would move that we go to government business and immediately to Committee of Finance . . . (inaudible interjection) . . . Yes, Mr. Speaker, I will

confirm that with the Opposition House Leader.

Leave granted.

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Agriculture and Food Ordinary Expenditure — Vote 1

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

Hon. Mr. Devine: — Thank you, Mr. Chairman. Tonight with me I have Jack Drew, deputy minister of Agriculture; Les Bowd, assistant deputy minister. Behind me, Wes Mazer, director of administration; and farther back, seated closer to the rail, we have Doug Lisle, director of economics branch; Ross Johnson, budget officer; and Mr. Norm Ballagh, the president of ACS (Agricultural Credit Corporation of Saskatchewan).

Item 1

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Chairman, I would like to begin these Agriculture estimates for this year by going back a few years and just taking a look at the vision of the government, and more particularly about the vision as stated by the Minister of Agriculture and how that has developed over a number of years. And just so the member from Weyburn doesn't have heart failure. I'll forewarn him I'm going to start talking about the transportation rates and specifically the Crow rate.

Now when this Premier, this current Premier was aspiring to be a premier, he left the impression that he was in full support of the Crow rate. The transportation rate has been in place for many years and I would . . . a quote of his, he says, "Of course I will defend the Crow rate." He left the impression that he was going to be in support of it.

Then in other statements he had made he starts to waffle a little bit. In the same article where he says, of course the Crow rate must be defended, he also said at the same time that he would cut personal income tax by 10 per cent. I think we all remember that, and I think that promise was in the same vein as when he was talking about the Crow rate.

In the *Leader-Post* of June 7, 1980, they reported a quote, and I will quote from that. It says:

Devine said the party's policy is to have the largest portion, when talking about transportation rates, about 75 per cent of the difference between the Crow rate and the actual cost to haul grain, paid by the provincial and federal governments, and farmers would pay the remaining 25 per cent.

Now you have to ask yourself how this formula would apply. Under the transportation rate at that time, farmers were charged 20 cents per hundred, and that was about \$4.40 per tonne. And the present cost of shipping from the point was calculated to be about \$27.27, which the

producer paid about \$6.55 and the government paid the other portion. But if you calculate it the way the Premier, what he stated at that time, under his formula, you would have one-quarter of the difference between 4.40 and 27.27 or one-quarter of 22.87, which is \$5.72, added on to the \$4.40. That would total \$10.12 a tonne. I'm sure you recall the statement, Mr. Premier.

If he would've had his way at that time, Mr. Chairman, farmers would've been paying \$10.12 a tonne. This is the friend of the farmer who was going to defend the transportation rates. Well as we see currently, the rate is now up to \$9 a tonne, so I would say, Mr. Premier, you've almost reached your objective. Mind you, it's take you a little bit longer than you anticipated because some seven or eight years ago you would have seen the rate being much higher than it was now.

Some other statements that the Premier has made, Mr. Speaker — he said in the *Financial Post* that, and I will quote *Financial Post* of 1983:

Changes to federal transportation policies are much feared here. Devine figures Crow reform could mean an additional \$10,000 a year on a thousand-acre farm. It can quickly approach \$1 billion a year for Saskatchewan, he said.

Now this is the Premier of the province who identified in 1983 that the transportation rate increases could quickly approach a billion dollars a year for Saskatchewan. But was he concerned? Was he concerned, and did he stand up for the farmers of Saskatchewan and say that no, the transportation rate had to be defended? No way.

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And writing in the *Canadian Journal of Agricultural Economics* in July 1976, he stated, and I will quote again, Mr. Chairman:

While the original purpose of the Crow's Nest Agreement included development of the prairie region, the primary objective of the Government of Canada and the CPR (Canadian Pacific Railway) was to gain access to the Kootenay region of B.C., and thus prevent its exploitation by the U.S. . . . the primary benefit derived by prairie farmers from control over monopoly power. The vehicle for control was the Parliament of Canada. However, (he states) there was and continues to be concern whether or not the Parliament of Canada should be in the business of rail rate regulation on a continual basis.

Now this is the Premier who was saying that transportation rates were going to cost farmers an exorbitant fee in the years to come, didn't do anything about it, and then goes on to say that he doesn't think that the Parliament of Canada should be in the business of regulating rates anyway.

Now that kind of a statement, Mr. Chairman, and this little bit of history, just is leading us to believe today that this Premier that we currently have in Saskatchewan had in the back of his mind, right from day one, a little plan of his

own — the economist, the university professor, the academic had a little plan and he was going to implement.

Now, Mr. Speaker, statements such as these have helped to undermine the protection for farmers, and I would like to go on and quote from the *Canadian Journal of Agricultural Economics* in 1978, by the Premier of this province, who was then an economist. And he says:

Based on the conceptual analysis of the grain transportation rates, it is plausible to find that these rates may not be in the public interest.

So he says the grain transportation rate structure, as we knew it then, was not in the public interest. He also goes on to say:

... that these rates may have decreased farm income stability on the Prairies.

Well decreased farm income stability on the Prairies if the rates were that low. Well we've seen a significant number of increases in the transportation rate; in fact, we've seen the structure change and the formula change. Now we have the Crow benefit. And I don't think that we have seen much more stability of income on the Prairies since that time. In fact it's become worse because that's become an added cost on to the backs of farmers who could not afford, and cannot afford any increases in the transportation rate or in many of the other areas that they have to incur in their operation of their farm. And he goes on ... That was in 1978, *Canadian Journal of Agricultural Economics*.

Another article in the *Agricultural Science* in 1978 by the present Premier of Saskatchewan, who was then an economist, and he says:

As the Prairies continue to develop, the discriminating characteristics of the transportation rate continues to antagonize participants and limit full comparative growth potential.

So we can see that he had in his mind, he's repeated many, many times, that he didn't believe the transportation rate was going to be beneficial to Saskatchewan and that farmers should pay more.

He repeats it — agricultural science extension division, University of Saskatchewan, by the same person, the present Premier of this province, and he says:

Thus, efforts by provincial governments to foster diversification in agriculture and increase or maintain the number of farms is thwarted by the rates.

So he was telling us then that the transportation rate was thwarting the increasing ... or maintaining the current number of farmers in Saskatchewan. Well, Mr. Chairman, we have seen in the province of Saskatchewan the freight rates increase again, and did we see a maintenance or an increasing number of farmers? No, we did not. We saw the number of farmers in this province absolutely decrease. He continues to play out the role that he set out

in 1976, '77, '78 through his years in the university.

So, Mr. Chairman, that is one aspect, one portion of what this Premier has in the back of his mind, and I will go on to expand in many ... on these areas later on.

And now I want to look briefly at another topic that this Premier of this province, how he was thinking before he became Premier and how it is played out to the present. And that is in the area of orderly marketing. Some of his writings show quite a lack of enthusiasm for orderly marketing and marketing boards. And he described marketing boards as manipulative and he questions it.

And I want to go back to the *Business Review* in the winter of 1977 where there is a nice picture of ... very much resembles the current Premier of this province; in fact it is him. And the title is, "Marketing boards: economic or social policy." And I want to give some quotes out of this article from the *Business Review* in the winter of 1977, from the professor of agricultural economics at the University of Saskatchewan who is now the Premier of this province. And he is identifying some of the problems, and he says:

The manipulative power inherent in marketing board legislation enables agricultural producers to limit supplies and to control individual and aggregate commodity marketing in efforts to increase price and incomes.

Well isn't that terrible for a farmer to try to control the price and his income. And this is the Minister of Agriculture, the current Premier, who, when an academic — and he tries to continue to be that — was saying that the marketing boards were manipulative and farmers should be making efforts to increase the price of their commodities. Well isn't that terrible.

And this is the same Premier who today stands up in this House time after time and says that he's the guy supporting agriculture, he's the person who is supporting farmers in this province. But it's a steamy little plan that we see unfolding, first with transportation and now with marketing boards.

And he goes on to say:

This administrative characteristic may run into opposition from at least six points.

And he goes on to state those points:

First and most obvious is the producer control.

Well isn't that a nasty thing, for a producer to have control of his commodity, to market it, to be able to set a price. That's terrible, but every other thing that he buys, the price is set when he buys it and there's no negotiating. But this Premier wrote in 1977 that:

The produce should not have the right of control over his product.

And that is reflected today in the free trade agreement. He didn't have to go outright and outlaw marketing boards in

this province. He has gone through the back door by supporting the free trade agreement wholeheartedly, spouting it off around this province, because he says that farmers shouldn't be able to control the price of their product. And he can't dispute that. If he wants to dispute it, he just should go back and research some of his writings in 1977:

Secondly is the compulsory characteristic (he says).

Farmers shouldn't have to be able to belong to a plan. They should have the freedom to go broke. As we know, the marketing boards and the supply and management commodities are those commodities that are the most stable in the province of Saskatchewan, and this Premier says that that characteristic is not a good one, even though, when we look south of the border or before we had marketing boards in Canada, we saw and we continue to see in the United States many farmers in the market with the boom and bust cycle getting involved in the industry and leaving the industry, providing instability, providing high costs to consumers at one point in time and low prices to the farmers at another point in time. And he says that's not right.

And the third reservation, I'm quoting again, voiced about marketing control systems from a welfare consideration:

With our continual concern about inflation, productivity levels and declining standard of living, it may be questionable for agricultural legislation to be employed as a vehicle for social reform.

Now what he's trying to do here, Mr. Chairman, is separate the social life and infrastructure in Saskatchewan, that as we know it today, from the economics. And I don't dispute that because that was his training — he's an economist. On paper no doubt what he is saying sounds pretty good, but he can't relate it to the farm families of Saskatchewan because it's totally a different scenario.

I mean when you're sitting in the university writing these little schemes up, it may sound good. And he goes on to say, and I quote:

Realizing that most of our food is produced by less than 20 per cent of the farmers, who tend to be good business men as well as producers, society may not wish to support higher food prices or producer security so that the non-productive 80 per cent of the farm population can live in the country at a profit.

Well isn't that quite a statement. Then he goes on to say, and I quote:

But perhaps all rural people don't have to be farmers.

So what he is saying is that, first of all, producer security is not an issue. And this is the guy that's saying he's standing up for marketing boards in the free trade agreement, and

marketing boards won't be affected. And we have seen already, through the agreement, that there is a great amount of pressure being put on marketing boards. We see, for example, in the chicken industry, a list of items that are not chicken because they're processed. Because they're not processed they're not chicken — chicken Kiev, chicken cordon bleu, all that kind of stuff — because it's processed.

An Hon. Member: — Chicken in a mud hole.

Mr. Upshall: — Chicken in a mud hole, yes.

And he goes on to say:

In other words, possibly we should separate agricultural economics from social policy.

So he comes out and directly says it. He wants to separate agricultural economics from social policy.

Now we have in this province of Saskatchewan a long standing tradition that society has revolved around the agricultural community. It initially revolved around the agricultural community, then was built into a series of small towns that provided services for those agricultural communities, and eventually into a system of middle-sized towns and large cities. And that's the system we have.

But he says that pure economics should reign, and we want to separate that from anything else that's going on in this province. And it's better documented as I go along. And he says again:

Notwithstanding the need for agricultural co-ordination, the imposition of farm marketing controls may have a very small probability of being the answer to either our social or economic woes.

So he was directly saying that farm marketing boards shouldn't be around, shouldn't be here. Is it any wonder that we were questioning this minister during the free trade debate about marketing boards and supply and management? Because we knew what his motive was.

Back in 1977, he made it very clear. He was quite quiet about it after he changed roles from the economist to the Leader of the Conservative Party to the Premier of this province, very quiet about that. But we know and we knew — and that's why we kept questioning him — that his motives were well described in his writings and teachings before he became the Premier of this province.

In other words, he says:

Supply continuity may not necessarily depend upon increasing or maintaining the number of farmers.

Now isn't that quite a statement from a Premier of the province now?

Supply continuity may not necessarily depend upon increasing or maintaining the number of

farmers.

So what he's saying in that little statement, Mr. Chairman, is that it doesn't matter how many farmers you have, that we can maintain supply because the agricultural land is there and we can have corporations or large farm operations producing enough that we could maintain a continuity of supply. But inherent in that is that he is saying it doesn't matter if there's family farms around this province in order to have a continuous supply.

Another concern arises (he says) from the direction of power. Marketing boards have traditionally been characterized by horizontal relationships across farmers as opposed to vertical linkages between them and marketing opportunities.

The well-known success of the vertically integrated food industry and multinationals depends largely on the dynamic character of their contracts, links, and relationships between producers and consumers, both domestically and abroad.

So he was using the example, in this paragraph, of the success of the multinational corporation through vertical integration linking producers and consumers. So what he is saying here is that you don't necessarily need — and that follows up the statement before — he says you don't need the number of farmers, but what we could have is the vertically integrated society where multinationals could control the food base, vertically control the production, and therefore control the price to the consumer.

(2030)

And that's possible in this province. It's done in many other areas of the world. We can let the multinational take over. But that's not what we need in Saskatchewan, that's not what we want, and that's not what people expect from a Premier of this province who is supposedly trying to maintain the rural population.

And we've seen that population drop dramatically over the number of years. And you have to ask yourself, well when you read the statements like this, has that always been the objective of this Premier. And I think it absolutely has.

And he goes on to say:

However, for those still bent on altering market behaviour, there would seem to be considerable room to design a more effective competition policy in Canada.

What he is saying then, this Premier of this province when writing as an economist, he's saying that there is more room for an effective competition policy in agriculture. So we don't want to have the stability so that we can have the infrastructure that we have in Saskatchewan maintained. He's saying that you put the competition in there and let the market prevail and everything will work out. You don't need as many farmers as we have around,

as he's saying. In fact, only 20 per cent are good farmers, he says; the other 80 per cent just living in the country at a profit.

An Hon. Member: — Who says that?

Mr. Upshall: — The Premier of this province said that in 1977, in writing. He goes on to say:

Economic theories support the contention that under various circumstances, consumers may benefit much more or more from price variability as producers may lose. Thus to impose price rigidity, particularly at higher than equilibrium levels, may generate a net loss to society.

So he was far more concerned about having this whole scheme of agriculture work on the free market basis for the benefit of the consumer groups around Canada and around the world, because we export a lot of our product, more concerned about that than he was concerned about making sure that we have an infrastructure in Saskatchewan that we know.

And, Mr. Chairman, he has carried that out to a T because we have seen the number of farmers decreasing. In fact he, through agricultural credit corporation, is taking action on thousands of farmers, driving them off the land; not doing anything to ensure that there is a long-term mechanism of income support; not doing anything to try to restructure the debt that we have in this province, the \$6 billion debt in agriculture.

But he is saying, let the market prevail. And I will get to that in a little while, Mr. Chairman, in the statements that was made out of the ministers' conference in Prince Albert not too long ago. And that was their theme — let the market prevail and everything will work out fine. Well it simply doesn't work in Saskatchewan because we are subject to so many forces, not only in Canada, not only in our province, but around the world. So there we have some more of the writings of the Premier of this province.

And also, Mr. Speaker, in *The Western Producer* of May 27, 1982, when asked if he favoured a dual marketing system — now we're talking about the Canadian Wheat Board, which is a marketing tool of the Canadian Saskatchewan farmer — if he favoured a dual marketing system which would allow the private grain companies to compete in the export of wheat . . . or compete with the board, rather, in the export of wheat, and this Premier said:

Having competition between the public and private sectors is important. (And he says) Having two systems work side by side, you kind of keep each other honest.

Well we've seen the two systems work in Canada now for a number of years, and we have seen, ever since the grain trade came back into Canada, the private grain trade, we have seen the deterioration of the Canadian Wheat Board year after year after year. This last year it was oats; next year I predict that it'll be export barley. And it will go on and on, because you don't have the two systems working side by side when you're favouring one system. And that's

the problem that we're having.

This Premier and this Conservative Government of Saskatchewan, the Prime Minister Brian Mulroney and the Conservative government in Ottawa, favour that open market, private grain trading system. Unfortunately they are opposing 90 per cent of the people in Saskatchewan who, through a poll not too long ago, said that they endorsed the Canadian Wheat Board as their marketing tool. But not this Premier and not the Prime Minister of Canada.

Well, Mr. Chairman, let's just take a look now again at what this man, this Premier of this province, thinks of farmers in general. Again, writing in the *Business Review* of 1977, he's again talking about marketing boards, talking directly to farmers.

And I'm going to repeat this because it's so very important, because this is the frame of mind that this man was in then, and when you see the steps that have taken place in Saskatchewan since he took office, you can see that this is exactly the plan he's carrying out. At one time I wouldn't give him credit for having a plan, but I think he does have a plan in the back of his mind, an evil plan to destroy a number of farmers in this province.

And he says again:

Realizing that most of our food is produced by less than 20 per cent of the farmers who tend to be good business men as well as producers, society may not wish to support higher food prices or producer security so the non-productive 80 per cent of farm population can live in the country at a profit. But perhaps all rural people don't have to be farmers.

And then again in the *Leader-Post* of January 1978, it says the Premier — I will not use his name — the current Premier said:

Farm size has not yet reached its optimum efficiency so there is still room for expansion.

So what he's saying, that the farms weren't big enough; that we should eliminate more farmers so that we can get larger farms, which is what's happening, get larger farms so that we can reach the maximum efficiency point. Well this from an economist I can understand, because he was sitting then, 1977 at his desk writing out, getting paid good money to write out these wild and wonderful . . . creating these wild and wonderful programs. But when you relate it to agriculture, when you relate it to the family farm, it simply doesn't make sense.

And for a number of years, for a few years, that's what all the economists were saying and that was the mood in Saskatchewan — buy up as much land as you could get. But they were wrong when they put forward that theory. They were wrong because the number of farmers in Saskatchewan has dwindled and the debt has increased. Rather than trying to maintain the infrastructure, rather than trying to maintain the infrastructure, rather than trying to maintain the family farm unit so that we can keep our population up — and that's the bottom line here, keep

the population of Saskatchewan up — he says no, that doesn't work. We'll let the market prevail and only go with those 20 per cent that are what he says are good producers. And he says also that they should . . . The farm sizes weren't big enough.

And in 1977, Mr. Chairman, he told the Senate committee on agriculture that grain growing . . . I'll just quote from it here. He says:

Grain growing has the advantages of a relatively easy five or six days a week for approximately seven months of the year.

Well that was the attitude of the man who's now the Premier of the province. He says it has its advantages because you only have to work five or six days a week for seven months a year and the rest of the time is free time. But, Mr. Chairman, that is totally unacceptable.

And he goes on to say:

As long as there is no increase in revenue from hauling grains, the railways are not likely to spend money on already-losing propositions and the revenue shortfall to railways can be reduced, but not likely removed entirely, through the rationalization of the system.

So again he's talking about the rationalization in 1977 with the transportation system again. And that's exactly what's been carried out, because he has the attitude that everything that can be done on paper can be done in the farm community. And he calls himself a farmer. Well that is absolutely ludicrous, Mr. Chairman. And how far out of touch can you be? And the economists of the world were part of the problem that we were in, the debt that we're in today.

There were several factors and I have identified the four factors. First of all, it's partially the farmer's fault; he was making the decision. Mind you, he was influenced by a number of other things — the banker who was telling him come on in, get some money, and that's what the bankers were told. They were told, put out as much money as you can get because they were looking for bottom line for the people who held shares in that bank. And that was fine; that's legal, that's the way things operated. So the farmers and the bankers and the government was involved as part of the problem; part of the problem was the economists, the Premier of this province who once was an economist.

The only problem is that now when it's come . . . When the chickens come home to roost and the problem is so severe that we have to do something about it, we have only three who we can take to task: the farmer, the banker, and the government, because economists were left off the hook because there's absolutely no accountability to anybody. And it's unfortunate, but that's the truth of the matter, and this Premier who claims to be an economist didn't have to be accountable to anybody.

And I think he's brought that forward to his premiership of this province, thinking that just because it sounds good to him, that he can just put forward his opinion and doesn't have to be accountable to the taxpayers and the people of

the province. But he's wrong, because those people are the people who are going to defeat this Premier if he ever gets the courage to call another election.

He goes on to say, and this is in 1977:

To a large extent, the farming sector is unable to adequately adjust to new economic and social conditions brought about by reorganization of factors used in production.

So what he is saying is the farmers were too dumb to adjust to the system. It didn't matter if the chemical companies' prices were exorbitant; it didn't matter if fertilizer prices were going through the roof, or farm machinery or farm parts or fuel. He says farmers couldn't adjust.

Well as an economist, I can see how he could say that because he's sitting there behind his desk figuring everything out on paper — well it should work. But as a farmer, you can't do that. And that's part of the reason that he is so far behind the farmers in this province, because he can't relate to the way he operation of the farm is carried on. It's totally foreign to him, and he says he's a farmer and he says he has a permit book, he brags about having a permit book.

But he's an economist, a trained professional economist, and that is part of the problem that he has, that he can't relate to the people of this province. It may sound good on paper, and he's moving towards the free market system. Let the chips fall where they may; open everything up; let farmers adjust. Maybe there's too many farmers. Some of them are non-productive. That's his theory, and that's what we've come through in the last number of years in this province. Mr. Speaker . . .

An Hon. Member: — Have you got a question?

Mr. Upshall: — I will get to the question in a minute, sir, so just be patient. Mr. Speaker, then he goes on to make some statements about the transportation system again and the elevator system. In the *Canadian Journal of Economics*, he says:

Centralization of the system would reallocate costs from the elevator and rail to farm storage, trucking, and road components. (He concluded) Indications are that a highly centralized system would increase the total cost of grain handling and transportation. Branch line abandonment results in major cost-sharing alterations.

So he identified in 1978 that transportation alterations would greatly increase, a rationalization of transportation system, rather, would greatly increase the costs to farmers. More on-farm storage, more trucking of grain, more stress on roads, therefore more money out of the farmers' pockets.

He concluded that, but he didn't do anything about it. Now I can see when he's sitting behind his desk as an economist, figuring things out, that he wouldn't understand why that wouldn't work. But when he is right on something, and if he believed it was right, why

wouldn't he carry through with it?

In the face of the above conclusions, he says, what has his government been doing? What has his government been doing? It has been doing the total opposite. He is not protecting. In fact he has made statements in the contrary, saying that their rationalization of the system, even though it'll cost money, should go ahead.

And does he stand up and defend an increase in costs to the farmers? Does he defend farmers, rather, against an increase in costs? No, he just goes on with the federal government, lets costs increase, and as a result, again fulfilling his theory, fulfilling his vision, fewer farmers, free market orientation, rationalization of the system, all the advantages of rationalization. That is not what we need, but that's what his philosophy was, that's what his vision was, and that's what he's carrying out in this province.

(2045)

Mr. Chairman, I just want to point out a couple of other things. He went on in 1982 . . . I'm talking about the gas tax. I'm just trying to paint a little picture, paint a little picture of how this Premier of this province operates. He has, as I stated before, the economic training. In 1982, in *The Financial Post* of May 1982, said, and I quote:

When his gasoline tax numbers proved to be wrong, the Tories simply played the incorrect 40 cent figure even more prominently.

And this is the little strategy that he had worked out. I mean, he had to figure out how he's going to win the province, because he had this economic plan in mind — the theory he had, the vision he had.

And so he even went as far as making false statements to try to win the election. And after the election, he got himself into a mess. But he didn't tell anybody and before 1986 he didn't say anything about the mess that he was in; in fact, he was saying that everything's okay in Saskatchewan; we're going to give her snooze, Bruce — you remember all those things?

But things weren't so good after the election. A *Leader-Post* columnist in 1986 was talking about the problems that were happening in Saskatchewan after the 1986 election. And he says:

As the litany of cuts of spending (you'll remember the great onslaught of spending cuts) unfolds each day, the apparent ineptitude of this government becomes undeniable. There comes a time when a person's intelligence is insulted, when believability has evaporated. Surely by now we have long since passed that point.

And he goes on. And I will not quote the whole thing but I'll read the last paragraph:

They (meaning the Tory government) are showing unparalleled contempt for the public and the political process.

Slashing and cutting — that was because this Premier had a vision of this province. And he wasn't concerned about what the results were. He didn't have to tell the truth. He'd led people to believe that he was going to be the saviour of the industry. But he has carried out his vision, and that vision is to let the market prevail, let the chips fall where they may, let everything go, let rationalize this system all in the name of efficiency, let the producers go because there's only 20 per cent that are efficient and producing anyway; the other 80 per cent are going along for the ride.

I'll give you an example of the double-talk that this Premier has gone on to talk about. In 1986 when the Prairie Agricultural Machinery Institute in Humboldt was this close to being closed, this Premier, we talked and asked questions, and asked him time and time again why he wasn't standing up for the institute, provide funding because it was necessary and it was providing a service for Saskatchewan farmers to keep their costs down through the testing that they've done. They had thousands of farmers going through the institute. It was recognized around the world. We had to put pressure, the people in Humboldt had to put pressure on. The institute itself was begging him to keep funding them.

And then, believe this or not, I was up in Humboldt not too long ago, and the Premier seems to be spending a bit of time up there talking to the Prairie Agricultural Machinery Institute at one of the open houses they had, and he was going on about the money he was putting into PAMI (Prairie Agricultural Machinery Institute) and how great it was, and all the benefits it was going to produce, and how he was full support right behind the institute. Well how hypocritical.

And that's another example of how this man operates. When it's time to say something he takes full credit for it and forgets about the past. Just about takes PAMI, Prairie Agricultural Machinery Institute, out of the scene and then two years later, he's saying how great it is and how great he is by supporting it. Well that just simply doesn't work, Mr. Chairman. The people of the province being to understand, being to understand how this man works.

So he has all his degrees in economics. He sat behind a desk as an economic professor. He's figured everything out on paper. And it sounds great. But I'll tell you, Mr. Chairman, that man does not know what it is like to have to make a living farming, and that is the problem that he has. He does not know what . . . he's never known what it's been like to have to make a living off of the farm. So all he can relate to is his economic theories, and he thinks those theories should work.

But I asked the question to every farmer in Saskatchewan, has it worked? Has the transportation rate increases worked? Has it worked to let the market prevail and have his parallel system of marketing our grain work? No. Has it worked to try to lure people into thinking that he was the man who was going to be the salvation of the industry, and then let his vision envelope the province of Saskatchewan? Has it sustained the number of farmers? Has it decreased the debt? Has it provided financial stability? No, because this man has never known what it is like to have to make a living off the farm. He can't relate to

it, and that's why farmers in Saskatchewan now have seen through the words that he has spoken. And he continues to speak them. He'll talk about interest rates in 1982, and he'll talk about the NFU (National Farmers Union), and he'll talk about everything else that he thinks is great stuff for him. But the farmers of Saskatchewan know now the ad hoc programming, the failure to provide a restructuring of agricultural debt, the failure to provide income stability other than on an ad hoc basis which is politically timed, has not led to stability in the agriculture sector in Saskatchewan.

We're losing more farmers every year. We're seeing farm machinery dealers going broke. We're seeing rural population, like the rest of the population in this province, declining. And that is from a man, this economist, well trained, the academic who has never had to make a living off a farm in his life. That's his vision. He is fulfilling his vision.

But the problem is, Mr. Speaker, along with him fulfilling his vision, we see the carrion that's sloughed off as he ploughs through his vision. We see the farm families destroyed. We see the debt increasing. We see the foreclosures, we see the bankruptcies. We see the small business in this province on its knees. And why does he continue? Why does he continue?

Mr. Chairman, I would like to just go back to one of the points that I have made, and I want to talk to the Premier about transportation. Mr. Premier, I will now ask you a few questions, and you will know that the transportation rates have increased as of the new crop year.

Could you explain to me, Mr. Minister, the process that you went through to tell the federal government that farmers could not afford an increase in transportation, should not have to pay an increase in transportation rates. Can you tell me what representation you made to the federal government, and if you have any documents, if you would table them to tell the federal government the farmers in Saskatchewan simply at this time, after coming through a drought when their incomes were low, the cash flow is almost non-existent, could simply not afford an increase of 24 per cent on the transportation rates.

Hon. Mr. Devine: — Thank you, Mr. Chairman. The hon. member touched on several issues related to farm costs, including freight rates and interest rates and diversification and the Crow and income tax and orderly marketing and free trade and rural non-farm people and changes in farm families and diversification and the U of S and the College of Agriculture and PAMI, and then come back again to freight rates.

I can say to the hon. member that I am very aware of the cost increases facing farmers in western Canada and particularly in Saskatchewan. That representation has been made several times to the Prime Minister and to the federal cabinet; certainly just recently made to all the ministers of Agriculture and the federal Minister of Agriculture in Prince Albert when they were here. We made very strong representation in writing and personally, in telephone, and lobbying in Ottawa for the deficiency payment and for the drought payment to help farmers reduce the burden of the cost.

And the federal government at that time asked, well what were we doing with respect to helping the farmers? And we had put together a package of material for the federal government to look at as a result of our concerns about transportation costs and other cost increases that were taking place in agriculture across Canada.

And so I provided them with a list, and very, very briefly for the hon. member, the list was \$84 million in our expenditures on the farm purchase program for farmers; counselling and assistance program for farmers, the guarantee is 21.5 million; farmers' oil royalty rebate, 45.2 million; the livestock investment tax credit was 34 million; the agricultural credit capital loans interest subsidy, 16.6 million.

The production loan interest subsidy, and that's over a billion dollars alone, Mr. Chairman, that we advised the federal government was 71.1 million. The livestock cash advance, which is at zero per cent interest rates, cash advance out to farmers was \$61.7 million. The irrigation assistance and small group grants is 14.7 million. The provincial stabilization program, SHARP (Saskatchewan hog assured returns program) and beef stabilization, \$137.3 million; the livestock facilities tax credit is 8.2 million.

The Saskatchewan water supply programs, 8.5; the green feed program is 10 million. The livestock drought program, where we split it 50-50 with the federal government, was 19.5 million; the prairie livestock drought assistance was 14.3; the Saskatchewan livestock drought assistance was 15 million; the north-east flood compensation program of '84 was 7 million.

The south-west cattle compensation was 100,000; the lamb assistance program, 200,000; the crop drought special assistance program that we initiated was \$51.7 million; livestock transportation was 1.1 million; and the crop insurance administration would be 63.6 million.

Now the hon. member asks what representation we made to the federal government when we were asking for help because of drought programs and the drought here and the grasshoppers and the two-priced wheat and \$2 wheat. From '82 to 1988, Mr. Chairman, we advised the federal government that the provincial government in Saskatchewan spent 685.8 million new dollars helping farmers cope with difficult times associated with rising costs and problems with production and international subsidies.

Now that runs about \$10,490 per farmer. Now that's almost three-quarters of a billion dollars that the provincial treasury has put into agriculture in ad hoc programs since 1982 because of our concerns about farmers — my concern about farmers.

All of that information was laid at the feet of the federal government. We said we believe that you have to be there in spades to help farmers because they cannot handle sustained drought and the grasshoppers and the unfair export subsidies coming out of Europe and the United States, and obviously, Mr. Chairman, they responded.

And when they looked at making modifications to the kinds of programs that they have here, they spent a great deal of money, and it looks like about a billion dollars on both programs and almost a billion dollars in cash coming into the province of Saskatchewan which did not have to be refunded. It was just cash that comes in here.

(2100)

Now the hon. member does — and I'm sure he really doesn't mean to do this, or I'll just assume it — but he doesn't put very good light on the University of Saskatchewan. He talks about research and academic research and people in the universities doing work that is not relevant. Well I can say, as a former faculty member at that university, that the University of Saskatchewan is highly respected locally and nationally and internationally for the quality of research and the quality of teaching and the extension work that it does in the food and agriculture business.

And I don't believe that the hon. member really meant to do this or to say this, but when he says that it is not relevant at the farm, the research and the teaching that is going on in the vocational school, College of Agriculture, and the economics department or in the animal science department or the crops and soils department, I certainly would have to stick up for the faculty members and the students and the staff at the University of Saskatchewan.

They do very relevant work, extremely relevant. And the extension work that goes out, right now as you know and the hon. member mentioned it, through to PAMI, through to research organizations, and through to farm groups is very, very good. So I would certainly hope that the hon. member would not push too hard on the reputation of the University of Saskatchewan. If you look at agriculture graduates at the University of Saskatchewan and the kind of work and research that they do across this country and indeed internationally, it's some of the finest that you will find any place.

He went on to say that this teaching about diversification and rural non-farm and integration and all of this stuff was not very relevant to the farmer; the farmer wanted to see something completely different. I will point out to the hon. member that most Saskatchewan organizations and agricultural organizations are quite progressive, quite progressive — with the greatest respect, I would say perhaps even a little bit more progressive than the hon. member.

Let's take one for example, and let's look at a large co-operative here in the province of Saskatchewan, the Saskatchewan Wheat Pool. And you talk about diversification, you talk about processing and manufacturing, integrating the farmer right through to the international markets. And you will find the Saskatchewan Wheat Pool right on the money.

It looked at university research. It looked at the teaching. It looked at the diversification opportunities, and it picked up on every single one of them. You look at the fact that they're not just marketing wheat, they're marketing the product, and they're marketing doughnuts, Robin's Donuts, for example. Now that's integration for the co-op

members and the wheat pool members right through to the consumer.

Now that sounds fairly progressive, and it is. And I believe it should be endorsed by all members of this legislature and certainly the member from Humboldt, who's the NDP agricultural critic, because that's precisely what research at the university is telling us we should be doing, linking through to the consumers of the world, whether they're in the United States, or whether they're in Canada, or whether they're in Japan.

If you look at the vegetable oils, and you look at what we can do rather than just market the raw commodity, and we can process it and market it world-wide, and that has a very big bearing on what the freight rate should be. And the Saskatchewan Wheat Pool is doing lots of research on what freight rate differences will do to doughnuts, will do to pasta, will do to flour, will do to vegetable oils.

Let me give you another more recent example, and I think it's an excellent one. The Saskatchewan Wheat Pool is looking at being fully integrated from the barley producer right through to the beer consumer of Japan. And as you know, there are very . . . I suppose we could say strong speculations around that the Saskatchewan Wheat Pool will be involved in the privatization of Prairie Malt, which means barley producers and employees at Prairie Malt will be integrating together with an American firm which will be marketing barley products in the form of malt right through to the final consumer in the United States and the Japanese market. Now this is the Saskatchewan Wheat Pool going right back to the kind of research, the kind of information, taught at the universities.

And you mention, the hon. member mentions, well this is 1975, 1977, 1978, and people were saying at that time it's going to be extremely dangerous if we keep all our eggs in one basket, if we're just wheat, and just the wheat economy. I can remember watching the former minister of Agriculture, Gordon MacMurchy, run around Saskatchewan, and he was a very flamboyant speaker. He says we can afford just to be in wheat. We can handle that. We can handle the cyclical nature.

All the research at the time was saying no, you better do what the Saskatchewan Wheat Pool is doing. You better go back and look at that diversification. You better go back and look at feedlots, balancing it with beef and feed grains, processing and manufacturing, adding value so that when you do run into that transportation rate you are marketing something that is of high enough value that indeed you can make money at it.

An example that I've discussed with the Saskatchewan Wheat Pool and the United Grain Growers and others links, Mr. Chairman, to the fact that we grow durum wheat in this province. And as we export durum wheat it often gets . . . it even goes to Europe and it'll go into Italy. Italy is well-known as a pasta producer, and they'll produce their durum wheat. When they run out of durum wheat, they can use ours.

And they put our wheat in a bag and they ship it to the Japanese and the Japanese will mill it, and the flour from that durum wheat will go to Hong Kong. The Hong Kong

people will hire individuals and they will make a pasta product or they'll make noodles, and those noodles are packaged and sent to Vancouver and they're put on a train and they're brought right back to Saskatoon. Our durum wheat has literally gone right around the world and we are consuming it here.

Now you say transportation shouldn't make a difference. Transportation makes less and less of a difference as you have a value added product. If we make noodles here, processing pasta, malt, vegetable oils, and market it to the United States and to the Japanese and to the Europeans, we find we make more money as opposed to letting them have our raw commodity and bring it all the way back around here so we get to consume our own wheat in another form.

The university and the research has been pointing that out for years. That's the kind of thing that you will see Agriculture Canada doing in terms of research. You've seen people like Keith Downey trying to diversify the economy and what he's done with canola, with the new kinds of products, and the grading system.

I would just say to the hon. member that one of the concerns that has been expressed, that has been expressed with respect to the marketing mechanisms in diversification . . . the hon. member asked me about marketing boards, and if the hon. members would allow me to just say a couple of things about marketing boards, because the hon. member raised it, and my former . . . Mr. Chairman, I'll just point to the hon. member that the trouble we have had in Saskatchewan with respect to marketing boards — the hon. member asked — is that they tend to be dominated and run out of Ontario and Quebec. Now we don't get quota.

I'll give you a couple of examples. When you're looking at milk production in this country, you have a province like Quebec that has a very large per cent of the milk quota, given its population. Ontario has a very large milk quota, given its population. Saskatchewan has hardly any quota at all.

We are quite capable of producing more milk and more milk products and into processing. And you talk to the dairy people and the co-operators here in the province of Saskatchewan. They want to expand into processing and manufacturing. They want to do that diversification that you're talking about. But do you think we can get quotas? The way they've designed the system is that Saskatchewan people have not been able to get into the feather industry, that is, the chickens and the poultry, and they have not been able to get into the milk business. I think it would be only fair if we could have access to that kind of quota so that you could see the diversification here in the province of Saskatchewan. We're certainly quite capable of producing and marketing that.

Now as we diversify all of those things, whether it's through the free market or through marketing boards and in the province of Saskatchewan. I will make the observation on the point, 97 per cent of what we grow in agriculture is freely traded.

Mr. Chairman: — Order, order. I would just ask the

member from Regina Centre to allow the minister to respond to the questions placed by the member from . . .

Hon. Mr. Devine: — Thank you, Mr. Chairman. I'll just make the point to the hon. member. Our diversification in part is allowed as a result of the fact that 97 per cent of the things that we grow in agriculture are freely traded world-wide. The problem we've run up against is in central Canada where they control those commodities that are under the marketing board system. And they control milk, and you know it and I know it. And they control the feather industry, and that's extremely difficult for us to get in. When we have non-control of those, and you go to somebody like the Saskatchewan hog board, the marketing commission, they will support freer trade and more trade and more access to markets because that's where we can diversify and we can expand.

So I say to the hon. member, as we change in the food and agricultural business, as we process and manufacture more of those goods and services.

The old arguments that we can just be in the wheat business, and therefore the Crow rate is the same as it was and the same as it will be in the future takes on a brand-new complexion. And if you go back and look what the Saskatchewan Wheat Pool is doing today, you look at the kinds of things that other people are doing in terms of processing and manufacturing, you will find that as you add more and more value, you can compete better in those international markets.

And that's been the point of universities have been looking at for years, and the processing and the manufacturing and that value added is extremely important for us. If we can manufacture the pasta, the noodles, the vegetable oils, the meat here, then we will be able to provide a great deal of value back into rural Saskatchewan. And it will be rural — farm and non-farm; and you will find that.

I could speak quite a while on that, and I'll be glad to because of the nature of rural Saskatchewan and people living in towns and villages involved . . . in fact farm families are not unlike urban families. Both parents are working; they're working off farm; they're working 18 hours a day — some in the potash mines, some driving the school bus, some doing some other things — because they have to, to make it under these conditions; 1982 prices today at constant prices give them just no income to allow them to do that.

So I will say to the hon. member, the concept of processing, manufacturing, and diversification, and its linkages to freight rates is very real and it's alive and we're watching it in the province of Saskatchewan as it unfolds world-wide. Ninety-seven per cent of the things that we produce in agriculture are freely traded, and we're finding more processing and manufacturing. Where we've been held up, we say it's been controlled out of Ontario and Quebec and it's been unfair.

And, in fact, all the ministers of Agriculture have granted even more quarter to the province of British Columbia, for example, because of its export market potential for milk, but because it was limited, it couldn't even get into that

export market in Japan.

So we would like to see some changes there and I'm sure you would as well.

Mr. Upshall: — Well, Mr. Minister, I anticipated that response and I hope you've got it off your chest. I know that speech very well.

I want to talk for a minute then just about the litany of programs that you will go through — no, undoubtedly you'll repeat several times during these estimates all the money you say you've put out for the province of Saskatchewan. And I just think that every farmer out there who hears you say that says, but gee, that doesn't sound like . . . that sounds good, but I just can't figure out how it's helped me because the debt problem's still there.

Another comment, well you can try to twist my words as you have tried to twist the other people's words in this legislature before about casting aspersions on the University of Saskatchewan.

It was you I was talking about — your theory, your vision. And that's where you are coming from and that's why it's not working in Saskatchewan. And as far as the supply and management marketing boards go, your solution is to get rid of them. You say, yes, if there's unfairness in the system, province to province. The solution isn't to get rid of them, Mr. Minister; the solution is to try to improve upon it. But through the free trade agreement, you're trying to eliminate that, get rid of them saying that system works better, but it doesn't.

Back to my question. I asked you what representation you made to the federal government to try to tell them that farmers can't afford an increase in freight rates. Mr. Minister, can you tell me what the rate recommended by the NTA (National Transportation Authority) was, and what the rate recommended by the WGTA (Western Grain Transportation Authority) was, and what recommendation you gave to the federal government as to which rate they selected?

Hon. Mr. Devine: — Mr. Chairman, we don't have those with us but we will certainly endeavour to get them. They are on file. They might have to come from the Department of Transportation, but we'll get them.

(2115)

Mr. Upshall: — Well, Mr. Minister, I was just wondering if you knew, because I think that that's part of the problem that you have, and that we have as having you as the Minister of Agriculture, in that you don't know.

A current issue that has just come about, we've just gone through it. If you were on top of things, Mr. Premier, Mr. Minister, you should know that. So I'll tell you.

The NTA which is the government's arm, recommended a rate of \$6.97 a tonne which was twenty-two and a quarter per cent of the shipping costs. But the federal cabinet chose not to accept that. The NTA was basing their formula on about 28 million metric tonnes. The federal cabinet chose to set the rate at \$9 a tonne. That is

\$2.21 roughly, higher than what the NTA advised in the set-up. They took the higher rate because they said the production was going to be greater than that, about 32 million.

Mr. Minister, that is a part of the reason why farmers are not making it despite what you're saying you're doing for them. You take credit for programs coming out of Ottawa saying, you're right; I got a hold of Brian Mulroney and your taking credit for those programs.

But when it comes to sticking up for Saskatchewan farmers on an issue like grain freight rates, the average farmer who ships 24,000 bushels of grain is going to pay a thousand dollars more this year — a thousand dollars more in hard economic times. On top of that, the rate structure is . . . the formula is such that if the production is greater in one year than the formula used, then in the following years it is adjusted, and they go up to a cumulative total of about \$150 million. And if it's exceeded, then there is an adjustment paid.

But as we know now, the production is going to be down again this year from what it was anticipated a month ago because of the heat. You could have made representation to give farmers say to Ottawa, give farmers a break, set it at the recommended rate that the NTA set it at. If the production is higher next year, then it will be adjusted accordingly. But as we know now the production isn't going to be higher, so farmers are paying more even though they're not getting that amount of production.

So, Mr. Minister, I ask you if you are so much on top of these things, why did you not stand up to the federal government? Why did you not show some leadership, come out in the press in Saskatchewan and publicly in this legislature and say that I do not agree with the increase in the freight rates because in hard economic times farmers cannot afford about a thousand dollar increase for shipping 24,000 bushels of grain. Why did you not make that representation loud and clear? Why did you sit on your hands and just nod to Brian Mulroney and say, okay Brian; it's okay, go ahead and do it? Why did you do that?

Hon. Mr. Devine: — Mr. Chairman, the hon. member and I will agree that we don't want to see higher freight rates. The hon. member said we don't want to see higher freight rates in difficult economic times. Can I then make the assumption that he'd want to see higher freight rates in better economic times? If that is not the case then he just doesn't want to see any changes in freight rates, which is fair enough.

He said their recommendation was six, it ended up at \$2.70 higher than that. I'll point out to the hon. member that it hasn't cost the farmers yet, and he says it's the cause of the difficulty we're in to date. They haven't marketed anything to speak of in the last year because there wasn't any crop, and he knows that. There was a drought. The bins are empty and he's complaining about freight rates. And he went on and on about how it's caused the problem. Well it might cause some problem in the future, but they haven't had anything to market.

They've been receiving cheques from the provincial and

the federal government that averaged about \$240,000 a farmer. Deficiency payments and drought payments and cash advances and other things that did not have to be paid back, and he's talking about a thousand dollars on an average production of 24,000 bushels, and we haven't produced that on average, and it's certainly something into the future.

So I know it's easy for you to stand and say, well, why don't you complain more about freight rates — fair enough. I mean, I said I want lower freight rates. I don't run the federal cabinet, but that's fair enough.

I also lobbied for a great deal of money to come into Saskatchewan to help farmers, and I was successful. Now you and I can agree, it's not enough. You're better to get it out of the market.

If you look at 1982 prices for grain, 1981 prices, if you brought them up to today, we'd have to have \$7, \$8 wheat just to break even compared to '82. We don't have that. And I'd like to see that. You just take 1982 equivalents and bring it up today. You have to have very expensive prices to be anywhere close to that. We don't have it, it's gone. Now when it comes back, we'll get it out of the market, in the interim, they've asked us for help and we've helped. Clearly, we would like to help more.

You've been asking about our deficit. You know, you've got to have less of a deficit. Well we've gone through some times, which probably a lot of people didn't plan on and frankly didn't like to much, but in those difficult times I recall even Allan Blakeney saying, well, we'd have a deficit too, maybe not quite as high as you guys, but we'd have one, and you should protect people during difficult times. Well we do, and we have.

So we look at \$24,000 in grain sales, 24,000 bushels in grain sales, and you might have your costs run up 8, 900 or \$1,000. It may be the case. And I'd just make the point. We lobbied for lower freights; we lobbied for higher payments to farmers; we've lobbied for a great deal more protection. And in some cases we were very successful; in some cases we had to experience some increases.

I'll go back to the process of diversification, manufacturing, and those kinds of things. You will see freight rate changes can make a difference there. And we can allow for more prosperity, given any sort of reasonable prices.

So yes, we lobbied. We don't always get the things that we're after, but in the case of support for agriculture producers, it's been running about 24, \$25,000 in cash. So it's not enough, but it's an awful lot more than they'd ever received in the past, and probably compares favourably to any jurisdiction you find, at least in North America, and probably Europe.

Mr. Upshall: — Well, Mr. Minister, I know why people in rural Saskatchewan are saying they can't believe what you say any more, the way you try to twist around what people say. It's amusing, but it's sad.

Mr. Minister, that increase in freight costs are calculated out to be in the area of 65 to \$70 million out of the

province of Saskatchewan — or not out of the province of Saskatchewan, I'm sorry — in western Canada on grains through the wheat board. That is a significant portion on one item.

And you talk about the money that's come out of the federal government which you say that you're in touch, and you take claim to. But on that one item, you're taking out of the pockets of Saskatchewan about \$70 million, and that's on one item. Not to mention the increase in interests rate and the new scheme of cash advances and all the other increases through the federal budget.

What I'm saying to you is that you are not, although you say you are, you are not standing up for the people of Saskatchewan, making representation, showing leadership to the Government of Canada by saying that these increases should not go ahead. You're not telling the province of Saskatchewan. And what I said was that these increases will be on top of a heavy debt load — not the cause of the heavy debt load, but on top of the heavy debt load — that farmers are facing. But you stand idly by and do not make representation.

You think that it's okay for the farmers to have this added 24 per cent added cost onto the transportation, and you will again probably get up and talk about all the money that's come out of the federal government.

But what's happening is it's coming out of one . . . or the farmers are becoming a turnstile where the money comes in one hand and goes out the other, back to the federal government. And that has been the case in many, many instances. And the farmers of Saskatchewan are saying, well gee whiz, I'm not benefitting from this because it's simply money going through my hands, and my bottom line is still way down there and it's not coming up.

And you say you're making representation, have made representation. Well I don't believe you. I don't believe you for a minute, because if you were standing up on behalf of the Saskatchewan farmers, you would have made it loud and clear that the freight rate increase should have been put at the lowest possible level. I did not agree with the way the formula is made, because I think it's unfair because you're basing it on a prediction of what the production will be. But even at that, over a period of years it can be adjusted. But at a time when things are down, you are not standing up for Saskatchewan farmers. And that's the point I'm trying to make.

Mr. Minister, do you not think . . . if you're so sure about the representation you made, will you now contact the Prime Minister and say, look, this is unfair? Will you write him a letter and say, this is unfair, we should not have these increases, and make it public so everybody in Saskatchewan knows that what you say here tonight will be on the public record, that the freight rate increases should not have gone ahead, and if they had to go ahead under the formula, that the lower price should have been taken of \$6.79 and not \$9, \$2.21 difference? Will you do that right now?

Hon. Mr. Devine: — Maybe I could ask the hon. member if you're saying that you agree with the \$6 increase. If you agreed with the \$6 increase, I just want to put it on the

record that you said six was fine, and you didn't want it to go up \$2-and-something above that. Well you just said the \$6 increase was fine; so let's just make that everybody knows that the NDP agricultural critic from Humboldt says the \$6 increase was okay. In difficult economic times, \$6 increase was fine.

Let me just throw an observation out to the hon. member, and I'll go back to this processing and manufacturing. What happens to the freight rate on that 24,000 bushels of grain if it is marketed as malt, or if it's marketed as doughnuts, or if it's marketed through meat, or marketed through noodles or bread or flour? See where the wheat pool is coming from? The Saskatchewan Wheat Pool and others are saying, do you know where we're really going to make our money? We're going to make our money in making a fine, higher-valued commodity out of the wheat. Your arguments go back, not to be unkind, but they go back 50 years. You're way back there saying, we are in a horse-and-buggy era where we've got to have wheat, and we've got to be able to have this low rate, and it's only wheat and that's all we've got and we're locked in, and there's no other opportunities for us.

Everybody else, from the university to the farmers to the young aggressive people that are going across the country and the Saskatchewan Wheat Pool and UGG (United Grain Growers) and Pioneer and the stockgrowers and the hog people and others, are saying, look, that was fine for the 1920s, '30s, '40s. This is the 1990s and the 21st century. We are going to be making things where the transportation cost is relatively less important.

If we can have durum wheat go out of this province and end up in Italy and then come all the way back here in the form of noodles, and we're eating our own, transportation isn't the problem. That's what they're telling you and telling me and telling others. We should be making that product here and exporting it, because all of a sudden they've realized, we don't have to listen to that bogymen of years and years ago, that we are confined here; we're some little place in the middle of the great Northwest Territories that doesn't have access to telephones, communication, transportation.

We are in the middle of a very exciting continent at a very exciting time. If we can make paper here and process it and send it all over the world, we don't have to ship our fence posts out and our logs out. We can make our own product here. We don't have to ship raw oil out. We'll make our own gasoline and diesel fuel here. We don't have to ship out natural gas and somebody else can make the fertilizer. We can make it here.

Now that's a different philosophy. That's processing and manufacturing and the kinds of things that we should have been doing a long time ago. And frankly we are behind in that. That's one of the reasons that I was interested in politics to start with, was so that we could start processing, manufacturing, making other things so that we didn't just have to sit waiting for the price of wheat to go down or somebody to change the freight rates on us.

We should be broadening our horizons. And other people in this country agree with that, and other people in this province agree with it. I mean your whole argument

tonight has been, what happens if Ottawa or somebody raises the rates? That's so far behind. Well, I've said enough.

Look, I'll just say this. We are going to be processing things where that rate won't make a significant difference. You said \$6 increase is fine; I don't even like that. What I do like to see is some new alternatives come in here so that we can get on with processing, manufacturing, and doing some things in rural Saskatchewan for rural farm and rural non-farm.

If you take Prairie Malt, it's people working in food and agriculture, living in rural Saskatchewan. There's farm boys and girls working in that place diversifying the economy so we're not just stuck on freight rates on malting barley leaving the country. We can manufacture and make things of more value.

Now that's a significant difference between what I've heard you say for quite a few years in here and what we are trying to do working with others in a global economy that says, you better be doing that or you're going to be in some trouble.

I listened with a great deal of interest to the new chancellor at the University of Saskatchewan, former president of the Saskatchewan Wheat Pool, spoke just the other day. When we opened up the Canada Games, we also had the recognition for the people in agriculture.

(2130)

Mr. Ted Turner says this is a global village. We have to deal with that global village and we have to look at the General Agreement on Tariffs and Trade, and we have to look at food and we have to look at agriculture — and I'm just paraphrasing what he said — and we have to be open because the world is changing and we have to recognize that we have to change with it.

I know you campaigned against free trade, and we won't get into it. Free trade is here; it's here, and it's going on. It's over. I mean it's here and we have to deal with it. And it will be in malt and it will be in cookies and manufacturing and in meat and in salads and in potato salads and other things that we're building at Delisle. We don't have to just depend on raw production, and frankly, we shouldn't. We should look at processing and manufacturing and look at that world consumer. That's where the value will be and that's how you will protect the farmers in the future, not just talking about a rate that was started 50 or 60 years ago under different technology and different times.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Well, Mr. Minister, you've had seven years now to do what you say you're doing. And the problem is, Mr. Minister, the problem is that you're taking a leap in time. I mean, we have always in this province been developing along the ways of increasing our production and diversifying our production. And you said that you picked up that ball in 1982, and that's what you are doing. And the question I ask is: how have things been going, Mr. Premier? How are things going in the

province? Under your plan, how are the foreclosures? Are they going down? How's the population? Is it going up? How's the unemployment figures? Are they going down? How are the social welfare figures? Are they going down?

Mr. Minister, just tell me about those things. How is your plan working so far? Give me the numbers on the unemployment if this plan of yours is working like you say it was. And what you say is fine, but let's just see how your actions are. Give me the numbers on unemployment and give me the numbers on welfare. Give me the numbers on people leaving the province. Give me the numbers of people who are just totally out of the picture when it comes to agriculture because their debts are so high that they're having problems to maintain themselves.

Would you give me some of those figures, Mr. Minister, just to show us how well this plan of yours is working?

Hon. Mr. Devine: — Well, Mr. Chairman, what the hon. member is saying — if I can use an analogy — is that people have used fertilizer this year; because it didn't rain, the fertilizer didn't work as well, therefore you shouldn't use fertilizer.

We've got a drought in the province of Saskatchewan, a good part of the country, and . . .

An Hon. Member: — Answer the question.

Hon. Mr. Devine: — I'm answering the question. You're saying, well we've had \$2 wheat, we've had sustained drought, we've had difficult economic conditions. Mr. Minister, that's your fault because of your academic training, and the university's idea you should process and manufacture because the wheat pool is doing it and United Grain Growers are doing it and others. It's your fault that there's been no income in agriculture. Now if you think that you're going to . . . You know, I mean, I suppose some of your supporters might believe that, but any reasonable thinking man and woman, rural or urban, wouldn't believe that.

We have put in rural gas for farmers. It helps cut their costs significantly. Now does that help or not? It helps. You say, well why are they leaving the farm? Well if there's no income and there's no crop year after year, it doesn't mean we shouldn't put in rural gas, it doesn't mean we shouldn't irrigate.

You talk about helping farmers. I mean, I am very much in favour of water projects and you're against water projects. You're against the Rafferty project — saving water so people can use it in this province because we've got drought. All across the nation people are watching us on this water project. I mean that's a good thing to do.

And you're saying, well, you know, how's it going, Mr. Premier? Well frankly, I'd like to see that project finished and I'd like to see the water saved. I'd like to see more irrigation, people here want to see drought proofing.

Pretty difficult to blame this administration for not building an infrastructure with individual line service, rural gas, doing water projects, a brand-new university agriculture building running \$90-some million, an

extension in education, new rural farm service centres.

For what? You're saying, oh, it doesn't matter, education doesn't matter, technology doesn't matter, it's all your fault because they have no income because it didn't rain. I mean, you know, you can try that and you can spend the next two or three days, the next two or three years saying that and I suppose you will.

But I think the ordinary, common-thinking person says, I like the natural gas; I like your safety net programs; I like the new crop insurance; I like to see the diversification because we're making potato salad and we're making malt and we're doing these things, because my children are working off the farm as well as on the farm, and they are. And young people are doing that and they certainly are prepared to work. They're working 18 hours a day to save the farm, and with our help. And we'll have mortgage back guarantees and we'll have other things that we'll help them do as well.

So you ask me how it's going. I'll say to the hon. member, it's been difficult. It's been difficult. But I believe if this province was better prepared in it, and we've worked hard on it since '82, but if it had been better prepared earlier than that, and if there'd been some protection against 20 or 22 per cent interest rates, it wouldn't be nearly as difficult because you would have irrigation, you would have had gas a long time ago, you would have had better extension services, you would have had the kind of technology and the kind of processing, manufacturing, diversification that they've asked for for years. People in this province everywhere you go would say, you bet, we've got to get all our eggs out of one basket, we've got to just do more than wheat. Well we're going to do more than wheat.

So I feel for rural families and farm families who have lost their income. When net farm income goes to zero from the market, boy that's difficult. And you say what are the welfare roles? What's the level of income in the province of Saskatchewan? That happens, it's very low. We won't even keep up with Newfoundland. If you have net farm income going to zero, it's difficult.

Now you need some help. We're going to be there to help them. But nobody, nobody likes to see that. I mean you might revel in the joys of it politically. You say well, Mr. Premier, you did all that; how's it going? It's not even fair to try to do that. I mean you can . . . fair enough, you can do it.

I will say to the hon. member, you do your best given the conditions that you face, and if you want to help farmers, then we've got to come up with the programs to do them. And you and I have talked about them. The Leader of the Opposition and I have talked about programs to help farmers, designed a lot of them, frankly, almost together, in talking about them and visiting with rural groups and farm groups. And that's the way it should be.

So I'm not going to take responsibility for the drought, though. And I'm not for \$2 wheat and the price of wheat today compared to what it was in '82 — it's out of my hands. And you know that as well as everybody else.

But we can make a difference if you start making something with those commodities. And everybody I talk to now across this province and indeed across the globe, not only in this country, they're saying the very same thing. So I think there's more people on my side in terms of the answer, that is, doing things for we are creating value, than on your side saying, no let's just do it exactly the same way we always did it and just beat on somebody in Ottawa on the basis of, well, the freight rates are the entire problem.

It's changed. My friend, the world has changed out there, and I think the faster we both face that, the better off the entire agricultural community will be, not only in this province, but indeed in the country.

Mr. Upshall: — Mr. Minister, you were the one saying that you had this master plan. You've had seven years to implement it. You were the one saying that your diversification and the transportation rate didn't matter because you were going to get things going in Saskatchewan. The problem is that it's not working. What you say sounds okay, and I've said that from day one, whenever I sit down and listen to you. But you can't believe it, that's the problem. And the people in Saskatchewan don't believe you. You've had seven years and what's the result been? Record numbers of foreclosures, record numbers of bankruptcies. And your plan is making things worse if anything.

An Hon. Member: — How?

Mr. Upshall: — Because you're not doing what you say you're doing. You're saying that your economic plan is so great. We see 40,000 people on social services, over 30,000 people on unemployment, people leaving the province. In 1988, 13,500 people left this province; and up until the end of July this year, 14,639 people left this province because they don't believe a word that you say — they don't believe a word that you say — because they know it's not working for them.

The farmers of this province who are facing notices of foreclosure or seizure on equipment, they know it's not working for them. And you can stand up there and make your fine little speeches, your "Johnny Hayseed" speech, how things are going to work.

But, Mr. Minister, the people of Saskatchewan are saying that they don't believe you any longer. You've had more than enough time to put your program in place. You've had more than enough time to create an economic atmosphere in this province. The debt's gone up, the taxes have gone up, people are leaving, foreclosures have gone up, and unemployment and social services have gone up. What you're doing, you're selling and you're taxing. The people of Saskatchewan can't stand it any longer and they don't believe you.

So, Mr. Minister, grain transportation rates are only one small issue. And you can say that's all I've talked about, but that's one issue of many that I'll be raising these estimates. One small issue that's cost the people of Saskatchewan a lot of money. You say that doesn't matter because you're going to diversify. Well, Mr. Minister, you've had ample time to diversify.

The point that I am making, until such time as your economic plan starts to work, then let's stand up for the people of Saskatchewan and tell Brian Mulroney, no, this should not go ahead. Until that time as your plan is working, where is your leadership? Why don't you stand up to the Government of Canada? And I say that you don't do that because you are simply not either capable of doing it or it's not in your vision to maintain rural life in Saskatchewan as we know it.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Thank you very much, Mr. Chairman. I'd like to get into a discussion of these Department of Agriculture estimates obviously, and I'm prompted to get in at this point by the exchange between the Minister of Agriculture and the critic on the question of diversification, rural diversification and transportation rates.

I think the Premier will agree with me that this has been a long battle in the western Canadian basin, in fact, the prairie basin in North America, the battle of diversifying, getting value added production, whether it's in agricultural spheres or whether it's in non-agricultural spheres. There are a number of hurdles which this province and this region face. The hurdles, of course, relate all the way from weather to population to political clout or the lack of it at a national level; also relate to the question of transportation, one of the things which is the most immediate subject of the exchange between my colleague and the minister involved.

I think everybody would agree with the Premier that the objective of diversifying in agriculture is one to which all provincial governments aspire and to the extent that the transportation policy of Canada is important, the subject matter of this particular aspect of the estimates, we need to consider and address that issue.

I think the problem is, Mr. Chairman, and Mr. Minister, as far as I can see, is that there is now firmly entrenched in Ottawa and in Regina a philosophy with respect to transportation and agricultural development which is rooted in the basic concept that transportation is not a tool of regional economic development, that transportation is essentially a function of corporate economic efficiency.

The National Transportation Act and its amendment several years back embodies statutorily the principle that competition in the case of transportation shall be the guiding factor. We know that in that circumstance out here, where the only effective mode of development which respect to transportation is rail, spells curtains for western Canada because there is no alternative effective mode of transportation to be competitive and to thereby drive down the rates, or if you will, to be a tool . . . using transportation as a tool for economic diversification. And what the Premier espouses, of course, is the goal, but the methodology which he advances and supports, like his counterpart, the Prime Minister in Ontario, is a methodology which is doomed to failure. It's not worked, not because it hasn't rained. Nobody blames the Premier for the fact that it hasn't rained. No one blames the

Premier for some of the drought and other conditions beyond him. I don't blame the Premier on that.

But I want to say, Mr. Chairman, to the Premier as well, I don't accept that argument as an excuse as to why the diversification hasn't worked. It's much more complex than that, not the least of which is the transportation policy because the transportation policy is firmly rooted in that which I have said. Unless and until the governments of Canada, starting with Ottawa and here in Regina, view transportation in agriculture and value added processing as an economic development tool, an economic and social policy, and accordingly instruct the railways to act in that context, we will virtually never, ever get the goal to which the Premier aspires and to which many on this side aspire.

(2145)

You won't do it. And believe me, I've been minister of Transportation provincially for years. We went with Jean Marchand, we met with Conservative ministers, provincially and federally, and the issue was and is — this is not something futuristic, as you would portray — it is the very history of Canada, from the Crow rate to the 1989 period, to the year 2000, and will be so long as we follow this Premier's philosophy, which is that the market-place and competition in transportation is the rule by which we in the western region have to play in order to try to get diversification of agricultural produce here. That's a pipe-dream. It'll never come.

The distance and the lack of competition will doom that objective. There may be some exceptions here and there to which we all say hallelujah and God bless. But over all it is doomed, and the double tragedy is that in mouthing that objective — and standing by idly while the railways fix the prices and the policy in which branch lines live and die, and what the rates are — in mouthing that policy, the tragedy is, in addition to all of that, that the farmers who are facing economic difficulty at the current time — that's what my colleague is speaking to — have additional input costs and additional barriers. So you lose twice. You don't get diversification and you don't save the basic farm network, the basic wheat network, the basic cereal crops network upon which the transportation policy of all these years has been based.

And I'd like to say, Mr. Chairman, if I may, with respect to the minister opposite, that we ought not to be so worried about being a country determined to use transportation as a goal of social and economic policy, something other than pure competitive objectives. We ought not to be worried about that. There are countries all over the world that are wheat-producing countries where their producers are subsidized and supported as a matter of economic and social policy by their transportation systems to do two things: not only to support the person at the farm gate just in the produce; but also in the objective of getting the diversification, of which the Premier and of which this side speaks of.

It is the abandonment of the Premier's belief that anything can be done by way of government leadership in this area, federally and provincially, which has put the province in the pickle that we are, and why the goal is

going to be unattainable, notwithstanding his best efforts and his worthwhile objectives that he might have. And I say this to the Premier with the greatest of respect: this issue and this fundamental philosophical approach is not new, not new. His approach has been tried before him by others when that transportation Act was amended, and failed, and failed in non-drought areas. This approach, which is a repeat of this of 20 years ago or so, a return back to the future, will fail. It will fail because the other circumstances are against this part of the world.

Unless and until Canadians and people in Regina and elsewhere have the vision to use transportation in concert with an economic national development strategy as a tool for economic development, the two-pronged, double whammy for rural Saskatchewan is going to take place. Neither will we diversify nor will we save the farmers at the farm gate . . . I won't say not save; neither will we help them in their ongoing struggles, whether it happens to be drought or whether it happens to be the debt load structure or any of the other issues which we are talking about here.

The second point that I wish to make, Mr. Chairman, which I must practically confess was the main purpose of why I wanted to rise and participate for a few minutes in this debate today, I got into the transportation thing because I was fascinated by the exchange between my colleague and the minister and the differences. It's a question of whose vision is futuristic and whose vision is a replay of the old movies. You have my view in this regard.

But the other issue that I wanted to address, to which the Premier and the minister may wish to make some comment as well — undoubtedly he will on some of the things that I say in any event — is my amazement at what I see as the capitulation of the provincial government to the enactment of the federal budget and federal programs in agriculture this current year, which in effect amount to a major reduction in government assistance — up to \$500 million — and undoubtedly higher costs for the farmers in the province of Saskatchewan.

The news stories in this regard, Mr. Chairman, have been well described and well reported in a variety of journals. I don't wish to go into details of them. Barry Wilson of *The Western Producer* writes, "budget harsh on agriculture." Jim Knisley of the *Leader-Post* — Knisley, I'm sorry — says, "fuel tax program cuts will boost farmers' bills." Barry Wilson writes again, "Budget cuts alarm farmers." Heather MacDonald of the *Star-Phoenix* writes, "It's been a bad week for farmers." The clippings are legion in this regard. There are a number that have written, as I say, in the *Leader-Post* and the *Star-Phoenix* and in *The Western Producer* indicating that this is indeed a harsh budget.

About \$500 million over two years has been slashed during this particular period. And some of the items which have been slashed have been well documented. The federal excise tax rebate on farm fuel is going to disappear on or about January 1 of 1990, less than five months away, Mr. Chairman. This rebate is worth about 5 cents a litre on gas and 4 cents on diesel, if I have my numbers and figures correctly.

Meanwhile as of the reading of the budget, farmers and

other Canadians will be hit and got hit with an additional 1 cent per litre on fuel excise tax. And on January 1, 1990, a further 1 cent will be added to leaded fuels. The Saskatchewan Wheat Pool cites or estimates the combination of these two programs, federal and provincial, could cost an average farmer in excess of a hundred dollars a year . . . sorry, \$600 a year. And that's serious. That's one example.

Another example is with respect to transportation. The federal branch line rehabilitation program has been ended a year early, Mr. Chairman. Approximately \$52 million is not going to be spent. I don't know the exact percentage in this province, but it's going to be a large percentage here, that's for sure.

Today in question period we discussed the cash advances, Mr. Chairman. Cash advances in that federal budget by the federal government to grain producers and repaid when the crop is sold will no longer be interest free. The rate of interest was not announced, and according to today's question period, the officials say they don't know the rate yet. Here it is September 1 almost, around the corner, rate of interest not announced. But if it's at the market rate, it could cost those farmers who apply for a cash advance of up to a thousand dollars a year in interest payments. That is, if they will be able to get a cash advance this fall.

And I again repeat, without going into the details, the story written by Laura Rans and Adrian Ewens of *The Western Producer* again, saying, "No cash advances till fall, government hopes to have legislation changed by October". That's why I say, if it comes through by this fall, or at least this year. That's a third area.

The Farm Credit Corporation two-year, commodity-based loan program, which adjusted interest rates to allow commodity prices, was also ended in this Wilson-Mulroney last federal budget — one of the few remaining programs offered by the FCC (Farm Credit Corporation) that was designed to help farmers in financial difficulty.

And in addition to that, we have been receiving, as my colleague has pointed out — we've debated this a little bit; I don't intend to pursue it other than to re-emphasize the point — the change in the grain freight rates and the substantial hike there. If my figures are accurate, as of August 1, '89, freight rate charges to ship grain went up approximately 24 per cent. In the last two crop years, Ottawa had put in place a special freight rate subsidies. Now after the election, of course, that subsidy is gone. For a producer, say, who might ship 500 tonnes or more, paying the increase will cost upwards of \$800 annually; the figure used by my colleague is in the amount of \$1,000. That's some more bad news on this issue.

And what is puzzling and troublesome, Mr. Chairman, the point that I wish to make about the federal budget with respect to the provincial estimates we're talking about here, is the Premier's response to all of this. The Premier's response to all of this was not, well I fought against it and I tried my best and I lost; you win some and you lose some, as he said a few moments ago to my colleague on his issues. His response wasn't, I object to what they're

doing. His response wasn't, I'm going to come back next year to see if I can get a budgetary change to reintroduce the programs, given the gravity of the crisis out here.

His response, in fact, is one which I find absolutely puzzling and, I might say, I think most farmers do, too. *The Western Producer* of May 4, 1989, Deborah Sproat reports in the first paragraph, quote:

Premier Grant Devine says the province of Saskatchewan was "treated as reasonably as anybody in the federal budget."

I think the headline of the story was, "Devine takes budget in stride." Now this is a body blow to rural Canada and to rural Saskatchewan people. Our Minister of Agriculture says that we've got treated as reasonably as anybody else.

Then on April 29, 1989, the Premier is out in Vancouver on a mission on behalf of the government. The Canadian Press story says there, quote:

Farmers have to do their part to help bring down the federal deficit, Grant Devine says. In the last few years the farmers received a good, healthy share of the taxpayers' dollar, Devine said in interview. If the farmer has to contribute now, then I would think they would believe that is only fair.

How those words, I think, resonate with the power of abandonment of rural Saskatchewan and the farmers of the province of Saskatchewan. I don't mean to be throwing names at the Premier, but his silence is deafening. The silence, the failure to object to Mr. Mulroney is deafening.

And I think that the . . . I can't put it any more graphically than the *Star-Phoenix* editorial of April 29, 1989, and I'm reading now from the editorial, Mr. Chairman:

Devine's endorsement of budget worrisome. (And the budget says, according to this particular article) It's a budget which requires objection on behalf of not only rural Saskatchewan . . . (but we're talking about Agriculture estimates, so I mean rural Saskatchewan here.)

And the last paragraph, I think, is very, very important. It says, quote, in this editorial:

Devine says Saskatchewan people will tighten their belts and say, boy, I hope Wilson knows what he's doing. The fact is they're more likely saying exactly that about their docile Premier.

Now I don't know exactly what it is that justifies a defence of those kinds of changes, all the way from the rebates to the increases in the taxation with respect to gasoline, to the FCC changes, to the freight rate hike changes, to the cash advances, interest-free changes, to the \$500 million changes from the federal government. I think it's the duty of a Minister of Agriculture in the province of Saskatchewan, not to be out there alibiing or apologizing or soft soaping the federal government's obviously extremely damaging blows to the farmers of the province of Saskatchewan, his job is not to be singing the

Hallelujah Chorus, his job is to be saying, I may be a PCer, but this is a serious body blow to the people of the province of Saskatchewan, and I'm going to object. And the Premier has not objected.

I say with the greatest of respect, Mr. Minister, you have been in great dereliction of your duty with respect to the federal budget, great dereliction of your federal duty and your provincial duty to the farmers of the province of Saskatchewan, the farmers of Canada. Not only in dereliction because it's an isolated budgetary matter. It's more than an isolated budget. These programs, whether they are in freight rates or whether they are in cash advances or whether they are in other areas — we'll be exploring later with the minister, the recently concluded ministers' of agriculture conference in Prince Albert where the crop insurance rates are going to be going up for the producers. All of this and the net result says that farmers are going to be added on with added on burdens because in the words of our minister, they've got to pay their fair share to get rid of the provincial and federal debts. Well that may be so at some point, but I'll tell you, Mr. Chairman, it sure isn't so at this point.

Everybody knows that that's the case. And I say that that is . . . the *Star-Phoenix* says worrisome. I say that's unacceptable. I say that is a situation where the minister has either been too swamped with other problems in his cabinet and his government, not enough to pay attention to the agricultural portfolio. And goodness knows, the Minister of Agriculture has had problems in his capacity as Premier, whether it ranges from GigaText to provincial auditor to SaskEnergy to privatization.

I don't mean to say this, I don't mean to provoke the minister to say what has GigaText got to do with it, other than to say that as . . . (inaudible interjection) . . . No, I don't. Other than to say that as Premier he is . . . Well because as Premier his responsibilities are for all of the departments, all of them, and this is a department which requires full-time attention, full-time attention given a crisis. And you can't say I'm giving full-time attention to agriculture because the natural logical conclusion of that is, the natural conclusion to that is that I'm not giving full-time attention to the Premier's job. It's one of the two. And even when he gets his cowboy boots on, he still isn't paying full attention to the Minister of Agriculture. You're right, member from Morse.

(2200)

Now look, Mr. Chairman, I'm making, I believe, a very serious point that there is another dimension to agricultural policy here, and that is the extent to which a minister can shape and influence through objection where necessary, through articulation where appropriate, through negotiation where necessary, through compromise where necessary, those policies federally which at the end of the day help the farmers at the farm gate.

I say that the Premier of this province has played the role of silent Sam. This has been as a result of a very bad federal budget and one that I think deserves some condemnation by the members of this committee when we deal under clause 1 with this minister's spending

expenditures.

I guess my question, although I don't need to make a question, I realize, in Committee of the Whole, but I will in order to get the Premier started in his response, is why in the world does, and how does he explain this absolute total silence and abdication of responsibility on behalf of the farming community and the people of the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I will briefly respond. I think if you go back and look at the main part of the argument from the NDP leader across the legislature, he said that you should be able to, as a Minister of Agriculture here and certainly as a Premier here, have some clout when it comes to dealing with the federal government. You can bargain some, you can deal with them, you can do something to make sure that things could be better for the farmers and whether it's in taxation or rates or other things.

I point out that I absolutely agree with that statement. I think that he's right on the money. But what we're debating here and what we're going to argue about here is, who has been most successful in bargaining with the federal government? Let's take during the time that he was the minister, deputy premier, minister of transport, and he had ministers of Agriculture, and during the time that I've been the Minister of Agriculture and the Premier in Saskatchewan. We can look in the 1970s. There was drought. We looked at very, very high interest rates, we looked at cows running at 18 cents a pound, we looked at some really difficult times, farmers leaving Saskatchewan, the population going down. And that happens, the hon. member knows, and I'm not blaming him for the price of cows, or the price of wheat, or indeed the price of interest rates. But it was extremely difficult.

Now he stands in his place and he said, you know, Mr. Premier, Mr. Minister of Agriculture, you should be able to do something about these things. And you'd kind of have to imagine that, if that's the case, then maybe that he was pretty successful in getting the federal government — whatever the stripe, whether it was Liberal or Tory — in Ottawa to respond to his concerns.

Now I don't remember, when we had very dry periods, when we received half a billion dollars or a billion dollars in drought payments as a result of lobbying from the minister of Agriculture in Saskatchewan or the deputy premier was down there. I don't remember getting any sort of help and protection when interest rates were 22 per cent. Obviously I've heard a lot of people in rural Saskatchewan, farmers. I don't remember that. Where the hon. member must have been down there and he must have been pounding it on. And do you know what? We didn't get a dime on deficiency payments when the price of wheat was low, we didn't get a dime in the livestock industry when prices were low, we didn't get any protection against interest rates when they were 22 per cent from either the provincial or federal government.

Now it's fine to say, well, Mr. Premier, you've been down there and you've got this friend, the Prime Minister, but

you didn't get it all. And I agree with him — sometimes you win these arguments, sometimes you don't. But I will say under conditions of low prices and high interest rates and very difficult times with respect to export subsidies from other countries, we were able to get literally billions of dollars of assistance.

Now he asked me, he says, well aren't you upset because they've changed the freight rates or they've changed something on the cash advance. I look at the cash that has come into the province of Saskatchewan from the federal government, in co-operation with ourselves, and it will run not a hundred dollars or not a thousand dollars or not even tens of thousands; it's multiples of tens.

Now he could say, well it's pretty upsetting that you've got this change in the freight rate, and I'll touch on that when he comes back and he says he has a plan for diversification if we would just put it into . . . as a policy for regional development and diversification.

But when you go back and look at the cash that has gone into farmers' hands, and he says, well it might cost a hundred dollars a year for this, or \$600, or even the hon. member from Humboldt said it's \$600. It doesn't even begin to touch the cash, not things that you have to pay back, but the cash that's gone into farmers' pockets as a result of some pretty sincere lobbying that we've done with the national treasury.

They say we should protect these people, we should take on the battles internationally in agriculture. Let's put agriculture right on the table when we go to the General Agreement on Tariffs and Trade. It's always been under the table; let's put it on top.

Well I will say he may not think it's a good idea that somebody with my training or somebody born on a farm in agriculture who happens to be Premier should be the Minister of Agriculture. I will say, every time that I meet with first ministers, every time I meet with the Prime Minister, I am speaking for farmers of Saskatchewan because I am the Minister of Agriculture. And for a province of Saskatchewan that has almost half the farm land in this country, where our dominant industry is food and agriculture, I believe it is only appropriate that the Premier can speak for the Minister of Agriculture and be the Minister of Agriculture, to get the billions and billions of dollars and changes nationally and internationally that we've seen in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And I honestly believe, to the hon. member, if you were my colleague sitting beside me, you would echo that because, in the history of Saskatchewan, we haven't seen that kind of response coming out of the federal government when we've had really difficult times. And you experienced them, and I grant you that you did. You lost population, and it wasn't easy, and rural people's incomes went down dramatically, and they faced 22 per cent interest rates — not your fault, but they did. But you couldn't get any help out of the feds, and you didn't get the kind of support that we've been able to get because we've lobbied very, very hard.

Now when it comes to transportation, I'd be very interested in hearing you . . . And I know that you get to ask the questions and I don't here, but elaborate on how you would like to see the freight rates designed to encourage diversification. And I'd like to . . . I mean if you care to respond, but how you'd like to see the Crow rate or other freight rates designed to encourage processing and manufacturing and diversification.

I don't know what you have in mind. I mean, you were in power for some time. We saw precious little processing and manufacturing, precious little. Now you can blame the federal government; you can blame the federal government, say you weren't very lucky and fortunate in getting money out of the federal government in agriculture, and you can say, well you weren't very lucky in getting federal money, or changes in transportation. And yet you expect me to get them all. Well, I suppose, to be fair, you can't have it both ways.

What we're saying is that transportation is part of processing and manufacturing and diversification, and you're saying if we used it as a national policy to facilitate diversification, it could help. Now what are you saying with respect to the rates? I can tell you now, and I'm sure that you know, that many of the branch lines across western Canada are no longer there. So what do you do?

We've entertained the possibility that maybe some subsidy and some federal money should be on infrastructure and roads. They used to spend it on the railroads. Now it's replaced by grid roads. Why not put it on roads? People don't go to church on the railroad, they don't go to school on the railroad, they don't go a lot of things on the railroad.

In fact, if you look at the Saskatchewan Wheat Pool and other elevator companies, they've abandoned elevators all across Saskatchewan. Now what does that mean, that we should be looking at policies that were there 50 years ago? That we should be looking at rail line subsidies where there aren't rail lines? Now the wheat pool has raced reality, and they say much more of this commodity is one, going by truck; and two, is being processed into another form and going to the main branch lines, which I believe should be supported by the federal government. And we can encourage processing and manufacturing, and that's why we've said, I believe half of it should go to the railroads and half should go to the farmers, or to the municipalities so that we can build that infrastructure.

Now maybe you can come back and say, now hey, I kind of like the idea of that. I could support something like that. If you're saying, and you want to see federal government, provincial government work together in an infrastructure to help diversify the province of Saskatchewan, because we don't have the branch lines — we're into more roads — then certainly that would be there. But you, I mean, you just made a statement but you didn't elaborate on it, and I know you don't have to.

But it would be interesting to hear your philosophy on how you would use that freight rate structure and money that you might have to help process and manufacture in the province of Saskatchewan, whether it's Prairie Malt or whether it's bacon, or whether it's potato salad, or

whether it's feed lots, or whatever it might be. And you might want to expand on that.

I will say to the hon. member that it's important — I'll just pick up an example — it's very, very important that we recognize that we can do a great deal to help this processing and diversification and manufacturing take place. Give the hon. member just an example where I think his old arguments of just the freight rate coming out of Ottawa is the key.

If you take, and I discovered this talking to some consumers, and I believe it was the millers in Japan. And they said, you know, a bag of puffed wheat is worth about a dollar and a half. And they said, you know how much wheat's in there? About 3 cents, 3 cents. And they said, if you really pushed your freight rates, or you really push your farmers, and you really do a whole bunch of thing, and cut your costs by another 30 per cent because you're very efficient they said, do you know what you'd save? You'd save a penny, a penny on that bag of puffed wheat.

On the other hand, they said, you know you grow a very valuable commodity, and you've got a fine grading system. If you packaged that a little bit different, if you looked at . . . now the big demand is for oats, and for all the protein and all the stuff it does for cholesterol, fighting that sort of thing, and you packaged that in something that was environmentally safe, very good package, very clean, highly graded, you might be able to sell that for \$2.25. Now he says, where do you think the money is? Squeezing it one more time with those farmers and whatever else you may have in terms of freight rates or whatever, and get one more cent, 3 cents out of that puffed wheat, or 75 cents if you decided to process it and manufacture it and market it the correct way. Now this is a Japanese customer saying, do you know what? Your quality is excellent. If you compete on that homogeneous product, everybody's got wheat and here it is; it'll be \$160 a tonne or \$3 a bushel or \$4, and everybody's got some. If you make something of quality with it and you start to market that, incredible changes and exchanges of wealth can come this way.

Now you tell me how the freight rate, under your economic development package, is going to address that idea, if you will, that is taking place among the consumers of the world. The environment is very important; health concerns these days. Now that's a long ways from the freight rates. Freight rates are important, but when you look at what's going on in the world today — the environment, health care, grading, processing, manufacturing — those kinds of things are exactly what the wheat pool's looking at, that's exactly what United Grain Growers is looking at, that's exactly what the food processors, manufacturers, and farmers today are talking about: let's diversify, let's get our eggs all out of the same basket, let's look at making something with value because we have cut our costs and we have cut our costs and we have cut our costs.

Well it's an interesting difference in philosophy. I think that we can process, manufacture, and add value to a very large extent. I think we should be focusing more of our thought on that, as opposed to just the battles of saying, well if Ottawa would only do something different, then

we'' be fine. Well I don't know if we all have to just sit around and wait for Ottawa all the time. I think that there's things that we can do to encourage the diversification and processing by allowing the farmers, university, manufacturers, and processors to work together.

So we have been able to get money and cash from the federal government. Maybe not as much as some people would like, but certainly compared to the past, it's been considerable; it's been more than we've ever received before, and we have fought very, very hard for farmers. And I'm perfectly willing to admit that I have a good, solid, working relationship with the Prime Minister of this country. Now I don't back away from that. When I talk to him or I phone him and I talk to him about food, agriculture, farmers, crop insurance . . . I said, we need a new crop insurance mechanism to help protect farmers. He says, well let's do it together. I talked to the Deputy Prime Minister, Mr. Don Mazankowski, let's build a very good stabilization program for farmers. He says, right on, let's do it together, we'll make it even stronger.

When I can phone and talk to the Deputy Prime Minister of this country and the Prime Minister of this country about agriculture issues, and they will listen to the kinds of concerns being raised by Saskatchewan farmers, now that's pretty close. That's as close as we've been able to get, I think historically, to the Prime Minister and say, would you listen to the people of Saskatchewan and the farmers of Saskatchewan? And they've responded.

(2215)

We have got new crop insurance; we've got new stabilization programs; we have got new international agreements; we have got food and agriculture right on the table at the general agreement on tariff and trade, supported by the stock growers and the cattle growers and the farmers' union and the Saskatchewan Wheat Pool and United Grain Growers — all of that because we've been close to the Prime Minister. I think it's important that we do stay close to him.

You're right. We're not going to get everything we ever asked for, I mean, obviously we're not the Prime Minister. But in talking with him, we can get a great deal of support for farmers, and I think that's worth defending.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Chairman, I want to say that the Premier has avoided answering the observation and the remarks that I make, and it's up to him how he answers the question of course. But lest the Premier or anybody else who might be watching this proceeding in the legislature would share some doubt as to the point I was making, I want to make it succinctly.

My point was not that the Premier of this province did not get 100 per cent of his shopping list. I acknowledge that he will be a very fortunate person as Premier to get 100 per cent of his shopping list. That's not my complaint. My complaint is that when it came to the federal budget, the Premier supported the \$500 million net reduction over two years. That's my point.

My point isn't that he didn't go down there and win in everything. My point is that judging by these newspaper stories and judging by the fact that there's a figure to show us in the legislature, any of the documentation to the contrary, you supported this initiative. You support these various things that I've talked about. That is a far different issue than an issue of whether or not you can be 100 per cent out of 100 per cent, batting 100 per cent every time you go down to Ottawa seeking something from Ottawa. Of course you won't be that, but on these fundamental issues with respect to this budget, you have in fact not only not gotten what you wanted, but I can only assume that you support what Mr. Wilson and Mr. Mulroney have done to the farmers of the province of Saskatchewan.

And that's the point that I want to make and to which I felt you would have some response — and regrettably, you have no response. Because I believe you believe in that federal budget. I believe that you think that those are necessary changes. I think you believe some of the phraseology to justify those changes. I believe that you are oblivious to the net result of what those changes have meant in real terms for people. I don't say this in a malicious sense; I just don't think that the statistics bear you out.

I won't repeat all of the statistics. We know what it is like, in not only rural Saskatchewan but in all of the province, partly because of the drought but partly also because we've received these blows from Ottawa and elsewhere, and there hasn't been that kind of strong support from the province of Saskatchewan.

You say that you speak to the Prime Minister and to the appropriate officials in Ottawa on a regular basis. Good luck to you for doing so, and that's your job. But again, I don't mean to be personal when I say, Mr. Premier, Mr. Minister, I think what has happened here in the last little while is that you have lost the credibility of this province with those people because they read you as agreeing to everything that they advance, even if it happens to be a detrimental project or a detrimental budget for the people of the province of Saskatchewan. There has not been any area, publicly, where you've stood up for the community, generally speaking, that I know of, in this area whatsoever.

And may I say . . . this is one question that you may wish to mark down, to make some notation of. If there is a set of correspondences . . . and I'll ask before I take my place, Mr. Chairman, whether or not the Premier does have a record of correspondence with respect to the federal budget in advance to its preparation, in this regard — I'd like to see. Because if he has objected, either before or afterwards, and tables those documents before us, then fair enough — that's something that I'd be prepared to examine. But I don't believe he has, and I believe that the statements which he says are not a matter of not getting what he wants 100 per cent of the way, it is a matter of endorsing a \$500 reduction from the federal support programs for farmers at a time when they need it. And I think that is a very, very bad blow for the farmers of the province of Saskatchewan, and, as I repeat again, a Premier who is either too busy with his job as Premier not to be able to do the job as Minister of Agriculture, or

believes in the changes. Either way, the net result is very negative.

I won't pursue the transportation thing in detail at this point because of the interest of time, but some time soon, no doubt, the Premier and I will have an opportunity to discuss this in some other estimates. I want to make the point if I can, however, on the transportation argument. I think that either the Premier fails to understand my point or understands it and glosses over it for his political purposes.

I am saying that in a country of 26 million people strung out within a hundred miles or less of the United States border, with two or three knots of large population in central Canada and perhaps on the west coast, where the alternatives to the rail transportation mode in this part of the world are virtually nil, when the policy of the governments in Regina and Ottawa is that the railways charge what they will charge on the theory of some sort of economic efficiency, getting our product . . . (inaudible interjection) . . .

Well if the Minister of Education even understood the basics of agriculture, including the NFU position, perhaps the government wouldn't be in as bad position as it is. The problem is he doesn't read enough and doesn't understand enough about agriculture. And more importantly, he got kicked out as a minister of Agriculture because he stopped talking and listening to the Department of Agriculture. That will always be his fate.

And by the way, though I argue that the Premier should divorce himself from both Premier and the Minister of Agriculture, when I know when he has to look around the front benches and the back benches as to who he'd put in to Agriculture, maybe I'm convinced that he should just remain with the Minister of Agriculture portfolio because there's absolutely nobody else, absolutely nobody else who's even got a remote chance. But unfortunately, unfortunately, agriculture is suffering.

So I make the point, with respect to transportation, that when you take a look at that basic philosophy and you're trapped in this part of the world, this part of the region, under any other set of circumstances, the costs to getting supply and product in and out of market are going to work against this region. These people don't care about that, and the net result is that their diversification is worse than it's been in almost any other period in Saskatchewan history. Ross Thatcher, when he was premier of the province of Saskatchewan from '64 to '71, talked a great game of diversification, and the results were not as bad as they are from 1982 to 1989, but they're very, very grim indeed. They're grim and they will be grim until and unless this Premier and this government decides that there's a role for a government policy in transportation as part of an overall economic rural diversification strategy. Failing that, they will for ever, for ever be out there singing the Hallelujah Chorus to the CNCP (Canadian National and Canadian Pacific) people and the federal government.

Now the last point that I want to make, Mr. Chairman, before I sit down on this issue and it's an extension of the earlier point that I made. The last point that I make is this

question of singing the Hallelujah Chorus or being, as I describe it, the little sir echo of the Mulroney government in Ottawa. There's another issue which is going to affect rural Saskatchewan in a big way, and this one is something that the Premier can do something about now, and that's the federal goods and services tax or the national sales tax.

We know now we are engaging in a big debate on this issue. For farmers, I think the tax will work like this, if I read the white paper that the federal government has put out accurately. They're not likely to have to charge tax on our basic product sales since groceries are not to be taxed, export products are supposedly going to be tax free.

When a farmer buys inputs for his crop, we are told that he or she will get a 9 per cent tax on that, but is likely to get some form of a rebate back from the federal government, the details of which we do not know — I stress those words because I'm going to ask the Premier about that in a moment. Farm land apparently is not going to be taxed if it's sold as part of the sale of a going concern, sold to someone for farming purposes; in other circumstances it could be taxable. Transfers of farm land will be exempt when the transfer is between family members.

Now the Finance minister rightly points out that some goods are now subject to a sales tax higher than 9 per cent, and after the new tax goes into effect, the price of these should decline, is what he says. However in the same white paper — and this I think is the damaging and damning part of this white paper — the new items which are going to be covered by that 9 per cent and services and the way the tax will operate will leave a net additional \$5.5 billion dollars from farming people, from working people. But we're dealing with agricultural estimates now for federal coffers. In other words, the suggestion that this tax is going to be revenue neutral is false. By the federal government's own white paper, this tax will be revenue generating, and not only for Ottawa. It's going to be 5.5 billion, it seems, for Ottawa, but I suspect it could very well be for the province of Saskatchewan in excess of . . . How much?

An Hon. Member: — Ten million.

Mr. Romanow: — Ten million for the province of Saskatchewan. In fact I would have thought a little bit higher than that, but let's take the figure of \$10 million. Farm inputs, as I say, are going to be taxed. They say there's going to be some claw-back or rebate system, the details of which we do not know, and I remind you, Mr. Chairman, that the farmers will, on top of everything else, pay all of the ordinary consumer goods and services that all other Canadians are paying.

Now, Mr. Chairman, from what I can see, seven of the provinces have harshly criticized this sales tax — seven. They have the white paper and they've reviewed it as I've reviewed it; I presume the Premier's reviewed it. Seven of the governments and the premiers say this is going to be inflationary, it's going to be harmful, it's undesirable and we simply don't want this tax imposed.

Our Premier's response is that essentially, as I see by the

newspaper stories, the Premier is quoted, "he could live with it." Not holus-bolus, in his words, but he could live with it. He neither gives the assurance that they accept the tax, nor does he give the statement that he will oppose the tax.

He does not clarify how the tax will work on the agricultural industry, does not explain exactly what it means with respect to the rebate system. Is it going to be rebate at source, or is it rebate after an application form? How is the rebate system going to work? And so far as I know, he has made no attempts to find out from the federal government, which is my point about this government being in the hip pocket of Mr. Mulroney so deep that it can't see daylight any more.

And the result, you find this Saskatoon *Star-Phoenix* story of Tuesday, April 15. Here's the quotation. "Devine supports federal sales tax." Good looking picture of a happy Premier. Underneath it says, "The right direction is where this thing is going." The story tells it all. That's what they say outside the legislature. Inside the legislature they would have us believe something else. And no wonder there is mass confusion and mass concern about what the impact of this 9 per cent is going to mean with respect to rural Canada, rural Saskatchewan people.

That's the purpose of my intervention this evening, Mr. Chairman. Not only did it come with respect to the budget and the points that I've raised. The Premier supports them. Now he supports the sales tax with its potentially awesome impact. And organizations, whether you're the western Canadian grain growers or the National Farmers Union, one end or the other end say we got to take this thing off, we've got to stop it, we've got to do something about it. Our Premier is either so beholden or so — how can I say it — mesmerized by Ottawa that he supports the federal sales tax operation.

And given the desperate state of the agricultural industry at this time, the key question that has to be asked is why. Why are we doing this, especially when seven other provinces are saying no? Why do the farmers of the province of Saskatchewan, from this Minister of Agriculture, have to be put in this position at this particular time?

So my question . . . (inaudible interjection) . . . Yes, the member from Assiniboia-Gravelbourg says, because we dare to be different. Well he's dead right. They dare to be different all right, so different that we're going to be paying the tax right straight through the nose. I don't think that's acting in the best interest of the province of Saskatchewan. At least I don't see what the arguments are.

And I guess I want to ask the Premier whether or not he has taken up with the federal government, in writing, his concerns about the sales tax as it relates to rural Canada, rural Saskatchewan in particular. If he has, would he be kind enough to table the correspondence. While I'm on my feet, whether the Premier would tell us whether or not he has had his Department of Agriculture do an analysis of this tax on rural Saskatchewan, its impact at the farm gate and elsewhere. I'd ask him to give us that response as well.

And what I'd like to ask the Premier is, if he has not done so, is it his intention to make such representations — as a third question, in the interests of saving some time — and if it isn't his intention to do any of the above, why? Why is he accepting this body-blow not only to the people of the province of Saskatchewan, but body-blow to the farmers of this province? Why as a matter of policy are we accepting this?

(2230)

Hon. Mr. Devine: — Mr. Chairman, I will very briefly respond to the three points the Leader of the Opposition raised. He talks about the modest, or the tax increases, and he says the net result is this hurt on the province of Saskatchewan. The lobbying that we do is to get a net benefit.

We have received about \$2 billion in cash as a result of the lobbying. And that's a pretty fair body-blow if I was going to try to design one for farmers in western Canada to get \$2 billion in cash from the federal government — far outweighs the modest changes in the tax that you are talking about with respect to the fuel rebates, the transportation. I mean, no comparison.

So you want to talk about the net result. The net result is that we've received a billion dollars in deficiency payments and a billion dollars in drought payments and additional support with respect to crop insurance which is literally billions of dollars. The net result, the net result was very much in favour of western Canadian farmers and certainly in favour of Saskatchewan farmers.

The hon. member also says — and I know that he's got this attitude and I don't share it — he says that we're trapped here in Saskatchewan in the middle of this continent and we're spread along this little ribbon stuff, and I know he picked that up years ago that, you know, it's like we're starting in the Northwest Territories all over. And we're not trapped.

He says there hasn't been any diversification; where is it? Well we're making paper and we're exporting it. Transportation, okay? They didn't make the paper mill in New York, they made it here. Okay. Now that's transportation related and it says we can make a high quality product and export it out of here.

We're making turbines in Saskatoon. We're making turbines in Saskatoon. He says, well how could we do that if we're trapped? We're going to be exporting them down East. We've got contracts in the Maritimes; 650 power projects across the United States. We're going to make them here and export them. How could we do that if we're trapped?

See the fallacy that really, really you've fallen into over those years and say, oh my gosh, we're trapped here. And you said, show me. We can manufacture fertilizer here and we can export it all over the world . . . (inaudible interjection) . . . But we can manufacture those.

What about petrochemicals that we can make here? Why can't we have upgraders? We can take our own natural

gas and our own oil and make our own products, and we can export them all over the world. We have two upgraders that are going to be able to do that.

And transportation is important, and you say, well but we're trapped, we can't do that. I don't believe that, you see, I don't buy that argument. That's an old, old argument that says that we don't have any choice, we have to grow a raw commodity and we got to beg on our knees to Ottawa to have a low freight rate for a raw commodity and out it goes, and that's all we got. I don't believe that.

We can make paper, we can make bacon, we can make petrochemicals, we can make new motor homes, we can make fertilizers, we can make all kinds of projects here, and we can export them out. And that isn't being trapped; that's looking at the 1990s and the 21st century in reality saying that we can succeed.

Third, I want to make a point with respect to the goods and services tax. I talked to the Prime Minister when he was here when we opened up the Canada Games and we sat and talked about the tax for some specific time. And we are doing research with them and we're exchanging information with the ministers of Agriculture and the ministers of Finance and we're sharing that information. I believe, I believe in the final analysis, that this tax will be no worse for farmers, in fact it could be better. Now we'll look and see where it finally ends up.

Let me give you some examples. If there's an exemption for agricultural goods, tractors and combines and whatnot, and right at the source, obviously it's no big problem. If you take a new three-ton truck with a hoist and a box and all the rest of that that sells for, let's say, \$30,000, and right now you pay thirteen and a half per cent tax on it, and that thirteen and a half per cent tax is going to be removed and replaced with a 9 per cent tax, that's a four and a half per cent saving. That's \$1,350 that a farmer would save under the new system that he can't do it now — \$1,350 on a three-ton truck with a box and a hoist and all the things that you would put on it to make sure that you could have the kind of equipment that you would like to have.

Now you say to me, and I just share this with you. If you have any exemptions, and if you have the appropriate mechanisms so that farmers are relieved of this tax, and you can go from a thirteen and a half per cent tax to a 9 per cent tax on major ticket items like trucks and cars, and farmers certainly buy trucks and they buy automobiles. So if he buys a \$25,000 car and a \$30,000 truck, and he buys other large-ticket items that have the thirteen and a half per cent tax on them, he can save literally thousands of dollars.

Now we don't want to just throw that out and say, well I'm against that. We want to find out if it's possible to pass those benefits on to Saskatchewan people. And if we can pass it on in terms of farmers or manufactured goods or things that we export, then I'm going to look at it.

And that's what I'm examining with the Prime Minister, and indeed we're doing lots of research. We've talked to them. We're exchanging letters and information and

numbers. And we'll continue to do that because I believe in the final analysis, not only could this be neutral for farmers, in fact, there could be some net benefit because we are major processors, manufacturers, and exporters.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Chairman, I had intended to disengage from the debate at this point and allow the critic for Agriculture to continue — and I intend to do so — but I really am prompted to get into this debate for one last interjection because of the Premier's obvious, obviously fallacious statements about the sales tax.

First of all, the fact is — and the Premier has his deputy and several officials around him, and if I'm in error, please show me and I'll acknowledge it — I say, the fact is that there are no exemptions with respect to this sales tax as it relates to farm machinery or farm products. There is . . .

An Hon. Member: — How do you know?

Mr. Romanow: — How do I know, somebody says? Because I've read this little document called the *Goods and Services Tax Technical Paper*, and I recommend it to the member from Assiniboia-Gravelbourg and Morse constituencies. You should do a little bit of reading here. It says it.

They hold open the prospect of a rebate, none of the details of which they articulate. And I note very significantly that the Premier did not answer the specific question I had to him about what he has done with respect to Ottawa to ensure that there's going to be a rebate and what form it takes. All he tells me is we should hope. That's the first point I want to make: there are no exemptions. So let's not be sold about the sizzle. You know, let's start taking a look at the steak, not the sizzle — the reality.

And the Premier and the minister can get up and tell me whether I'm right or wrong. In agriculture there are no exemptions; there is a rebate to be fair. The question I directed his attention to was: what are the terms and the conditions of the rebate and how it's going to work. That's the first point I want to make.

The second point I want to make is: his pie-in-the-sky hope that this sales tax could actually save farmers something. He says, if we could get the 13 per cent currently existing manufacturers tax reduced to 9 per cent, then there'd be a saving. He's right, if that saving is passed on to the farmer who buys that combine or tractor. But I'll tell the Premier opposite that if he believes that that reduction in the saving to the manufacturers is going to end up in the farmers' pockets and not in the pockets of the manufacturers, I've got another bridge for him to take a look at and to bring into the province of Saskatchewan to build . . . (inaudible interjection) . . . There is not . . . not crooks; it's not crooks. It's not a question of crooks. It's a question of the . . .

Well the member from Regina South, the Minister of Urban Affairs, absolutely does not know of what he talks about. No wonder he's out of touch with the

small-business community, this kind of an approach. I say to him, Mr. Chairman, as I said to the Premier, that anybody who believes that that manufacturers tax will end up as a saving to the farmers with cash in the farmers' pocket, I have got another bridge for them to buy and to bring to Saskatchewan, and be part of the PC build Saskatchewan program.

The manufacturers want that reduction because they want that money themselves, and they want it because they say they can't compete in the production. They've got to have their tooling up and the retooling. They need the extra money to do that in order to be competitive. It's not a matter of being crooks. That's exactly where it's intended to go. It's intended to support the manufacturing sector. Now there may be an argument for doing that, but don't tell this legislature, Mr. Minister, with the greatest of respect, that the manufacturers are going to pass on the saving to the farmers. Because if he says that, then I tell you, after the estimates are over, I got a fellow out there who's going to sell you another bridge, and you can bring it out here in Saskatchewan, and you can build the bridge.

And no farmer out there who knows anything about the way it operates will dispute that fact. There's no rail increase that goes . . . rail cut that goes to benefit the farmers. I mean, it goes in the pockets of the railway. It's the way the world works. When there's an input, when there's a subsidy program, it doesn't go in the farmers' pocket; it goes to the people who charge down the line. That's the way the world goes.

The third and the last point that I want to make, and then I am going to disengage so that the critic can get on to this — he's got another matter of transportation to get on to — the third point I want to make is this, Mr. Chairman: time is of the essence on the sales tax. Time is of the essence. I urge the Premier to act with dispatch and to get off this dime of supporting the national sales tax. The timetable is that there will be a federal House of Commons finance committee studying the sales tax and its impact for the purposes of these estimates on rural Saskatchewan and rural Canada.

I asked in the question period whether or not there's going to be a submission made. I'd like to know that. I asked . . . My first question to the Premier was, have you done a study as to its impact on agriculture — the national sales tax. He refuses to answer that question. Time is of the essence. All of the financial people say that by October, November we're going to be stuck with this 9 per cent tax and then what, when we're stuck? We'll be like the federal budget; I mean, we'll have sung the Hallelujah Chorus again.

I want the people of the province to know whether or not there is a tangible, real benefit to the farmers of Saskatchewan on the sales tax. The minister has his officials. He must know; he's been party to the development of this tax on a national basis. He's got to know, and it should be the easiest thing in the world for you people to put out a white paper to show us the cost-benefit analysis to farmers. And if it's a benefit, I mean we'd be politically stupid to oppose it . . . (inaudible interjection) . . . Pardon me? Well Rafferty, we opposed the way you handled it, and we continue to oppose the

way you handled it. Oh yes we do, everywhere — in Estevan and outside, the way you did it and . . . There are other issues on Rafferty. Mr. Chairman's going to call you to order here now. I want to talk about Rafferty on another occasion.

Time is of the essence, Mr. Chairman. It's an obligation of this government to put this documentation out. And I would surely think that for the journalists and for the rural Saskatchewan people, there ought to be some incentive to compel the government to table the white paper studies in this regard.

Mr. Premier, why don't you do it? Why don't you do it?

Hon. Mr. Devine: — Very briefly, Mr. Chairman, to respond to the hon. member, in my discussions with the Prime Minister and the discussions that we have between officials, we have made many suggestions. I'm not sure how either the rebate will work or the exemption will work. I have asked him for an agricultural exemption, just flat out and said that I don't think that it's appropriate that you put it on there, and on agricultural equipment. And certainly if you're going to have a rebate, I said, make it as close to the time as possible.

Secondly, with respect to the thirteen and a half per cent and the 9 per cent, I just again make the point that if you can drop from thirteen and a half to nine on an automobile or on a big truck or something like that, it's a saving. It's four and half per cent on 30,000, that's thirteen hundred and fifty bucks, and that's a lot of money to farmers. Now those big-ticket items are pretty important to agriculture. Now if we can get some of that benefit, it's a good idea.

You make the point that this would not be passed on to farmers, well that's an old, old — if you allow me — sort of partisan rhetoric from the left side and, you know, you're . . . (inaudible interjection) . . . Well I must have touched a chord.

I'm just saying to the hon. member, I don't think it's fair to pick on the implement dealers and the automobile dealers and other folks who have either manufactured or sell automobiles or trucks or other equipment and say, well they won't pass it on. I mean, that means that we might as well add tax.

I mean, the argument is that if you take thirteen and a half per cent on, and then the implement dealers and the automobile dealers and everybody else, they'll just take it and put it in their pocket, and it won't make any difference, and national and international competition won't make a bit of difference. So you want to pick on implement dealers, that's fair enough; you want to pick on the automobile dealers, I mean, we'll tell them all that you think that, you know, they're not really very ordinary people and so on.

(2245)

When we look at . . . You say you don't really trust them, that's what you said. You don't trust them to pass it on, yet you would trust, you'd give all the money to the railroad because you trust the railroad. I mean, you got to be a

little bit careful there. Railroad is pretty big business, you know, pretty big business. And you'd say that I can't trust the manufacturers or the automobile or the implement dealers to take off this 13 per cent, but you would give all the money to the railroads — pretty big business.

I think if you take the CPR, I mean, everybody knows they're into real estate and into other things. And if it's your diversification policy and all of this new stuff to give a bunch of money to a great big company like the CPR, and you think that they're all going to do this, well, I mean, I don't know. I can't ask you questions in here but I guess you'll have an ample opportunity to explain.

I'll just say to the hon. member, we're looking at the possibility of making submissions to people who are examining the tax. We're going to look at all those possibilities, and certainly you'll have access to information that we present to public hearings or any other kinds of hearings. We're giving that very serious attention and anything that we do in that regard we'll be glad to pass on to you.

Mr. Romanow: — I guess like a typical politician, I make a promise, and when I hear the Premier, I'm provoked to break the promise. I just simply have to make one last interjection; it'll be very short. I hope it's not provocative to the Premier. I know it's not likely to be the case.

I say, Mr. Chairman, as far as this estimate on Agriculture is concerned, far be it from me to be arguing for the national sales tax, and I'm not. But those who do argue for this white paper proposal argue that on the current 13 per cent-plus manufacturers tax methodology, the manufacturing industry — not the retail industry, the manufacturing industry — is disadvantaged, disadvantaged in putting together its product, vis-à-vis its competitors in the United States and elsewhere. They argue that so long as we have that 13 per cent, they're going to be driven out of business. They argue they can't compete. They argue they should change this to the 9 per cent flat across the piece proposal that this white paper recommends.

Now I don't buy that argument, but at least it's a logical, intellectual, intelligent argument. One could argue that the 13 per cent manufacturers tax reduced might be a boon for manufacturers in Canada, including farm implement manufacturers. And one might argue that if that results, that the farmers might get some benefit if you believe that the transfer would be from 13 per cent to 9 per cent passed on to the farmers.

But the Premier ought not to, with the greatest of respect — for whatever respect he has from my points of view or he doesn't have my points of view — misrepresent my position to say that this relates to somehow with respect to retail sales. And when I say that the manufacturers will keep it, it's because that's what's it intended to do. It's intended to give them extra mobility and cash flexibility and tax flexibility to be able to compete in the world at large.

It's not intended to be able to get the farmer a cheaper combine or a cheaper tractor. That is not the objective and that's why the farm groups are objecting to the

situation. That's all I'm saying.

Now he may buy that; he may reject that argument. That's what I'm saying, and I'm saying . . . And I'm going to quit and call the critic of the minister to get up on his feet and to get on to this, unless the Premier wants to continue to 11 o'clock.

I simply want to say to the Premier as I close here: you have told us that you have objected to agriculture being tied into this. I would like the Premier to consider tabling documents to that effect. I of course accept his word, but I'd like to see the documentation, and more importantly, I repeat again as I sit down, time is of the essence. It's urgent.

If they aren't fixed in their ways now and if we're going to stop the fact that all of us are going to be stuck with this widespread all-encompassing 9 per cent new tax hike come 1991, we have got to have this government heard. We've got to have this government standing up and speaking up for rural Saskatchewan under these estimates, but generally as well, but for rural Saskatchewan. And time is of the essence.

It's mid-August, and that House of Commons Finance committee starts in one month's time, and all that I will say to the Premier — he can respond if he wants — I just urge him to say, come forward with such a submission opposing this tax, get off the dime of supporting the tax. Get that brief out, put it on the Table. Let the public see it, let us see it, so that we can know whether to respond or whatever we have to do in this context. But let's get on fighting for what we think we need here for the farmers of the province of Saskatchewan. Thank you.

Hon. Mr. Devine: — Mr. Chairman, just let me say to the hon. member, I think, at least I believe that the hon. member said is he wants to get rid of the thirteen and a half per cent manufacturing tax because it's unfair. Every political party across the country has said that, the NDP, the Liberals, and the Tories. They say get rid of it. It's unfair. It hurts us internationally in competition. Now if he also believes in diversification, manufacturing is part of diversification. Now he has missed the point with respect to this country going into the 1990s and the 21st century.

If all the political parties say get rid of the thirteen and a half because it isn't a fair tax, and if we should get into more manufacturing, then that's exactly what you should be doing, and if you want to replace that with one, a lower tax, and secondly, a fairer tax, then let's design it together. And I want to see . . . (inaudible interjection) . . . Well he says it isn't fair. I want him to tell me, and I wish his party would or anybody else, what your proposal will be when you now want the thirteen and a half gone, but you won't come up with anything else.

The people want to see a new tax, a better tax. They don't like the old thirteen and a half. Let me also make the point that in some situations here in the province of Saskatchewan, not only does the thirteen and a half per cent go, which is good, but the 9 per cent doesn't even go on because we are in the process of manufacturing and processing and exporting commodities. Now that's a big

benefit. If you can get the reduction of the thirteen and a half and not receive the new 9 per cent tax, you've got a double benefit.

Now we are looking at that. I've asked the deputy minister of Finance, Mr. Art Wakabayashi to give me all the tax implications on every farm input, on repairs, on big ticket items and small ticket items, and we're putting them all together.

I said to the hon. member, and I think he should be corrected, I was talking about a truck, I was talking about cars. I don't believe that the thirteen and half per cent — and he probably knows this — doesn't apply to machinery now. But what we're talking about is on the items and the big ticket items that that thirteen and half per cent applies to right across the piece, and farmers have to participate in that.

So I will say, Mr. Chairman, we will put all this together, and certainly we'll be prepared to share it with the hon. member. We're getting all that detail on all the implications of thirteen and a half and 9 per cent, and looking at how we can either protect farmers totally or we can change the rebate system or we can do other things to make sure it's as fair as possible, and even a net benefit to the province of Saskatchewan when it comes to the agricultural sector.

The committee reported progress.

The Assembly adjourned at 10:54 p.m.