

The Assembly met at 1 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Kowalsky: — Mr. Speaker, it's my pleasure to introduce to you and the House, in your gallery, a group of 22 social studies teachers who are spending a week in the city taking internship or the accreditation seminar at Balfour Collegiate. They are giving of their time, and they have chosen to take part of their accreditation seminar by watching some of the proceedings here in the legislature. And I welcome the teachers from all parts of Saskatchewan.

Hon. Members: Hear, hear!

Mr. Hopfner: — Thank you, Mr. Speaker. Mr. Speaker, as you will have noted over the last years that it's not too often I have guests travel this far to Regina and to the legislature. But it's indeed a pleasure for me today to introduce through you and to all members of the legislature, some very important people from the community of Lashburn to the legislature today. They are representing the local school board, sir, and they will be meeting later on with my colleague, the Minister of Education.

The people here today are Joan Bexfield, Val Thackeray, Deb Beaton, Roy Stromberg, Doug Abrosimoff, Ken Staniforth, Mel Klinger, and Richard Klinger. I'd ask all members of the Assembly to welcome my guests.

Hon. Members: Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. It's my pleasure today to introduce to you, and through you to other members of the legislature, four people seated in your Speaker's gallery. They're seated in the top row there. They are Mr. and Mrs. Busch and their two children, Leslie and Tyler. They've come up from the Hodgeville area where they operate and own a family farm. It may be of some interest to members that Leslie is interested in one day perhaps becoming an MLA. So I look forward to meeting with the Busch family after question period and answering any questions they may have on the proceedings here in the next half hour.

I ask all members to join me in welcoming the Busch family.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Funding to GigaText

Mr. Anguish: — Thank you, Mr. Speaker. My question is to the Premier and it flows from some questions we asked last night during estimates for Executive Council. And I was wondering, since it's now two months to the day since your government imposed a deadline for GigaText to produce or be cut off, and we find that you're still

giving GigaText \$50,000 a month, Mr. Premier, could you tell us today when you're going to stop funding GigaText and call a spade a spade and admit that this operation has been a scam and hasn't worked from the beginning.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, as I mentioned to the hon. member last night when I was asked about it, the technology is being used world-wide, and we are hopeful that the technology will be useful here. And the opposition, they laugh at Japanese technology, American technology, and at computers and at the use of them in terms of translation. It is a little bit ahead of the opposition members who are, as they say, trapped in the 1920s and '30s.

We hope the technology will work, Mr. Speaker, and if it does — the hon. member admitted last night, he says, I hope it does work — and if it is, it will be a very good investment, and we will jointly be able to celebrate that event if and when it takes place.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Well new question, Mr. Speaker, to the Premier. I certainly hope it does work after blowing some \$5 million worth of taxpayers' dollars. All Saskatchewan people hope it'll work, but it doesn't work.

Now the \$50,000 a month that you're giving to GigaText to keep them in operation flows from a loan of \$1.25 million that SEDCO gave to GigaText following the court case with Mr. Montpetit. Can you tell us today in this House whether or not GigaText has met the repayment terms of the loan for \$1.25 million, and if they have defaulted on that loan, when are you going to call the loan and stop funding this organization.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, as I said last night in response to the hon. member, we are examining it and the minister is going through the details, and when we have that information, we'll be able to provide it to the House.

Mr. Anguish: — Well before you were hiding behind the RCMP inquiry, the civil case in Montreal. Your ministers were taking notice of questions that have never been answered in this legislature. So what we would like you to do, Mr. Premier, is, would you give us your undertaking today in this legislature to table all the documents showing the disbursements from GigaText, from day one when it started under the sole signing authority of Guy Montpetit, to this very day where Guy Montpetit likely still has signing authority. Will you table all the expenditures that have been made by GigaText since its inception, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, yesterday I said that the ministers will be tabling the appropriate information, and the hon. member did say, and I want to put it on

record here, that he would like to see the technology work and that he hopes that it works.

With respect to the RCMP, cabinet is not informed of any of that, and we made it very, very clear here last night that in fact the Minister of Justice has to deal with it at arm's length, as does cabinet. So I can't do anything more with respect to that.

And with respect to the information, the minister will be tabling the information when it's available.

Mr. Anguish: — Well that's the same chicken in the mud hole approach that you've been giving this legislature on the GigaText affair since the very beginning.

Some Hon. Members: Hear, hear!

Mr. Anguish: — We'd like to know what the appropriate time is when we're going to get this information. What we're basically asking you is not about the translation, not about the technology; it's about the waste and mismanagement of your government and the cabinet ministers involved in it. We're asking you if you would tell us when you're going to stop funding GigaText. And secondly, will you table all the documents of the expenditures and disbursements from GigaText? And have in fact GigaText defaulted on the \$1.25 million loan that's beyond the initial 4 million that completely disappeared, most into Guy Montpetit's pocket?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, all the analysis to date with respect to the potash corporation, and even the analysis done by the media, says at a minimum the NDP lost a billion dollars for the taxpayers here in the province of Saskatchewan, and they wrap their hands all up in some sort of a fit because we've invested \$5 million into a computer translation mechanism which they hope will work, and could be, Mr. Speaker, at the leading edge of technology so it can provide the translation with some of the finest equipment we've seen.

They also were involved in say, \$91,000 a day being lost when they bought the old pulp mill in Prince Albert, and that didn't seem to bother them at all. And they're asking me, if we invest in a computer corporation that can do this kind of translation, will you stop now.

Mr. Chairman, I've said to the hon. member, 4 or \$5 million into an investment like that, if it works, is a very good investment, well into the 1990s and the 21st century. He hopes it works; so do I, Mr. Chairman.

Some Hon. Members: Hear, hear!

Inquiry into GigaText

Mr. Romanow: — Thank you very much, Mr. Premier, I am prompted to enter this question period because of your totally inadequate answers to the questions put by my colleague with respect to GigaText.

We know what the situation is. We know \$35,000 a month rented for a private jet, condos bought for the

executives, expensive cards bought for the executives, all kinds of computer equipment which is of doubtful, apparently it is alleged, of doubtful value — \$50,000 a month being spent by you. Your government by your own admission, sir, says all of this could be subject to a big question mark.

That's why the Deputy Premier said two months ago that he would study the problem to determine whether or not to continue to fund. That's over two months ago. That's not a deadline imposed by us, it's your deadline.

My question to you, sir, is this. In the light of all of the scandal and the stories which have erupted all around you and about you on this, have you as Premier undertaken from your office to undertake a personal investigation of all of the minister's involvements on GigaText, the financial arrangements, the documentation in this area? Have you done so, and if you've done so will you table the results of that finding?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I will say to the hon. member that when we put our decision together to offer some corrective measures in public participation, in potash, the hon. member knows that we can make a significant difference in terms of the financing of it. And he has to carry that billion dollar loss on his shoulders, a billion dollars. He paid high-priced executives huge amounts of money to travel all over the world in a potash corporation that lost a billion dollars for the taxpayers, and he stands here right now and says, you've got \$5 million in a computer company, don't you think you'd better take another look at that?

Well I will say to the hon. member, if you put all that money into farm land and all that money into the pulp mill and all that money into potash and you lost it, and all the editorials are coming down and saying the NDP made a mistake there — well, Mr. Chairman, what I will say is that we will give this an opportunity to work. If it works, obviously it'll make everybody very happy.

If it doesn't, we will not unlike, not unlike the Nabu investment of \$8 million, and they said it could return an awful lot of money — Nabu — lost \$8 million. Mr. Chairman, I believe this will be a lot better investment than Nabu, and they're afraid of that, in fact they know that, Mr. Chairman.

-Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, again the Premier's answers are humorous, if they weren't so sad for the people of the province of Saskatchewan. He talks about the potash mines and the billion dollar loss. I want to tell the Premier if there was any loss there, it was due because of your mismanagement and the minister who ran the Potash Corporation of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Even your buddies in the Institute for Saskatchewan Enterprise tell you how badly you messed that one up as well.

Some Hon. Members: Hear, hear!

Mr. Romanow: — But, Mr. Speaker, my question to the Premier comes back to this very serious matter of GigaText, which the Premier can try to fudge and to cover up by references to anything that he wants to do, even in fact the full lunar eclipse last night. But it won't get around the fact that he has got himself a legal and financial and political scandal and we have on our hands.

And you're the Premier. You have not even taken the time to study the file yourself, sir, which is shameful. You are covering up by refusing to give us the documents and the answers. I am therefore making this request of you. Will you set up immediately a full-scale, comprehensive, judicial inquiry into the actions of you and your government into this fiasco mess?

Hon. Mr. Devine: — Mr. Chairman, on the information we've been putting . . .

The Speaker: — Order, order.

Hon. Mr. Devine: — Mr. Chairman, on the information that we have been making public on the potash corporation and on Nabu, and all of the things the former NDP administration had invested . . .

The Speaker: — Order, order. I must interrupt the Premier again because hon. members are unfortunately repeatedly interrupting him, and therefore I ask the co-operation of the hon. members to allow the Premier to give his remarks to the Assembly.

Hon. Mr. Devine: — Mr. Chairman, I was saying, through the estimates that we've had the last couple of days and as I unveil the information on the huge losses in potash, and the losses in Nabu, and the plans to have new opportunities to sell shares, I've certainly been getting a fair amount of encouragement from the people who have been watching it on television. And obviously it's had some impact on the opposition members there, because now they're jumping up on GigaText and saying, oh this is really something. They haven't asked a question about it for weeks, and all of a sudden it's right up there now, because that's all they've got left.

They talk about Nabu, they can talk about potash, they can talk about all kinds of things, and they didn't win on that, Mr. Speaker. When they want to talk about investing people's money, taxpayers' money, only the NDP can hold the record in investing taxpayers' money in things like potash and losing a \$1 billion and everybody in the province knows, in fact, Mr. Speaker, everybody in the country knows it.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier, and I'm sad to say, Mr. Premier, in the light of that answer, there's absolutely no truth left in this government's answers whatsoever on an important matter like GigaText — none whatsoever. The Premier acts as if he's in kind of an Alice-in-Wonderland world. He apparently acts as if there is no information about all

the RCMP information and the RCMP investigation and the huge scandal he would have us believe that it somehow does not exist.

Mr. Premier, you haven't checked the minister's activities, you haven't checked the officials' activities, you haven't checked any of the conflict of interest potentials which might exist perceived or real. You've done nothing; you've attempted to walk away from this issue. I say that's no excuse for shirking your responsibility.

I say to you, sir the very least that can take place is the establishment of a judicial inquiry which is independent and complete into your involvement, the cabinet's involvement, the advisers' involvements, and Mr. Guy Montpetit's involvement in this mess. How about doing that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, the hon. member knows that there was documents . . .

The Speaker: — Order, order. Now I don't think it's becoming that when anybody rises to answer a question or indeed ask one, the hon. members immediately begin interrupting that individual — immediately — and continue to do so. So I'm going to ask the co-operation of the hon. member, and I'm going to now recognize the Premier once more.

Hon. Mr. Devine: — Mr. Speaker, let me just make the point: the hon. member from Regina Centre said that 99 per cent of the documents that they receive are legally obtained, which means that perhaps some are not. We have asked them to table documents, table documents in this legislature they've brought up in question period, because obviously the Barber Commission went to it. I've asked the hon. member to table the documents. I've asked him to do an inquiry. I've asked him to ask his people if in fact this was part of the 99 per cent, Mr. Speaker. And the hon. leader stands up . . . and the headlines say "Romanow's radicals (I'm reading from the headline) are going to throw sand in the eyes of government." And he says: "Well maybe 99 per cent of the documents we get are legal."

I ask the hon. member, maybe he should look in his own backyard before he points fingers at everybody else in this province or the rest of the country.

Some Hon. Members: Hear, hear!

Drought Assistance

Mr. Upshall: — Mr. Speaker, my question is to the Minister of Agriculture . . .

The Speaker: — Order, order. I must say that after today perhaps the lovely young lady who's thinking of becoming an MLA might change her mind. So I once more ask for the co-operation of the members and not to interfere this time with the member from Humboldt.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Agriculture. Mr. Minister, as you'll know last year your drought program was thrown together, but eventually farmers did get some money out of Ottawa. Next year you say you're going to have a long-term plan.

Mr. Minister, I have question for you: what about this year? What plans have you made to deal with the disastrous drought in many areas of the province of Saskatchewan this year?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, we went through a good part of this in Agriculture estimates. Again I will repeat the answer that it's been a long session, and I guess, Mr. Speaker, that they have to go back and dig out questions from estimates because there's nothing new coming forward here today in the question period.

Mr. Speaker, I will go through it in some detail so the hon. member will appreciate and understand the kinds of programs that we have initiated in Agriculture for 1988-89 and 1989-90. We will put together . . . and as you know with the options in crop insurance, the capacity to insure your farm land this year which will be greater in number and in value than having crop insurance plus a drought program last year. Now that's a considerable amount of money.

We went through an example where if you can insure something for, say, a hundred dollars an acre, if you take crop insurance last year, plus the drought payment this year, you won't come anywhere close to what you're going to be able to do this year. In other words, replace the *ad hoc* program with long-run stable programs where the province contributes, where the federal government contributes, and the farmer contributes.

That also applies, Mr. Speaker, to the livestock sector, so you can insure livestock up to \$150 per head; you can insure forage; you can insure more specialty crops. And, Mr. Speaker, in fact you can insure practically all of the farm unit, and it's going to get better where you can go right down to the quarter section if you will give us the support.

The Speaker: — Order, I realize there's a wealth of information that could be given in that answer, but I believe the point has been well made.

Mr. Upshall: — Mr. Minister, a new question to the Minister of Agriculture. Mr. Minister, I can't express how disappointed that I am and many farmers must be that you think that there's no problem out there. This is incredible. The estimates are about . . . at least a third of the province has almost, or if not as bad a drought of last year. We have low prices. The interest rates are high. We have all the federal increases — 46 per cent drop in farm incomes this year predicted.

Mr. Minister, I ask you, have you done an analysis of the drought in Saskatchewan? And have you decided, have you come to any conclusion on what effect that will have

on family farms? Have you done an analysis, and could you tell us the what . . . the results of those analyses . . . how will they affect family farms?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I went through it with the hon. member, saying when farmers are in difficulty, we do a combination of things. We have provided them over \$2 billion in cash between the federal government and the provincial government. And, Mr. Speaker, we have developed a stronger crop insurance mechanism so that the coverage this year is on average \$29 an acre more than it was last year, and \$29 an acre is much higher than the drought payment this year. We have also . . .

The Speaker: — Order, order. I hate to interrupt, but there are a couple of members who are unfortunately forever interjecting. I think they know who they are, and I ask for their co-operation. Give the Premier the opportunity to finish his remarks.

Hon. Mr. Devine: — Thank you very much, Mr. Speaker. I will go back and say to the hon. members that with our attention to agriculture and our lobby with the federal government and our co-operation in designing programs, we have been able to offer over a billion dollars in low interest loans. We have been able to restructure loans, and those are going on. When we finish the regulations here on this legislation, a brand-new program that you and I talked about and the member from Quills, with respect to mortgage backed guarantees, structuring and restructuring debt on the home quarter and other quarters, and provide cash into the hands of people — about \$2 billion this year and last year — and restructure crop insurance.

Now I'll say to the hon. member, when we had difficulties before under your administration, there was no help against high interest rates, there was no water programs, there was no Rafferty projects, there was no drought proofing, there was no long-run programs for people in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Drought Assistance on Agenda for Premiers' Conference

Mr. Romanow: — Mr. Speaker, I have a new question to the Premier pertaining to agriculture and the forthcoming first ministers' conference. And I must say, the Premier's answers, which of course now are stock in trade, are more interested in settling the election results of 1982 and 1986.

The Speaker: — Order, order. It seems to be a lively afternoon, but now I must ask the hon. members to allow the Leader of the Opposition to continue without interruption.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Thank you very much, Mr. Speaker. I know they can shut . . .

The Speaker: — Order, order. Minister of Finance, could I

ask him to contain himself. And also the member from Quill Lakes, perhaps he could do that as well.

Mr. Romanow: — Thank you very much, Mr. Speaker. I know the members opposite will try to shut us up by closure, and I know they'll try to shut us up by special rulings with respect to words, but they're not going to shut me up in question period, with your support. Thank you very much for that.

Some Hon. Members: Hear, hear!

Mr. Romanow: — My new question to the Premier, Mr. Speaker, relates to the forthcoming annual premiers' conference which the Premier has issued a headline press release. The headline on the press release says, "Premier outlines priorities for annual premiers conference." And with respect to the theme of the questions we're asking, this is what it says on agriculture, quote:

On agriculture and trade Premier Devine said he hopes his colleagues will reach a consensus on the role of the provinces in the management of the free trade agreement and in the multilateral trade negotiations.

Important issues as they may be, but there is no mention of what my colleague mentions, the member from Humboldt, the Agriculture critic, about the drought situation, which the Premier must acknowledge has turned pretty bad since late June and July in the province of Saskatchewan.

Will the Premier tell the House: is he going to the premiers' conference in Quebec City with some specific ideas as to what needs to be done for the 1989 impending drought situation on top of 1988? What specific proposals does he have in mind, or is this something which is simply not going to be on the table?

Hon. Mr. Devine: — Mr. Chairman, the agriculture ministers across Canada met in Prince Albert recently and we reviewed all the modifications that we have to make to handle unique situations. There's absolutely a consensus that we should move away from *ad hoc* programs. Hon. members stood in their place for the last two years and said, no more *ad hoc* programs because they're only political, they're only partisan. When we come out with a drought payment, they say, oh you only did that at election time. When we come out with a livestock payment, they say, oh you only do that when it's election time.

I'll say to the hon. members, if they don't like *ad hoc* programs, then why don't they stand and acknowledge the changes, the constructive changes that we have made in the long-term programs on stabilization and crop insurance. That's what they've been asking for.

So then they want it both ways. Now they stand up and say, no, we need a new *ad hoc* program, a brand-new *ad hoc* program. If we did come out with an *ad hoc* program, they'd say, oh well it's political, it's partisan.

Mr. Speaker, what we have done in listening to farmers on agriculture at the local level and at the national level will

continue. We've helped in the past, we're helping today, and we will help significantly in the future. And the hon. member can have my assurance that the farmers of Saskatchewan will get the best protection that money can buy here in this province and in this country.

Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question for the Minister of Agriculture. And I must tell the Minister of Agriculture that his assurances don't do very much for me, to satisfy me, nor do I suspect for a majority of the people of the province of Saskatchewan.

I ask the Premier this question. Since 1985 when the federal counterparts, and you apparently endorsed it, since 1985 you've been working on a shift from *ad hoc* programs to permanent, stable programs in agriculture, and so far apparently have not succeeded.

In 1988 there was a serious drought situation, as we all know, which prompted in the failure of having a permanent program, the odd *ad hoc*, a drought program which just the payments are coming out now. Nineteen eight-nine is just as bad as 1988, or at least could be as bad as 1988 in some areas. And the farmers in those areas — I'm not talking about isolated small areas; I'm talking about in wide-spread regions of the province of Saskatchewan — in '89 need, again, an *ad hoc* program in the absence of a comprehensive program which you have failed to produce.

My question to you, sir, is this. Are you telling us, the long and the short of it, that you're going down to Quebec City and you're going to talk about Meech Lake and you're going to talk about all of the other issues, as important as they may be, but you're not going to raise the question of fighting for drought payments for the farmers? How about standing up and telling us that you're going to go down there and urge for a drought payment for 1989?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Clearly the members opposite talk out of both sides of their mouth. In the cities they go around and they say, oh the PCs are spending way too much on agriculture; all these *ad hoc* programs are way too much; they shouldn't have these *ad hoc* programs. And we've heard them on television, radio, in coffee shops all across the cities of Regina, Prince Albert, Saskatoon, Swift Current says they're spending way too much in the rural areas — no more *ad hoc* programs.

What happens here? We're going to an agriculture first ministers, premiers' conference and the NDP stand up and say, well we need another *ad hoc* program for the farmers. Well when we've designed a brand-new crop insurance mechanism that is even better than the . . . not only the previous crop insurance, but, on top of it, including drought payments, by a considerable amount of money. Do we get any acknowledgement from the members opposite? Nothing else.

We designed low interest loans for people and interest rate protection. Do we get any acknowledgement from the members opposite? Not a word. When we designed

brand-new programs to help them market their commodities in complete support with the Saskatchewan Wheat Pool, do we get any acknowledgement? Not a single word. Let me say, Mr. Speaker, the rural people of Saskatchewan and the farmers of Saskatchewan know that we will be protect them. We will look at every single area in this province this year and we will be there to protect them as we have in the past, Mr. Speaker.

Some Hon. Members: Hear, hear!

The Speaker: — Order, order. How long do the hon. members intend to heckle each other? Question period is over. Question period is over and hon. members, I believe, should come to order instead of . . . Minister of Finance: would the Minister of Finance come to order. And the member for Moose Jaw North, would you all come to order? Member for Moose Jaw North.

GOVERNMENT ORDER

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Executive Council Ordinary Expenditure — Vote 10

Item 1 (continued)

Mr. Romanow: — Thank you very much, Mr. Chairman. Well, Mr. Chairman, I'm pleased, I think — judging by the answers yesterday by the Premier, I can only say, I think — but in any event, I think on balance I'm pleased to come back to a consideration today and over the next little while, a consideration of the Premier's estimates.

And I want to begin, Mr. Chairman, by summarizing as I saw the net result of the questions and answers which we had from the Premier yesterday, last evening, in the four hours of consideration of his estimates, what it tells us about the government. You will recall my initial statement about the incompetence of the government and what I viewed to be, surely by almost any yardstick, the worst government in recent history of the province of Saskatchewan, if not ever. But I'm not going to belabour that.

Two points came out, Mr. Chairman, which frankly are troublesome and a little bit baffling. The two points speak to the question of the credibility of the Premier and the government, and the second issue speaks to the integrity of the Premier and the government, based on the questions and the answers and the exchanges of last night.

At the end of the day, if you take a look at all of the discussions and the debates that we've had about policies and programs, I think those two, integrity and credibility, are at the core of what I believe is ailing and seriously ailing, perhaps fatally ailing this particular government.

Let's take a look at the question of credibility. Last night at length, we examined the minister about his statements on SaskEnergy and privatization. We brought to the attention of the committee at length the fact that in 1988, speaking to the *Leader-Post*, the Premier indicated to the people of

the province of Saskatchewan that he would never be privatizing SaskPower, a public utility. We indicated the Deputy Premier's assurance again a few months later that he would never be privatizing SaskEnergy, the division of SaskPower, that it wasn't split up for that purpose.

And there were basically no answers at all to this when I asked the Premier time and time again whether or not he and his Deputy Premier believed what they said about SaskEnergy at that time, or were they simply merely espousing words and, in effect, lulling the voters and the electorate to the point of where they were going to introduce the legislation which they introduced.

I also was trying to examine the Premier on the question of whether or not their future intentions with respect to SaskEnergy's privatization were such that these set of Bills, the give-away, this natural monopoly, public utility, which by every yardstick ought not to be privatized, whether their plans were still to give away this heritage. This thing that we built up in the province of Saskatchewan through Douglas and the years, whether it was still his intention to give it away and to sell it away.

And I think it's clear to conclude that the loud resounding answer to that question is yes, this government is determined to proceed, notwithstanding the Barber Commission, notwithstanding the statements of the opposition, notwithstanding the 100,000 names on the petitions which they belittled, notwithstanding the public opinion polls, notwithstanding all of those arguments including the fact that they betrayed the public, they have no credibility.

It looks like they're going to continue in doing what they have bound and determined to do, what they decided in the secrecy of the cabinet table to do. And their rationalization is simply going to be, well you're going to learn to like it. You're going to learn to like it, Mr. Leader of the Opposition, because by the time that we're done with this, by the time that we finish the sell-off of the province of Saskatchewan, by the time we get this money that's left over from potash or SaskEnergy or SGI (Saskatchewan Government Insurance) or Sask Telecommunications, you're going to learn to like it. We're going to dam the torpedoes, we're going to overlook public opinion, you are going to learn to like it. That's the basis of it.

And that is, in effect, I say the words of a government that has lost credibility. Whatever it says, you cannot believe. Whatever commitment it makes, you cannot trust that it will honour. Whatever statement it makes of any grave nature or important nature, it simply will not follow up on. Any question which it has to answer, it will not answer.

When it has to be made responsible about its neglect and its incompetence and its mismanagement, we saw as we saw today in question period a performance which, I think, can only be said to be unbecoming of a leader of any government of any province in Canada, a performance where there is absolutely no attempt to even try in a modest way to answer the questions which are put to this individual and to this government. This is a government which has lost all and complete credibility.

And what saddens me is that while governments go up and down in popularity and while they always suffer the questions with respect to credibility, what is saddening is to see the spectacle of a Premier reduced to wordsmanship and gamesmanship, reduced to that kind of a tactic and one who has given up in all hopes of restoring to his administration credibility, restoring to his administration the belief of what his words are and what his statements are, are words that the people of the province of Saskatchewan can rely on. I say, Mr. Chairman, last night proved, the SaskEnergy exchange proved beyond any doubt you cannot believe anything that this Premier or this government says on any issue affecting the people of the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Romanow: — I believe also, Mr. Chairman, that last night showed another major aspect or facet of this government's current state of affairs. I've talked about integrity; I'll now move to — credibility — I'll now move to the other, which is integrity, Mr. Chairman.

It is surely the duty of any government to make sure that its integrity is protected and maintained. It's surely incumbent upon any leader in the government to act with integrity. And when there are suggestions — no I won't say suggestions — serious accusations involving ministers, whether those accusations pertain to the Minister of Consumer Affairs and the Principal Trust fiasco, the way that was handled; or whether it has to do with respect to the Minister of Trade and Investment and the Provincial Auditor's accusations, and the way that was handled, or whether it has to do with the question of the Minister of Finance and the \$1 billion miss in estimates on the deficit and the fiscal picture of the province of Saskatchewan; or whether it has to do with the example that we referred to today in question period. And we did so today because it marks in a sense a kind of a anniversary, if one can use that word, a two-month anniversary awaiting the government's response.

When it comes to the GigaText scandal, for example, that one and others demand that a leader of a government rise to the occasion to clear up the doubts and the questions pertaining to the integrity of himself and his administration. It is incumbent upon a Premier of the province of Saskatchewan. I've seen it in the time when I served as Deputy Premier; I've seen it in times when I've been in opposition before the late premier Ross Thatcher.

This is not the first government that has got itself stuck in a major scandal such as this one does. I hope it's the last one, but it's not likely to be the last one. Under any one of those circumstances, integrity is at the essence of government. You must be able to convince the public and the legislature that you have acted and that you've taken all the steps to convince yourself that your colleagues and cabinet and the government and the administration has acted with integrity.

I say to the Premier and to the members of this committee that the exchange in question period today and the exchanges yesterday say that this government has lost all of its integrity, and worse yet, has not intention of seeking

to restore its integrity. There are so many questions, major questions which have not been answered by the government on the GigaText scandal. I use that as but an example, but we could refer to the Provincial Auditor, we could refer to the fiscal picture. We may, if time permits.

But just taking GigaText as an example, so many major questions which remain unanswered that this government either doesn't care about its integrity or has so little regard for the process democratically here and legislatively and at public at large, that it doesn't want to speak to the integrity of this government and its actions in this field. What other explanation can there be?

In the questions and answers yesterday in the committee, when my colleague from The Battlefords got up and asked the Premier some of the points raised with respect to GigaText, he asked whether or not Mr. Waschuk spoke to the Premier. He made some other questions with respect to the expenditures and the tabling of the documents on this particular issue.

And today's question period, Mr. Chairman, I think highlights that more graphically than any words I could mount. The answer of the Premier is very simply, I don't know anything about it; don't worry, it'll straighten itself out. And even more cynically of the public, his answers flirt out into other unrelated areas of a yester-year and a yesterday and of a yester-election period. That's the way the Premier defences.

I want to tell you, Mr. Chairman, that I've seen premiers in these circumstances before. You see it at a prime minister's level. When there is an allegation which goes to the core of the government's integrity, the heart of the government's integrity, they must act decisively and immediately to answer these questions. This government refuses to do that. The government refuses to do it.

And I say that it is shocking beyond words that the Premier of the province of Saskatchewan apparently has taken no steps to summons the ministers concerned and the officials concerned with this GigaText scandal to his office and demand written reports as to what their actions were.

Now if I'm wrong in that, when the minister gets up to reply to me he can correct me and I would be pleased if he did so, because it would at least give me some faith in the integrity of the government being attempted to be restored. But all the evidence based on question period and yesterday's examination of these estimates indicate that this Premier and this government and his officials have failed to do that. They're turning a blind eye. They almost act as if all of this hurricane of accusations around them somehow doesn't exist or somehow is not relevant to the process.

(1345)

There has not even been, under the Premier's estimates, the Executive Council estimates, the slightest suggestion that this leader, this Premier will summons up his ministers and say to the Deputy Premier, now I want in writing a step by step chronology of what you did; of calling up the minister in charge of SEDCO and saying, I

want an up-to-date chronology, step by step of what you and your officials did. There's no indication that that was done.

There was no indication that he assigned a senior official of his staff to check into the actions of his ministers, none whatsoever. That I say, Mr. Chairman, is the basic bare minimum that any government of any political stripe, that any leader must conduct when it affects a government policy and a scandal of this magnitude. And this Premier and this government has failed, Mr. Chairman, failed and failed miserably.

Some Hon. Members: Hear, hear!

Mr. Romanow: — So, Mr. Chairman, the integrity, the credibility, two of the cornerstones upon which any of the government policies will either stand or fall, two of the essential cornerstones as to whether or not government will be able to succeed in its policies, even those that we might disagree with or other people would agree with — integrity and credibility are shot. Integrity and credibility have been parked. Integrity and credibility have been forgotten, and it is a cynical view of the world. It is a view that nobody in the journalistic core will give a doggone about integrity or credibility because the rationalization will be oh well, you're all the same you see.

It's that sort of cynicism which permeates the entire body politic which shows a hopelessness and a haplessness and an indifference which is a shocking indictment of how low we have sunk in this democratic institution in the province of Saskatchewan, and how low the Executive Council and the standards of integrity and credibility have sunk.

And therefore I say to you, Mr. Chairman, what we have proven out of last night's engaging discussion with the Premier is evasiveness, his failure to answer specific questions is clear beyond any doubt. This government has lost the confidence and the trust of the people of the province of Saskatchewan, and it simply does not wish to seek to regain that trust and confidence. In fact I'll make you one other conclusion. I say it will be impossible for this government to restore its integrity and credibility based on the actions of this Premier and the government opposite.

Some Hon. Members: Hear, hear!

Mr. Romanow: — That, Mr. Chairman, unfortunately are the conclusions that one can only make of the exchanges last night and in question period today about the direction of this government and the Executive Council.

We're going to come back to SaskEnergy during the course of these estimates at some appropriate time to again pursue the true plans of the government, if we can find out and if we can believe what they say.

But for the moment I wish to move to another issue. This partly speaks to integrity and credibility as well, the themes that I am trying to establish in consideration of these estimates. But it also deals with the question of the competence of the government. Now I won't repeat again what I said last night about the competence of the

administration. The record is there; it is a record of incompetence, not competence.

And the record is the record surely, at the end of the day, as to what government policies have meant for ordinary men and women in this province. And we know the record. We know the joblessness rate and the unemployment rate and the bankruptcy rates and the population loss and the taxation and the deficit. All of these indicate a record which can only be described as being incompetent and failing the wishes and the hopes and the aspirations of tomorrow's people, the youth — let alone tomorrow's — today, those of us who have to live and work in the province of Saskatchewan who seek to struggle to keep the businesses alive and the farms alive, who hope to get to university and post-secondary schooling. It betrays that trust, let alone the trust of the future. It is, by every yardstick, a statistical story of sadness and a statistical story of failure, incompetence. That's the third message which I think is quite clear.

And I want to raise this issue, dealing with the question specifically of Cargill, because I think, Mr. Chairman, that the Cargill Belle Plaine fertilizer plant deals with all three of those in some point or other. It deals with integrity and credibility and it also deal with the competence of the administration.

Now let me just illustrate what I mean by the saga, the sad saga of Cargill, and in the context of the Canadian energy "88." And I'm pleased to see the Premier has sitting beside him, the Minister of Trade and Investment who has also been closely aligned to this and to many of the government's fiascos with respect to investment, so that perhaps the two of them can get their lines and their positions straight in this regard.

The Cargill situation, I think, is very, very serious. The Cargill situation speaks to both integrity and credibility and competence. Let me just make my point very briefly.

First of all, there were the headlines: "Cargill is going to go ahead." Then it turns out after the headlines, "The details became unstuck and unclear." I argue, Mr. Chairman, and the Premier perhaps can enlighten me this afternoon, that the details still remain starkly unclear.

First of all, with respect to Cargill and Belle Plaine, what were we told? Were told that the project cost \$350 million. That we're told by the newspapers, I might add. There's no documentation tabled in this Legislative Assembly. And the original deal was, by the Premier himself, that it was going to be 50-50 between the Government of Saskatchewan and Cargill. Note the partnership. Note the building philosophy. Note our comments and exchange of yesterday: building with whom and for whose benefit?

Cargill, one of the largest if not largest grain company in the world, gross sales of, what, 25 billion?

An Hon. Member: — Thirty-eight billion.

Mr. Romanow: — Thirty-eight billion last year alone. Poor little old Cargill needs some incentive money to get this Belle Plaine project going, some little incentive

money from the social service people who are on social assistance, from the unemployed, from those who are on the poverty line — we have the second highest — from those on minimum wage, from the farmers who are struggling against drought and other circumstances.

Poor little old Cargill, the free enterprise way, is going to get a guarantee of 50-50, but the rest of us, Mr. Chairman, well that's the free enterprise way. You've got to make out the best that you can. You're on your own because that's the way this government's attitude is toward the ordinary folks of the province of Saskatchewan.

In any event, we thought it was a 50-50 deal. Our eyebrows were raised at that. Then it turns out . . . and now I speak to the incompetence and the credibility of the government here, and the question of integrity of the government. It turns out now that according to the press deal — and this doesn't come out, by the way, from the cabinet; in fact they tried to cover it up — it comes out from a senior officials at Cargill, that it has a new wrinkle.

Here's the headline in the June 21 *Star-Phoenix*. "Story on Cargill plant funding has new wrinkle." And it turns out that the new wrinkle was revealed by a senior official of Cargill, a gentleman called Mr. Peter Hayward, who says, no, it isn't 50-50; what it is, is that the provincial government is putting up \$60 million; we're putting up, Cargill's putting up \$60 million, Mr. Hayward says. And then we're borrowing, the new company is borrowing, the two partners are borrowing \$230 million more, of which the province of Saskatchewan is going to be guaranteeing, which now puts our exposure — ours — the unemployed people, the farmers struggling to keep their farms afloat, the young people trying to get into university, the small businesses.

There are three bankruptcies a month in Moose Jaw, according to today's *Moose Jaw Times-Herald*. The Moose Jaw business story is repeated all over the province of Saskatchewan. The bankruptcies in Melville, the bankruptcies in Rosetown — I'll come to the Rosetown project there because his concern for Moose Jaw and the jobs and what that means for Rosetown — bankruptcies for all of those people who have to pay, on top of everything else, a sales tax which has gone from 5 to 7 per cent, a lotteries tax of 10 per cent, a flat income tax, highest utility rates ever in the history of the province of Saskatchewan.

Now it turns out that our exposure isn't \$60 million. Now it turns out that good old free enterprise, *à la* the PC government in Regina and this Premier, demands a risk, an exposure of \$290 million.

The Premier says, we're building. Yes, they're building all right; they're building for Cargill at \$38 billion gross sales, and they are forgetting Main Street, Saskatchewan and rural Saskatchewan in the process for doing it. But here's the point, here's the point . . .

Some Hon. Members: Hear, hear!

Mr. Romanow: — Here's the point. Apart from forgetting Main Street, Saskatchewan, what they're doing is, the story now turns out, the original story turns out to be

wrong. It isn't 50-50. Now it turns out to be they put up 60 million; we guarantee and are exposed to 280 or 290 million. If they walk away from it, we get their shares — goody for us. Plus then \$350 million if they walk away from it — and Cargill's walked away from these kinds of operations in the past in Alberta. I'm not saying they're going to do it here; I don't know what they're going to do here. But if it doesn't work here, their exposure is so minimal they walk away; we left holding the bag one more time, by virtue of this kind of an arrangement.

So now — and keep in mind what I'm talking here about is credibility and competence and integrity — you've got this kind of a confusion. The risk now increases from not 50-50, to \$290 million. And in the process, Mr. Chairman, in the process it turns out that Cargill's announcement did and was fashioned in such a way that another alternative project, Canadian Energy "88" — I'll call it energy "88" for the purposes of identification from Calgary — a project which was around and about for weeks and months concurrently at least with the Cargill proposal, if not in advance of the Cargill proposal, that project had the rug pulled from underneath it like that, with apparently no notification.

And the Premier, who is so concerned about the business people in downtown Moose Jaw, as he should be, apparently has no concern for the business people in Rosetown, the business people in Melfort-Tisdale area, and the business people in the Yorkton area in this regard, none whatsoever, because that project is yanked totally — which raises another issue, integrity and credibility. Was this government double-dealing with energy "88"? We know that energy "88" was talking to all of the members that were here. We know that energy "88" talked to the Minister of Trade and Investment, the member from Kindersley. We know that energy "88" talked to the member from Biggar. We know that energy "88" talked to the member from Arm River. We know that energy "88" talked to the member from Rosetown-Elrose. We know they talked to the people at Melfort.

All of the plans were out in the open. Were they being double-dealt? They were told, according to press reports, that the Cargill plan was a possibility at Belle Plaine. There's no doubt about that. But what they weren't told is that the government was going to jump into bed with Cargill to the extent of \$290 million.

And so energy "88", having made its announcement that it's going to have rural economic development — I take my hat off to the Premier; that would have been the way to go — in three or four smaller centres, having gone ahead and decided to proceed with that project, all of a sudden without any forewarning, any notice, no knowledge, and no subsequent reasons by the government communicated to it, this government jumps into bed with Cargill, yanks the rug from underneath the energy "88" project, and leaves those communities and that project high and dry, with the consequences obviously so, so much so that the minister from Rosetown-Elrose has to resign because he knows what awaits him in the next election result — namely a defeat. With the result that the member in Melfort's in the same position, and the members from Yorkton and Melville are facing heat from the local business communities, and we

all know that to be the case, Mr. Chairman. We know that to be the situation.

But here's what I find also very interesting in this whole Cargill operation. We've got to deal with Cargill, one of the largest grain companies in the world: I mentioned that. We have no studies as to its viability at Cargill. We have \$290 million exposure. In the process, we've shot down three other potential projects throughout the province of Saskatchewan, to aid an ailing rural economic development.

And then on top of this, we have, according to the *Leader-Post* of May 17, '89, these words from the Premier. This is when he was talking about 50-50; of course that's changed now. Quote:

We are in it 50-50 now, but we are in only to facilitate it and, as we speak (the Premier's quote is saying), and as we speak (this is back on May 17, '89; we're now August 1989, more or less), and as we speak, (the Premier says) we are negotiating with equity partners to take our share.

Here's the situation. We're pumping \$290 million to get poor little old Cargill set up, and before the details financially are even put on the table, before the viability is put on the table, in killing the energy "88" project back in May, quote: "as we speak, we are negotiating with equity partners to take our share."

We're now going to follow the policy of this government, sell, sell, and tax later. Sell and tax.

Now they're in the process of selling. Now, Mr. Chairman, how in the world, whatever else one can say about using natural gas and agriculture as a mix to try to build economic diversification, how in the world does one explain that history, other than to conclude that this government has been double-dealing with Canadian energy "88"? It couldn't believe what Canadian energy "88" says. Energy "88" doesn't believe them at all. It has no credibility about what the deal is. Originally it's 50-50; now it's \$290 million.

This is incompetence personified and incompetence again underlined, leaving the mayors of Melfort and other communities high and dry. Maybe we need a Cargill plant at Belle Plaine. I don't know about that. Maybe this project will work. I'd like to be convinced that it could be worked, that it could work. I'd like to see the documentation. But I'm speaking to the fiasco, yet another fiasco in the way in which this project has been made. Headlines first and then the details later.

(1400)

And as we speak, three months ago, the Premier is already going to be selling, selling, selling, selling, having gotten poor little old Cargill on this \$290 million deal.

Mr. Chairman, my question to the Premier in this regard therefore is going to be very specific. With whom, sir, are you negotiating, as we speak, to take your share, such as it is, of this Cargill deal and on what terms and conditions?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, a couple of observations with respect to the hon. member's line of questioning about building in Saskatchewan and capital investments and the future of the province, and with respect to the Cargill plant in particular.

I think that a Leader of the Opposition should, no doubt, look towards the future rather than picking on individual personalities and cabinet positions. I think that we've got to look at where this province can go, how we can get there, how we can build, how we can move into the 1990s and into the 21st century in a professional fashion with some excitement, as opposed to picking on this particular public servant or that particular cabinet minister in person. I mean, I can see some of the individuals across the way doing that but I'm not sure that that's the leader's role.

In any event, I will say to the hon. member that with respect to this project, and I'll go through a few others in my fairly brief response here, that what we would like to see happen is not the words of building, but let's look at the real building that can take place. Now we will go through not words but an actual project like a paper mill. It is not words, it's real. It is there, it employs hundreds of people, it is new, and it is international.

Mr. Chairman, the hon. members want to talk about the vision and the future. I can go through and provide the hon. members all the editorials about the positive nature of a paper mill that the public and the media feel about the new paper mill in Prince Albert. It's real. We promised that we would build it, and you cannot argue with the fact that it's there. You've got a very well run pulp company, and you've got a very well designed, one of the finest paper mills in the world. It's there. Now this isn't rhetoric; this is just a promise that we would build it, and it's there and it's functioning. And it creates jobs and it markets all over North America — paper.

And the editorials will come back and say that it's been a very good project for Prince Albert and area and for Saskatchewan. It's good for renewable resources, it's good for reforestation, it's good for management, it's good for jobs, and it's good for diversification. And run properly, it saves the taxpayers' money. The opposition was losing \$91,000 a day, and that was real; that was not rhetoric, that's real. And we come back and look at today, we've received about \$60 million from the new company and we have put together a brand-new paper mill.

An upgrader. We have tried for years to build an upgrader, and the words and words and words about was it promised, is it a good idea. All of this stuff. Words aren't good enough. Let's look at the city of Regina. There is a brand-new upgrader. It's here, and the members from Regina know that, built in co-operation with the co-op and the refinery. Never done before, but it's here. The largest project for the co-op in the history of Saskatchewan, and the largest project in the history of Saskatchewan. That's even larger than the paper mill. That is real, Mr. Chairman, not words, not fluff.

People said we should make our own gasoline and our

own diesel fuel and our petrochemicals from our oil — from our oil, not Alberta's oil, but ours. The Husky upgrader, that's real. That project is there, solidly financed, no debt, it's all equity, equity from us, equity from Alberta, equity from Husky. It's there. It is loaded and it is going forward.

And the hon. members laugh. They'll laugh at the Co-op upgrader, the NewGrade upgrader and the refinery, but . . . Well I'll just say, that's not words, they're there and they're real.

And if you look at the Nipawin power project, a very well run project. Under budget, we redesigned the financing and did it, and brought in lower expenses than the members opposite. And the people that work there did a fine job and brought it in on time and under budget. And you look how that can be financed now. These are not just words, this is reality. That project is in the ground, it's there, and it's generating electricity.

We don't have to, and we don't have to go into the foreign markets and borrow money any more and pay international exchange rates and interest rates on say \$300 million.

An Hon. Member: — Where do you borrow from?

Hon. Mr. Devine: — Mr. Chairman, the hon. member from Regina Elphinstone says, well where do you borrow from? I'll show him how we do it. We go to the people of Saskatchewan and said, we need a new power project. Would you like to invest in a Power bond? Now that's not words, Mr. Chairman, that is real. We offered a Power bond in the province of Saskatchewan and we say, would you like to help build Saskatchewan by investing in a utility like the power corporation?

Mr. Chairman, these aren't just words. People have spoke loudly and clearly with their money. They've said, I think you should back out of those international borrowings at an international exchange rate, and if we give you \$300 million in Saskatchewan Power bonds, then the interest on that \$300 million, about 30 million a year at 10 per cent, comes back to the people of Saskatchewan who invested in that utility. That's real. That isn't words; that isn't huff and puff and fear and walk out of the House and scare everybody about investing in the utility. That is real.

You can finance the Nipawin power project with the people of Saskatchewan buying bonds in a utility and the interest goes to them. We don't pay interest to the international banks and we're not subject to international exchange rates. We build it here, Mr. Chairman. That's real. That is not words; that's not accusations about ministers; and it's not 3 or \$4 million on a translation computer project. Those are real things that have taken place in the province of Saskatchewan.

You come back and look, Mr. Chairman, when we manufacture turbines for public utilities, not only in Saskatchewan but across North America, we now make turbines in Saskatchewan. That's real. And we've done it in joint ventures with the Japanese. They come into this province and we say, we would like you to build the turbines that we're going to use at Shand and at other

stations that we will need. In fact I believe we can make turbines for people in Nova Scotia, and we will try to make turbines and sell them to 650 power projects all over the United States. That's real. That is not words and fluff. That are actually things that are taking place in a utility in Saskatchewan, financed by Saskatchewan people with Power bonds, telephone bonds, and shares in the province of Saskatchewan that generate real jobs — long-run, sustainable, economic activity that's environmentally sound.

If you look at the Nipawin power project and you can look at the paper mill, and you look at the upgraders and you look at the things that we can do in this province — sustainable economic development that is real, that are the jobs, the kinds of things that we can do. Let me give you one more examples, and I'll close it with Cargill because it's part and parcel of this whole exercise.

The new agricultural building in Saskatoon at the University of Saskatchewan, that's almost \$100 million, and it is real — not words. It's financed by agricultural graduates, by the province of Saskatchewan, by private fund-raisers led by the president of the university, Leo Kristjanson, former president; by the president of the Saskatchewan Wheat Pool or former president, now chancellor of the university, Ted Turner; and scores of people across this province who have helped put together one of the finest buildings and science centres of excellence any place in North America, in Saskatchewan, at the U of S. That is real, my friends, that's not talk.

That's not huff and puff about all the things that we can do, or would do or should do. And that's not picking on cabinet ministers, that is something that will be there for a long time. Now let me go . . . and I can go through it. I probably will by the time we go through the estimates, the capital projects, because the hon. members asked about deficit and where your money goes.

I'm going to put together a list of \$7 billion in capital projects that are under way in this province to help us move ahead as opposed to sitting in that attitude that we are trapped in Saskatchewan, the words used by the hon. member. We are not trapped. We have lots of potential to grow on. We have lots of potential to build. And we're going to, whether it's individual line service or rural gas that costs 3 or \$400 million, up to half a billion dollars, to get it done. It should've been done years ago but we're doing it now.

Let me go back and just touch on the Cargill operation. Let me say a couple of things. And the hon. members that have had any involvement in agriculture will understand exactly what I'm talking about. If you look at the market today for fertilizer, look at the market today for fertilizer and I'll refer to — the agriculture critic is not here but the former member from Shaunavon and the member from Regina Centre who grew up not too far from me — the market . . . Mr. Chairman, I apologize, I apologize for mentioning that there was a member not here. I didn't mean to. I didn't see you in your seat, sir; he's here. The member from Humboldt is here and he is . . . well he's either here . . .

Mr. Chairman: — Order. The members are not to make reference to a member's absence or presence in the legislature.

Hon. Mr. Devine: — Mr. Chairman, we're never really sure if he's here or if he's not here. So that's fair enough, Mr. Chairman, and I don't think you can say that either.

Let's look at the fertilizer market. The Agriculture critic for the NDP and the other people who are familiar with agriculture will probably understand, I hope they understand, what I am about to say with respect to the fertilizer project. There is an increasing demand for dry nitrogen fertilizer, and hydrous demand is going down and your demand for urea is going up, for a couple of reasons.

One, farmers don't like using that high-pressure gas. It's just more dangerous, and environmentally, it is more hazardous. The ability and capacity to apply urea fertilizer, the dry fertilizer, in the right place with the new deep banding equipment, at the same time spreading it, or putting it on at the same time banding it, is increased where the demand there is growing much more rapidly than it is for anhydrous ammonia.

If you look at the plants today that are in existence, they have the capacity to produce mostly what? Anhydrous ammonia. And they cannot convert to produce more urea in any particular ratio. The design for this new plant is right for the market — 25 per cent offshore, 25 per cent to the United States, 25 per cent here, 25 per cent for the rest of Canada — and it is primarily in the area of urea, and that's where the growth is. So farmers are telling us that; environmentalists are telling us that, and the market certainly is telling us that world-wide.

Secondly, let me make the point with Canadian "88". If you're familiar with that UAN (urea ammonia nitrate) product, and I'm sure the hon. members will be, you know what it is. It is liquid fertilizer which is 80-some per cent water. Now you know how farmers feel about hauling water around to their fertilizer. They don't like it. It's got a very small per cent of the market. It's a very small per cent. That's their plan, to produce a series of these which — let me say this — if they were to be successful in their plants, would have to completely replace the entire wheat pool operation in this province, which I don't think is doable.

And secondly, they are going to peddle a produce that is not accepted by farmers today, which is the liquid fertilizer. Farmers have not only moved from anhydrous but they're going to urea. And secondly, I make the point that they never did buy or like a great deal of this liquid fertilizer where you're trucking 80, 85 per cent water in your fertilizer.

Now here you have irrigation and you can put it through your irrigation pumps — fair enough. We have 50, 60 million acres here in Saskatchewan. It's mostly dry land. There is some possibility for irrigation and we're expanding it, and with your help, we would do more with Rafferty and other projects. But it is not something that is going to take over the market in the province of Saskatchewan.

An Hon. Member: — It's boring.

Hon. Mr. Devine: — And the hon. member from Quill Lakes says it's boring. Well these are facts and figures with respect to the market in Saskatchewan. Now I'll say to the hon. member, when you're putting together a project like this, you want to have it the right product and the right place for the farmers of this province and indeed for the markets of the world. The Hon. Leader of the Opposition said, well you are going to back-up the product they're going to put in — project. You're going to put in 50, \$60 million, and you are going to back it up to the tune of \$300 million.

Mr. Chairman, let me put it this way: if the hon. member across the way has no problem buying things, clearly, they bought fertilizer, they bought . . . pardon me, potash mines. They bought pulp companies and they spent 3 or \$400 million at a crack buying them. Yet he has a real problem if I put taxpayers' money in, in just backing it up to build it. See the significant difference.

(1415)

And he says look at the risk you would have if you took that money to prop this up to build it. At the same time, he will stand in his place day after day and defend borrowing money, buying the whole operation when somebody else does. I say to the hon. member in greatest sincerity and respect: why wouldn't you want the government to back-up a project that lowers the price of fertilizer and creates jobs in the province of Saskatchewan if, in fact, you're prepared to buy it after it's built?

It's much less expensive to the taxpayer to back up a loan, and the hon. member says, well what if Cargill leave town? Do you know what happens? It's like if Weyerhaeuser left town. They put up 50, 60, 70, \$200 million . . . and let's take Cargill, \$50 million. They build the plant, we back it up and they leave town. What have we got? We've got their \$50 million and we got the plant. Mr. Chairman, I would take that any time, rather than having the philosophical bent that I had to go in and buy them after they're built.

Now there's the significant difference. Absolutely the best example that we've seen in this legislature for some time. We will take the taxpayers' money and back up the upgrader here in Regina, and we will back up projects to help build fertilizer projects and we will help create dams and water projects; we'll put our money back to back with the United States or the federal government or the Japanese and other people to do what? To build, not to buy it and try to run it.

But I want to get to the very point, the nub of what that hon. member said, the Leader of the NDP. He said that it was better to buy that fertilizer plant after it was built, on behalf of the people of Saskatchewan, than it is to help build it. Now there's a significant . . . There's the philosophy. There's the vision.

He can talk about cabinet ministers and he can pick on officials and he can talk about it. Then he says, but I would buy the potash mines and buy the pulp mills and

buy the packing plants. And he never built one. And when we try to build one — and we will, you mark my words — it will be well done. It will be efficient; it will lower the price of fertilizer. It will be good for the people of Moose Jaw.

He says there's businesses going broke and they need jobs in Moose Jaw. This is 150 brand-new jobs for the city of Moose Jaw. It's quite close. And not a word from the members from Moose Jaw. I haven't heard them. The mayor's on side. He believes in it. The people like it. They encourage us. The mayor of Regina likes the fertilizer project. I just say to the hon. member, when you look at how we build and how they want to buy, I admit there's a significant philosophical difference.

And you know when you get right down to it, it's the reason that I support and I mention the word Tommy Douglas a lot in this legislature. Tommy Douglas, when I read from his Speech from the Throne, would let people build. He'd be with them. I don't remember him nationalizing things. If he was ever kicked around by the former premier, Ross Thatcher, it was Tommy trying to build too much.

Well, Tommy tried to build. He built power lines, he built water projects. Tommy Douglas supported Diefenbaker Lake and Gardiner dam. I don't see the member opposite, I don't see the Leader of the NDP standing up and supporting Rafferty, supporting the Shand power project. I don't see him doing things like that. Tommy Douglas did. Tommy Douglas says we should build; help the people build here; bring outsiders to come in and build; use the co-op movement to build — like we're building the upgrader, like we build the new co-op data services card, with the co-op.

There's never been so much building with the co-operative sector in this province in its history as we're doing in the recent times. The largest project in the history of Saskatchewan is built with us backing up the local co-op and glad to do it and happy to do it.

So I mention to the members opposite, from an economic point of view, from an environmental point of view, and from a market point of view, the Cargill project is by far the first time we're going to make nitrogen fertilizer in this province, and it is by far the best project environmentally for farmers, environmentally for people, and for the market world-wide which we will be able to do. And I foresee the possibility.

And the hon. members asks: who is going to invest in this? I'll tell you who's interested in investing in it. People who are in the fertilizer business, people who are in the energy business, natural gas companies, energy companies, potash companies, farmers and farm organizations, co-operatives, private sector individuals — are all interested in a joint venture in one of the finest fertilizer projects researched . . . and the hon. member says, where's the data?

I have offered to the media and anybody that wants a complete summary of the analysis, and I have done it to the media. Crown Management Board will stand in their place and go through the numbers as I have just gone

through with urea and every other possibility with anhydrous ammonia and any other technology that you might want to look at. And we have done that, Mr. Chairman, and we put it together.

An Hon. Member: — What's the numbers on the deal?

Hon. Mr. Devine: — And the hon. member says, what's the numbers? The numbers are pretty straightforward. The numbers are very straightforward, very straightforward. And the hon. member talks from his seat because finally he's starting to learn something about the fertilizer business and the project and he shakes his head.

I'll just say to the hon. members, there are individuals and groups and companies and farm co-operatives. And I won't name them for obvious reasons, that are very interested and will invest in this project. And it will be 50-50 and we'll back it up, and happy to back it up to facilitate this project because we won't buy it; we'll back it up. And it will provide the lowest price nitrogen fertilizer for Saskatchewan farmers that they can find anywhere in Canada and among the lowest any place in North America.

Now, Mr. Chairman, I have got a list of projects, and I'm not going to do them right now, but I am prepared to, for the hon. member, to go through a list of projects, capital projects that we have in the province of Saskatchewan that are linked to that vision. And I'll just mention the headlines and I'll go down through them and I'll summarize it.

Manufacturing projects, 700 million; transportation and communication and utilities projects, 2.4 billion; oil and gas capital projects, 1.9 billion; uranium, 800 million; potash and non-ferrous mining, 233 million; real estate, 28 million; 568 million, health and education; and various kinds of capital works associated with downtown sewage and whatnot in cities, something like 800 million — for \$7.6 billion in capital projects in the province of Saskatchewan, which I believe the hon. member would agree, are very, very important to the people of this province.

And he asks, what about the money that we're spending? Well I can go through this project by project by project which is \$7 billion in capital projects that are under way as a result of the decisions we have made in terms of things like Cargill, paper plants, upgraders, turbine manufacturing, rural gas individual line service, hospitals, agricultural buildings and the like, Mr. Chairman.

Mr. Shillington: — Thank you very much, Mr. Chairman. Mr. Minister, your industrial development strategy has been an unending disaster since you took office. Mr. Minister, you took office at a time when this province had one of the strongest economies in Canada, and you're going to leave office at a time when this province is one of the weakest in Canada. Those eight years which have intervened, Mr. Minister, have marked a disaster in terms of industrial development.

Mr. Minister, Mr. Premier, I have little difficulty understanding that you took a good deal of your formal

education in the U.S., because you really do exhibit a lack of understanding about this province?

Mr. Minister, you refer to Tommy Douglas. It's unfortunate, Mr. Minister, that you don't understand a little of that gentleman. Mr. Minister, the CCF (Co-operative Commonwealth Federation) took office in 1944 at a time when this province was bankrupt. When they left office 20 years later, Saskatchewan had the highest standard of living in Canada. And they didn't accomplish that, Mr. Minister, by pandering to every big business, every multinational, every fly-by-night con artist who wanted to do something in Saskatchewan.

Mr. Minister, they didn't sell and they didn't tax as you people do. The CCF worked with Saskatchewan people, with Main Street, Saskatchewan, with small-business people here. Small business in Saskatchewan flourished during that period and so did this province.

They were followed by Ross Thatcher who took office, who had much the same philosophy as you did. Indeed the motto "we're open for business" is not original. It was actually used by Ross Thatcher, who had exactly the same approach — sell it, give it away, do whatever you have to do to induce somebody else to come and do the job for you.

It didn't work . . . (inaudible interjection) . . . Well the Premier yaps from his seat. I don't know whether or not he has the patience. If the Premier does have the patience, I will tell him what we built.

Mr. Premier, Ross Thatcher had exactly the same experience you did. He took office in '64 when this province had the highest per capita income in Canada; when he left in 1971, this province's economy was in very serious difficulty.

You asked what the Allan Blakeney government built in the '70s. It built one of the strongest economies in Canada. That's what the former government built.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Premier, Mr. Minister, they didn't do that by pandering to big business; didn't do that by trying to catch the attention of every fly-by-night artist who wanders through this country trying to relieve governments of dollars, as they have of you with very great success. That government built the strong economy by working with the local people, by working with Main Street, by encouraging small businesses, small manufacturers, short-line implement manufacturers in Saskatchewan. And during the 1970s, Saskatchewan went from being a have province to a have not province.

You, Mr. Minister, have taken it back from being a have province to a have not province. Mr. Minister, you came in and one of the first things you did was hold a conference on industrial development and your motto was, we're open for business. That, Mr. Minister, was not a call to the local Saskatchewan business people, that was a call to outsiders to come and do the job for us. One would have thought you would have understood, Mr. Chairman, that that doesn't work in Saskatchewan. What

works is when Saskatchewan people work to do it for themselves. That produces prosperity.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Minister, calling outsiders to come and do the job for us doesn't work. Mr. Minister, let us just have a look at some of the startling successes which you've had.

Mr. Minister, you mentioned Nipawin as something you built. You might have had the integrity to admit that Nipawin was over half completed before you took office. Nor was it built with Power bonds. Now that may or may not have been your decision, but Nipawin was half constructed by the time you people took office.

Mr. Minister, you mentioned . . . I'm just going to go through some of things you mentioned that you'd built. Mr. Minister, you said you'd built agricultural buildings. Every government which has been in office since 1905 has contributed something to the University of Saskatchewan and the University of Regina. You've contributed nothing to the University of Regina. Mr. Minister, you've contributed one building to the University of Saskatchewan, and you would think, Mr. Minister, it was on a scale with the Versailles Palace the way you talked about it. It is a perfectly good, functional building, but it's no more, no less than any other government has done for that university. That, Mr. Minister, is hardly something that deserves the accolades which you grant it.

Mr. Minister, let's look at your record in industrial development. In every case, Mr. Minister, you've given, you've sold, you've done whatever it takes to get them here, and you've paid an obscene price.

Mr. Minister, one of your things you did was Peter Pocklington's plant in North Battleford. Again, you gave him enormous sums of money and gave us very little, gave us very, very little in terms of information, Mr. Minister, you took the risk. So far the plant has succeeded. We hope it does.

But, Mr. Minister, your approach to industrial development is completely at variance with the ordinary sound business principles which says, Mr. Minister, that he who owns the plant should take the risk. Mr. Minister, you take all the risk, and that's why I say, this is at variance with sound business principles, because you don't ask those who own it to take the risk, and they should. You're taking all the risk. Mr. Minister, as long as you're prepared to take all the risk, you are going to get cleaned, as you have on a number of developments.

Mr. Minister, with respect to Weyerhaeuser, again you paid an enormous price for it. You in fact gave away a pulp mill to get a paper mill. Mr. Minister, that is an enormous price, and the province gets a fraction of what it should back, in terms of royalties.

Mr. Minister, you did build the upgrader, but you took all the risk. Mr. Minister, I doubt that very many business people dealing with their own money would have entered into the kind of deal you have. It may succeed,

Mr. Minister, but if it doesn't, this province takes all the risk with respect to that upgrader. While we all wish it every success, it has been a troubled plant to date. And all the risk is ours, and the people who own it have taken none of the risk.

GigaText, once again, Mr. Minister, you took all of the risk with respect to GigaText, and you've got nothing except embarrassment. All you have got out of GigaText is a national embarrassment. All you have done is embarrass this province before the entire country. What have you got for your \$5 million, Mr. Minister? Nothing, not a thing. Not a thing except some outdated computers and a technology which nobody believes will work.

Then along comes Cargill, Mr. Minister; exactly the same principles apply. Does Cargill, which own it, take the risk? Of course not, we take the risk. We took the risk, Mr. Minister, they got the plant. If it doesn't work out, Mr. Minister, then, Mr. Minister, we got the problem and they go on to some other sucker somewhere else. And that's exactly what it's been.

You, Mr. Minister, have been the victim of virtually every sucker who ever got your attention. Mr. Minister, that is what Guy Montpetit did. He suckered a business man from Japan. His excuse, Mr. Minister, was that in Japan, we do business differently, and I do not understand the business practice in this country.

(1430)

I don't know what your excuse, Mr. Minister, is. You people should have understood that everything you did with respect to GigaText was at variance with sound business practice. Everything, Mr. Speaker, from taking all of the risk to such things as giving Guy Montpetit sole signing authority. No business, nobody who has any understanding of business administration works in such an amateurish fashion, and amateurish is the best phrase I can use within the Legislative Chamber. I could think of something more vivid and descriptive and more accurate, but I doubt that Mr. Chairman would let me use the language. So I will stick, Mr. Minister, to calling your approach to GigaText amateurish.

Mr. Minister, with respect to Cargill, exactly the same thing applies, Mr. Minister. You have taken all of the risk — Cargill gets all of the benefits and none of the risk. It may succeed but it may not. Cargill does not have a perfect record with respect to these branch plants of theirs. And that's particularly true, Mr. Minister, where governments have been unwilling dupes and picked up most of the cost. But what is equally tragic, Mr. Minister, is that these projects have been done at the expense of local Saskatchewan business people which have really been ignored in the entire process.

Mr. Minister, as I go throughout the province and talk to people and business people in small communities in Saskatchewan, some large communities, they, Mr. Minister, do not feel that this government has their interests at heart. They feel they've been ignored in this province's rush to encourage people from outside to come and do it for them. They are really left with the feeling, Mr. Minister, that they could have done the job if

they had been given an opportunity and some encouragement.

Mr. Minister, had you put a fraction of the sums into industrial development in Saskatchewan that you have put into these megaprojects of yours, some of which have not failed — and that's the best I can say for them — and some of which have.

If you had put a fraction as much money into assisting local Saskatchewan people that you have in bribing outsiders to come and do the job for us, Mr. Minister, you wouldn't have a province with an economy that's on the skids, as it clearly is. I don't need to repeat for you, Mr. Minister, this province's economic problems — the second highest level of poverty in Canada, a population which is feeling your policy of industrial development, just fleeing this province.

Mr. Minister, I suggest to you, Mr. Minister, and I'd like you to consider, Mr. Minister, putting a good deal more resources into helping local Saskatchewan business and stop wasting money trying to bribe outsiders to come and do the things that we can better do for ourselves.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Chairman, that's fair enough. We all like to see small projects and larger projects. We've just had information from our research people that has said in agriculture, the primary investment sector, the investment there has declined 25 per cent since '82. That's understandable.

But in the non-primary sector, investment is up 32 per cent. And particularly I'll point out in manufacturing, investment in Saskatchewan is up 530 per cent since 1982, a sixfold increase. Now that is in small manufacturing projects, large manufacturing projects, and you say that isn't significant. That's quite significant. That will be part of the reason that we're going to lead the nation in economic growth this year. Manufacturing investment up by a factor of 6 — 530 per cent since 1982.

Now that's considerable, that is significant, and that's . . . I'll say that this is . . . Executive Council and the Finance officials will put these numbers together. And we can go through them . . . (inaudible interjection) . . . Well the hon. member says . . . if the hon. member wants me to, I will take a few minutes and go through project by project by project. And I'll just say to the hon. member . . . Mr. Chairman, if you would please get the attention of the members opposite, I can go through some of this so that he will better understand why manufacturing is up.

When the hon. member raises the point that offshore and outsiders shouldn't be allowed to help build here in Saskatchewan, I think it's fair to say that you did a reasonable job, and I'll give you credit for it, allowing outsiders to invest in uranium business, uranium business, okay? No, you look, Mr. Chairman, I'll say to the hon. members that they run around now and they say well, we'll close the uranium mines. They allowed offshore people, outsiders — Japanese, German, French, Americans — to invest in uranium and they built mines in Saskatchewan with offshore money.

Now they stand in their place, oh you can't do it with the Japanese, and you certainly can't do it with the Americans, and they let the private sector do it in uranium. They didn't know how to handle it politically, and they still are kind of dancing around and saying well, I don't know what to tell the member from Athabasca, whether uranium is going to stay or whether it's going to go. But the hon. member says you should never allow those offshore people here. Well private sector money from offshore built uranium mines. Private sector money from offshore built potash mines. Those two things took place in this province. So I just make the point to the hon. member.

Manufacturing is up 530 per cent in this province since 1982, and if the hon. member likes, I'll go through the projects, but I'll take it as given. We both want to see more manufacturing, towns, villages, rural communities as well as urban, and I'll be glad to go through about \$7 billion in capital projects that we have ongoing in the province of Saskatchewan in the areas of manufacturing, transportation, utilities, oil and gas, uranium, potash and metal, real estate, health and education and government, and we'll be glad to do it. But I share the observation with the hon. member, we want to see that manufacturing, processing, and diversification in as many communities as possible, small projects as well as the large ones.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Thank you very much, Mr. Chairman. I'm very interested in the minister's arguments about the figures, but unfortunately they're not substantiated by the reality in Saskatchewan. But I don't want to speak to that for the moment.

I started out this afternoon with a specific topic in mind, and that is the question of Cargill. And I note that I asked one specific question to the Premier which remains unanswered. I'll repeat the question. Based on his statement of May 1989, given at the time of the announced project at Belle Plaine where the Premier said: "We are in it 50-50 now . . ."

I stop, Mr. Chairman, to remind you that that turns out to be not the case — 50-50. But going back to the quote:

. . . we are in only to facilitate it and, as we speak, we are negotiating with equity partners to take our share.

"As we speak," May 17, 1989. Now my question was a very specific one, sir, and I would ask you not to evade it. With whom are you speaking as you speak, as we speak, as you spoke, with whom are you negotiating to take the Saskatchewan share of the Cargill operation and on what terms or conditions? I note that there was no answer given to that question.

An Hon. Member: — I answered; you were out of the Assembly.

Mr. Romanow: — Well, alright if I was out, then you could give me a brief reply. But before I sit down in order to save some time as well, I want to ask some other

questions with respect to this deal. Will the government, also while you're standing Premier, advise the legislature whether you have as part of that deal with Cargill — the one which at one time was 50-50 but now is much higher for the provincial government by way of a risk — a provision in there which guarantees a rate of return for Cargill's investment.

While you're taking note of this question, I would appreciate if you would tell with specifics or if I may use a Joe Clarkism, with specificity, what the financial terms of the Cargill deal are with specifics. And while you're going to tell us, as I'm sure you will, the specific financial terms of the Cargill deal, I would appreciate if you would table the feasibility study upon which this financial deal has been decided to be proceeded with; its viability, its markets, its cost effectiveness, its earnings potential.

And fifthly, I would ask if you would table the documents, all of the documents, pertaining to the financial relationships of this deal, because you'll understand the confusion which exists in the people's minds, whether you're in Belle Plaine or Moose Jaw, Regina, or if you're the very disappointed people in Rosetown and Melfort and the Yorkton Melville areas.

Now those are five specific questions, if you want to reduce that to four because you've given me an answer on the first one, I can check the record because I was out, as the Premier points out, momentarily.

And while I'm on my feet and directing questions on Cargill, I want to also refer the minister's attention to one other aspect of the Cargill deal. And that is the Canadian "88" project, which is the flip side of the coin. We know that the Canadian "88" project was underway by way of discussions with the government, and I will have here two specific questions on Canadian "88." I want to know, first of all, when was the first date that officials of Canadian energy "88" met with any one of your ministers or you, or officials of your agencies and government to explain their proposal?

And the second point that I want to know, in the context of Canadian energy "88", requires a little bit of background. Clearly, the pulling out of the rug from the Canadian "88" project caused a great sense of betrayal in many parts of rural Saskatchewan because here looked like . . . I've never met Mr. Noval; I don't know him on personal basis; I don't know very much about the details of the company. I am basing my comments on what the statements are in the press reports, which unfortunately is the only thing the opposition has since you failed to table any documentation.

But I want to read two things, two paragraphs from a story here which will be the preface for my next, second question on the Canadian energy "88" side of the deal. This is in a Canadian Press story in the *Leader-Post*, quote:

Melfort Mayor Carol Carson said Canadian "88"'s proposed plan for Melfort would have meant 80 jobs for a suffering rural economy. Hodgins (referring to the minister and the member from Melfort) Hodgins, who represents Melfort in the legislature (the story says), said he intends to meet

further with Canadian "88" (and I want the minister to note those words) and the government may enter a joint venture with the Calgary company as well.

Quote, quote, quoting Mr. Hodgins, the member from Melfort:

"I hope that if Canadian "88" is correct, it has good technology and an efficient plant, and I would hope that we could be involved with it to assist it and we will bring a plant to the Melfort area," he said.

Those are very recent statements from a person who sits around your cabinet table on the Canadian energy "88" deal and would know about the Cargill deal, as the member from Rosetown-Elrose knows about the Cargill deal, as the MLA from Yorkton knows all about it, as the minister from Melville knows all about it. They were all complicit about the Cargill deal going ahead and energy "88" being killed.

My question, in the context of that paragraph pertaining to the member from Melfort is: whether or not the minister will tell this House if it is still the intention of the government to enter into a joint venture with the Calgary company, as your Minister of Highways says, is it your intention to be involved and to assist it and to bring a plant to the Melfort area as your Minister of Highways promises and says? Is it still your intentions, and on the assumption that this is not yet another untruth and misleading statement made by yet another minister, when were the discussions entered into after the Cargill announcement with Canadian energy "88" to get the energy "88" project going? Sir, I think you've taken a notation of those questions and I'd be appreciative if you would give me the answers to them.

Hon. Mr. Devine: — Thank you, Mr. Chairman. When the hon. member asked that question, I replied. Perhaps he didn't have the opportunity to . . .

An Hon. Member: — Well I was out, and I apologize.

Hon. Mr. Devine: — Well I can't say that. With respect to who is interested in participating in the fertilizer plant, I will say to the hon. member, and repeat. I said, here we have Saskatchewan agriculture co-operatives that are interested. We have Prairie co-operatives who are interested. We have private sector investors from Saskatchewan, we have natural gas companies who could provide natural gas to this . . . a very large user of natural gas — Saskatchewan companies as well as Canadian companies. We have fertilizer companies in Saskatchewan and outside who have expressed an interest. Now that's farm groups, private investors, energy companies, gas companies and just private sector investors who have expressed an interest.

(1445)

They might, well I'm sure that they wouldn't necessarily want me to explain who they are. It's confidential that they are looking at their research and at the studies. And we're going to be using a great deal of natural gas in this

project and so the natural gas people are clearly interested. And on a confidential basis, I guess I could go behind the rail and tell the hon. member that there's a company, this company, and that one and others, but they have asked that they are not public yet until they have made their investment plans clear and have been involved.

But I can say very sincerely to the hon. member, we have several people who like the project, and I'm very confident that you'll have gas companies investing in it and agriculture and private-sector people as well.

The second thing with respect to the guarantees and how they work and what is the cost. We said it's a 50-50 project and Cargill has to put up some cash. It puts up about \$50 million, and the rest of it, it will borrow. We will guarantee that debt and we will do it for a cost, a price.

Under the international free trade agreement between Canada and the United States, we cannot do anything that would be countervailable. We want to export much of this fertilizer into the United States. We can guarantee the loan for them if they pay for it, and that comes at a commercial cost. And the hon. member has done some deals and he would know what I'm talking about.

And it's a certain percentage. A figure of a million dollars comes to mind, and I will confirm that, but it's a percentage that will be several hundred thousand dollars a year, and it adds up to about a million dollars. It's a cost. So we can't be subjected to countervail from the United States saying that you've subsidized this or you've done something special.

What they get from that, and what other people who would have the same sorts of arrangements, investing, is closer to our level of borrowing, which is the provincial government's rate of borrowing. So they put up some cash and they borrow money; they get our rate. If we guarantee the loan, we are not subject to countervail in the international trade business and it allows us to export. It allows them to finance the project as cheaply as possible on the reputation of Saskatchewan, because they're pouring the cement into here, it's going to be a project sitting here. And that's good for the cost of the plant, it's good for the operation. It helps reduce the cost of the fertilizer therefore to the farmers, and it's a commercial transaction where we get paid for that guarantee. And the Crown Management Board has explained that to the media and anybody else that would like to do it.

With respect to Canadian "88" and when they made their proposal to us, it . . . and I don't recall the exact date, but I'll give as close as I can recall here. We had established the Saferco company between the Crown Management Board on one hand and Cargill on the other to explore this. If the hon. member recalls, we did investigate the possibility of putting this fertilizer plant up with CdF Chimie from France, and we were very close to doing that, and then that company from France changed the structure of its company and indeed some of its management and said, no we don't want to get into those kinds of projects. Liked it, mind you, but pulled back.

Then we went into it with the Saskatchewan Wheat Pool and announced we were going to do some major research. The Saskatchewan Wheat Pool, I would think, and they can speak for themselves on the basis of the agricultural environment here, some of the difficulties they've had with respect to, as all companies had, going through the lack of grain and obviously the belt tightening, didn't feel that they wanted to do it at this time. We did the same with the co-op and the refinery when we looked together at the NewGrade upgrader.

So we reviewed all of that, and the wheat pool has the information, the Co-op refinery has the information, CdF Chimie has the information. And I said publicly, privately, I'm looking for a partner in this, and if it has to be, I'll build it myself. And I'm serious about that. It was a campaign promise that we are going to produce as close to 50 per cent of the inputs for agriculture in this province as possible — that's chemicals, fertilizers, insecticides, pesticides — and do that here.

So I don't particularly want to build it myself. I would like to have others build it, and I'll back them up and we'll move on it. So when we had put together this project with Saferco, CMB (Crown Management Board) and the Cargill operation, we started doing the research. And then it was brought to our attention that Canadian "88", which is a Calgary firm, backed up — and I'll make this point — backed up by Agri-Co, a U.S. multinational, a large U.S. multinational, was using Canadian "88" as its window into Saskatchewan because they're in business in Calgary, not doing all that well.

And I'll remind the hon. member, and I'm not sure that he heard my comments with respect to the kind of fertilizer they sell which is a liquid fertilizer, urea ammonia nitrate, which is about 80 per cent water, 85 per cent water, not popular — not popular at all. But they said that they're going to put a plant here, there, and so forth, backed up by a multinational called Agri Company. They came to us and they came to me and they said, could you do it? And I said to them right in this building and I sat down with them and said, I am doing this Cargill one, and I'll either do it or I won't do it, but I'm not doing two at the same time, and I told them that. And I said, I like the numbers on this one, I like the economies of scale. I've got some difficulty with your numbers and your product, and I told them that.

Now the rest speaks for itself. They went around and said, well we can build one here and here and here and here. I sincerely don't believe it would work. I don't think farmers will buy mostly water in fertilizer; they will not. And if you look at that project . . . and I believe it's easy to go to towns like Rosetown and Melfort and Yorkton and say, wouldn't you like a nice project with a hundred jobs; you bet it is. And I said, I would like to do that as well, but I certainly don't want to create white elephants that won't work. It is the wrong product, it's wrong environmentally, and it's not accepted in the international market.

And for those to be successful they'd have to absolutely replace, and the numbers will show that, all of the market that the wheat pool has and others have right here in the province today. And I don't think that they can do that,

because their offshore capacity would be very low because you don't want to export water. We're not going to be doing this and marketing it and trucking it around, for environmental reasons and for other reasons. So it just didn't wash.

Now I understand it's a lot of fun for the opposition and other people to say, well wouldn't it be nice to have one in every town. I said to the mayors, and we went through it with the mayors very, very carefully, here are the economies of scale, here are the markets, here's why you have to have something large enough to sustain itself against the big oil companies and the big fertilizer companies, whether it's the Comincos or the Imperial Oils or whoever it is, but the economies of scale to survive the cycles. We have to be able to trade nationally and internationally on this.

And again I mention it, and I'm not sure whether the hon. member was here to listen to that, but 25 per cent of this project and product is destined for the offshore, 25 per cent to the United States, 25 per cent to the rest of Canada, and 25 per cent here, which will allow us to compete very, very successfully when we look at this project.

Now we have invited and I certainly will show to the hon. member and sit down with him with our CMB officials, and I've laid that out, and I'll lay it out again — go through the numbers with you and say, here is the market demand for urea versus anhydrous ammonia, here are the economies of scale, here's the alternatives. And we did that with the mayors; I'll say that to the hon. member. We went through the numbers with the mayors. Now that's pretty public; these are politicians — walked right through it. And I made the same offer to the media, and some have taken up on it and I guess some haven't.

But that information that we provided the mayors, we will provide your Agriculture critic or yourself or anybody else who wants to go through that information. I am absolutely convinced it's the right kind of product environmentally and market-wise. It can reduce the cost of fertilizer. It can sustain itself through international trade. It will not be subject to countervail, and it will cost the provincial government precious little because the guarantees that we put up there are commercial. They pay us for those.

And my final argument would be this with respect to that project. If it's fine to build a project on behalf of government, and we're thinking of doing that, certainly if it would be all right with the opposition member to buy a project like that which costs a lot of money, then I would think that he would give, and I'm sure he would, reasonable thought to the fact that if we just help get it going, get our money out of it and then go build another one, we can lever the taxpayers' money over and over and over again.

If we own it all or buy it, we got it sunk in there, and then our risks and the taxpayers' money goes up and down as we've seen in potash. Perfect example. Those potash mines are pretty effective and efficient in the province of Saskatchewan. But even as efficient and as effective they are, they can be subject to losses, and our tax revenue

doesn't come in too well when they're losing money. And if it goes up higher, we get tax revenue. And the same with a fertilizer company. It doesn't make a lot of sense for us to buy them.

And if that's the case, then it certainly seems to be better — even if you wanted to have government money involved, and given your philosophy, you wouldn't mind that — to just be there to back it up and get paid for that. We are paid commercially to back this up, and what this does is allow them to borrow the money on a lower rate which makes the project more efficient and more effective. So the information is available, and I will offer it to the hon. member as we did the mayors and we will go through a presentation by CMB if you'd like.

With respect to the dates, I don't remember the exact date, but certainly well after we set up Saferco, which is the joint venture on this, I met with them for the first time and I said to them, we're going to do one project at a time. If this one doesn't go, I will certainly look at yours, but I'm not doing them both at the same time, and I have some problems, and I've listed them here, why I don't think that yours would work.

So, for the location . . . I think you asked about the location. If you didn't, I will just . . . couple of sentences. It is on the natural gas line. It's on the Soo line into the United States. It is centrally located so that we can export fertilizer east, west, and south, and certainly around the bases for Saskatchewan. We will be able to increase a large number of jobs in the trucking and transportation industry in southern Saskatchewan as we allocate this fertilizer all across our province.

And clearly it gives us a competitive advantage. It's just a remarkable achievement for farmers to take our natural gas in the ground, right there, turn it into our fertilizer with no transportation costs and be able to spread it across the province so that we can compete with other jurisdictions. It's a great competitive advantage, and I'm sure you're not against that phenomenon.

So we've looked at them with the co-op, with the wheat pool, with the upgrader, with offshore firms, and now with Cargill. And I have every confidence that the numbers, the market, the environment, are as good as we have seen, and as good as we've seen internationally. And we have, you know, some of the best experts in the industry. U.S. fertilizer experts say the Cargill deal can't miss. This is on international people looking at it.

We have some fertilizer companies a little upset because Saskatchewan is going to be in there in a very bold way in fertilizer. We will have an impact, like we are in potash, and I know you agree with that. We will be there in a bold way with respect to influencing the fertilizer markets world-wide, and influencing nitrogen and the complex diversification. We can go through that in a powerful way, which, I believe, is important for not only farmers but indeed the diversification that the member from Regina Centre was talking about earlier.

Mr. Romanow: — Mr. Chairman, I thank the Premier's limited offer of information — that's the only way I can describe it — but it's not good enough for us, and I'll

explain why it isn't good enough and what I request specifically and why I believe my questions remain unanswered. Those may be your answers, and if that's the extent of it, I guess there's nowhere else I can go. But I want to make the following points and reiterate the questions that I want answered from you, Mr. Premier.

First of all, your arguments against Canadian energy "88" may very well be valid. I think there are arguments on either side of it. Certainly if one reads the newspaper stories on Mr. Noval's, defence there is an argument which he amounts for energy "88" which is relatively credible.

The fact of the matter is that with respect to the energy "88" project, so far as I know, the only thing these private entrepreneurs wanted from you was some form of loan assistance on \$10 million and a pipeline from Diefenbaker to the Rosetown area which also would have doubled up to serve a water supply for the community of Rosetown. Now that is assistance in development, if that's the extent of it. They didn't ask equity; they didn't ask guarantees; they didn't ask for government hand-outs. They just wanted a few of those adjustments so that they, as private entrepreneurs, could take a chance.

Here's an operation that says I want to do business; give me a try. Maybe it's true, Mr. Premier, that it won't work. Maybe they're not going to buy the liquid. I think they can. Here are my studies; here are my hopes; here are my dreams; here's what I want to build for Melfort and for Rosetown and for Melville. Just give us those two small things. And you, especially from your philosophical basis where one would think you'd be promoting that kind of an entrepreneurial spirit, said no, that's it. I would say, not only did you say no, you led them to believe to the point where they made the announcement that they were going to go ahead with Rosetown, that the questions of the water and the questions of the loan were in place. And a month later when you announced that the Cargill deal was going to come into place, then we knew the sense of betrayal and bitterness which took place to the communities and to them.

I find that a puzzling defence of the Cargill situation, especially when you consider on the flip side of the coin, not a small entrepreneur — and I don't care about the American connections that energy "88" may have; I really don't. They don't want to put your money or taxpayers' money into it because they want to try it themselves. But the flip side of the coin is you've got Cargill with \$38 billion. And from a philosophical point of view, this project is so good, is so successful, is such a winner, that dumb old Cargill can't see the economic advantage in it.

Poor dumb little old Cargill needs to get a \$290 million, roughly speaking financial assistance from you, and with us being exposed legally if they should walk away from it if it doesn't work. And there are studies around that says we got 30 per cent more product now being manufactured and produced than demand. Poor little old Cargill, from the old free enterprise, practises welfare for the rich and free enterprise for the poor.

(1500)

How in the world does one explain that? If this deal is so good, why isn't Cargill in there by itself doing it? That's what I want to know. That's what the people in Rosetown and Melfort and in Yorkton want to know. The member from Biggar should be asking these questions, not me. The member from Biggar was the person who was intimately involved.

I think energy "88" met with most of your caucus, I'm sure, at some point or other. Nobody ever told them, don't go ahead with it. Not only did no one not tell them to stop . . . and I hear the member from Biggar — I don't want to get involved in a side debate — but the member from Biggar muttering that that's not true. Let's assume that it's not true as far as he's concerned.

Here we have on June of 1989, referring to the member from Melfort:

Hodgins, who represents Melfort, said he intends to meet further with Canadian "88". And the government may enter a joint venture with the Calgary company as well. "I hope that if Canadian "88" is correct it has good technology and efficient plant, and I would hope that we could be involved with it to assist it, and we will bring a plant to the Melfort area," he said.

So if the Premier's arguments are intended to convince me about what's bad about Canadian energy "88" and what's good about Cargill, I suggest that the first place he should have started in convincing anybody is his colleague, the member from Melfort. Because the member from Melfort, after you announced Cargill and after the energy "88" project was made, the Melfort member, the member for Melfort comes up and he still says, look here, I still think this thing has got potential and we're going to sit down and we're going to make a deal with them.

So with the greatest of respect, Mr. Premier, I think what we have to do is not convince me, you should start convincing the member from Biggar and the member from Melfort, all of who have publicly stated in one form or another that they apparently don't buy your arguments. So that's the second point.

The first point is why, when these people want to take a chance, you cut them off at the knees. The second point is, even at that, some people after your arguments are not buying them. Your own cabinet minister from Melfort's not buying them; he says he wants to make a deal. And here we are with this kind of a defence.

Now that's my response, if not a rebuttal, to what you just said. You can respond to me if you want, but the substance of my intervention at this point is and remains, sir, to ask you to do the following. I repeat the questions that I asked you earlier. Number one, does Cargill have a guaranteed rate of return for its investment with respect to the Belle Plaine project? You did not answer that. You talked about the guarantee on the loan. You tried to describe the guarantee of the loan in the context of the U.S.-Canada free trade deal, and the fee charged for

guaranteeing that loan in order to get around the Canada-U.S. free trade deal.

That begs the question of why the guarantee in the first place, especially why a guarantee that the province has to hold itself totally? Why doesn't Cargill hold part of that guarantee? Why doesn't Cargill back it up? Why do the people of the province of Saskatchewan, the poor and the unemployed and on social services and the farmers, why do they have to be on the hook for it? Why doesn't Cargill at least, if you're going to guarantee, be on the hook for it? Why is it that we guarantee 100 per cent?

And of course you're trying to get around the Canada-U.S. deal by saying that the reason that you're doing this is to have them pay a fee for the guarantee. But that begs the central question, why the guarantee?

But I repeat again, is there a guaranteed return on investment provision for Cargill in that deal? That's the first thing I want to know. The second thing that I want to know is what are the specifics of the financial terms made with Cargill? I want to know specifically, Mr. Premier. I know you're in communication with your Minister of Trade and Investment. Perhaps he can give you some details on this.

I want to know what specifically are the terms of the financial deal. I do not want . . . and you're not going to pacify me if that's all you're going to give me; I guess just for the passage of time, we've got to move on. But I'm not going to be satisfied with words like "about 50 million." That's the words that you gave me in answering that question. I want to know precisely who's in, for how much.

An Hon. Member: — For how long?

Mr. Romanow: — And my colleague says appropriately, for how long? But you know what I'm getting at when I say about the precise financial details.

Third question I ask is, I want the documents on that financial arrangements tabled so that we can analyse them and have our accountants and our lawyers and other people in the fertilizer business take a look at them to see whether or not they are in the public interest. That's our job as an opposition. Will you table those documents?

The fourth point that I want to make and the fourth question I want to ask, which is unanswered, is will you table the feasibility studies? I'm not talking about a Crown Management Board presentation. I'm talking about a feasibility study which you must have conducted before you sink this kind of money into this project, which study would justify you sinking the money in with Cargill, getting into bed with Cargill. That has got to be in your hip pocket now. You don't enter into the deal and then say, well let's study the feasibility afterwards. Surely even you and the Minister of Trade and Investment know that.

So let's have that feasibility study. We'd like to read it; we'd like time to consider it. If we have questions that we want to come back to you or the Crown Management Board, we'll come back if that offer is still open. We'd like

other people from the fertilizer business to take a look at that feasibility study. We'd like them to see whether or not the propositions and the theses and the analysis is correct. Will you table the feasibility study?

And fifthly, the fifth question which remains unanswered and it's the last one, and I ask you again specifically, Mr. Premier — these are specific questions. I think we can speed a lot of time and this committee up if you just give me the answers. If you say no to me, okay, no it is. If you say, yes, fine. But just give me specific answers without the speeches.

The fifth question I want to have answered is this: your minister said, and I repeat again, with respect to the Canadian "88" project, energy "88" project, quote:

The government may enter a joint venture with a Calgary company as well.

I hope that if Canadian "88" is correct, it has good technology, an efficient plan, and I would hope we could be involved with it to assist it, and we will bring a plant to the Melfort area (he said).

Now presumably as a member of the cabinet, he is speaking on behalf of the cabinet as well as being a member for Melfort. And my fifth question to you is: is that the case? Were they simply words? If it's the case, what discussions, if any, are ongoing now with Canadian energy "88" to get Rosetown and Melfort on the tracks? Those are my five questions, sir.

Hon. Mr. Devine: — As I briefly as I can, I will give the answers to the hon. member, and he might not like some of them, but some of them will probably be okay.

No, there's no guarantee on the rate of return for Cargill. Yes, there's a fee charge for the guarantee that we provide them, and it's a commercial guarantee. It's a standard one that if you want to guarantee that, it's a certain percentage. The reason for it is to lower the interest rate so that the project is more viable, and we get paid for that. And it's non-countervailable. So in fact, if we want to market into the United States, they can't hit us on countervail because there's some sort of subsidy on this.

What happens if they walk out of it in terms of the deal? I don't have the exact number, but I'll get it to you — 55 to \$60 million cash that they put up. And it's 50-50 where they put up cash and borrow some money and we put up the rest of it. We guarantee what they borrow, and if they walk on that project, we get the \$50 million and the project. And my argument to you is simply this: that if you were going to buy the whole thing at \$350 million, you'd have risked all the money. And that's what you had to explain to the poor and the low income people when you bought the potash corporation. You bought it all, and you risked their money, their income; so fair enough.

The terms of the deal is 50-50, where they put up cash and borrow some money and we guarantee it; and we put up cash and borrow some money and we guarantee the debt.

You asked if I will table the feasibility studies, and I said to you and I will do this — I will either walk through your

critic or yourself, and I can be here personally if you like and certainly my CMB officials, on the analysis that we have done. Because we have people who are looking at it now and people who are looking at investing in it, and we'll walk you through the same analysis that we give the mayors. And I think if you're genuinely interested, you could have certainly some critics that would sit through that and you'll have the documentation before you.

The last question on Canadian "88", and you said that the minister said if they can provide it and if their information is right, we would like to do something with it. I will only say to the hon. member, I said no, I will do the Saferco one and see if it's feasible before I'll do anything else. And I told Canadian "88" that right in this building. We looked at their numbers and we looked at their market and we looked at the water that they were marketing, and we said it will not work. And it is not new technology.

So we looked at what Agri-Co was talking about, Canadian "88" was talking about, and farmers don't buy their product. Now we said, we don't like that. And they said, well we've got an old refinery that's in the United States that was shut down, and they can move it up here and it'll be low cost and so forth. It can be low cost, but if it's the wrong kind of product, it isn't going to work.

And our analysis and our charts and forecasts, that I can go through with you — and I'll offer that from CMB to take you through and it'll take probably an hour to go through the data — says that farmers aren't buying this liquid, this water stuff; they're just not doing it; and if that's the case, that we should be building urea, because that's where the market demand is. And I'll walk you through that.

So in answer to your questions, I will say to the hon. member, we'll be glad to offer you the same information that we offered the mayors, and we walked them through that, and CMB officials can do that for you or your critic at any time in the reasonable future that you'd like to have that happen.

Mr. Romanow: — Mr. Chairman, I'm not going to pursue this at length, but I'm going to respond both to the offer and to the so-called answers that the minister makes.

First of all, before I do respond, a small technical question that I want to have clarified if I can. Perhaps I misheard the Premier, but I thought he said that the deal is roughly 50 million — you'll still give us the exact figures — you said 50 million by us, and then I thought you said 50 million by Cargill, borrowed by Cargill and guaranteed by us. Did I mishear that? Is there a borrowing by Cargill on their 50 million, roughly, into the equity to which you are guaranteeing that, in addition to the 230 on the whole Saferco deal?

Hon. Mr. Devine: — No, they put up cash and then they borrow some. We guarantee what they borrow. The \$50 million equity, 50-some million, is equity that they put up, and then they go into the market and borrow and we'll back that up. And we have the other 50 per cent, and we are in negotiations with private-sector partners to take over the rest of it.

I don't want to own it. I've said that many times. All I want

to do is see it built and have private-sector partners there. Cargill is one. We could have one other big one, or we could several other partners which include local co-operatives, farmers, natural gas companies, and fertilizer companies who want to get in complex fertilizers. Wouldn't be out of the question to imagine maybe even a potash corporation or some other corporation might be investing in a complex fertilizer because N, P, and K are marketed world-wide.

Mr. Romanow: — Well it sure wouldn't surprise me that a privatized Potash Corporation of Saskatchewan would work with Cargill because it would fit in just beautifully with your philosophy and your approach to economic development. That wouldn't surprise me at all. I fully suspect that the privatization . . . It wouldn't surprise me at all, frankly, if Cargill bought 5 per cent of the Potash Corporation of Saskatchewan either, but that's the way you people do business, put it in fewer and fewer hands, and fewer and fewer Americanized hands.

But I have one technical question which I want to ask in addition to that. The \$50 million, roughly, that Cargill is putting in, is it cash or is it something in addition to cash or other than cash, namely technology and expertise and the like?

Hon. Mr. Devine: — I'll confirm that today. I believe it's cash.

Mr. Romanow: — Well, Mr. Chairman, I'm going to . . . I think a few of my colleagues wish to get into this, and again I don't expect the Premier to know the detail of every project in the Government of Saskatchewan, but I must confess that this is not a stray animals Act amendment, this is a pretty big project. And I would have thought that at least the essential aspects of the deal would be a little more clear in the Premier's mind.

But what I want to know is this: I take it that you are not going to table a feasibility study for us in this legislature. Your offer is that we should meet with the CMB officials. And I want to say to you people that the mayors with whom I've talked to about this project have uniformly said, what is required is a written feasibility study that they themselves can analyse and then come back to the CMB to ask questions for clarification, and that's a position I'm going to adopt. I want your written feasibility study, your government's written feasibility. Then we'll sit down with CMB, if you still offer them, to clarify any of the areas that we're uncertain about.

I assume that you have a feasibility study. That perhaps I should ask specifically, but I'm assuming that to be an absolutely conditioned precedent before venturing ahead with this deal with Cargill. But my question is also unanswered, and this is the point that I really want to ask: did your Minister of Highways know in June of 1989 when he told the people of Melfort and area that he hoped to make a deal with Canadian energy "88" still, did he know that your mandate was that under no circumstances would this deal go ahead? Did he know that or was he totally in the dark, or did he know but in effect did not wish to tell and break the bad news to the people of Melfort? Can you tell me that?

(1515)

Hon. Mr. Devine: — I have three pieces of information to give you. The cost of providing the guarantee is \$1.25 million.

An Hon. Member: — What was that?

Hon. Mr. Devine: — One point two five million dollars — \$1,250,000 is the commercial cost for guaranteeing our part of the project. And that's a commercial cost, it's a per cent.

We have done feasibility studies and we have done them with the wheat pool and with Co-op refinery, and we will go through the information. I'm not prepared to table our studies with the wheat pool and with the Co-op and with Cargill to the legislature, but I will share them with you in terms of what we can do with CMB. Eventually they will be there. But we are going through the kind of detailed analysis with people who are co-operatives now and are looking at it, and some other people, and I make you that offer. And we will have it publicly, but obviously when we did this with the French firms, with the wheat pool and with the refinery, we had detailed analysis of what the markets would be, what the costs would be. And we're still doing with the consulting firms on the engineering technology and the costs on that, and we'll have those finalized in the very near future.

We will be in a position to provide those when we have the rest of the partners who are looking at them with us in detail. Again, I come back, and I believe that you understand that when we are in negotiations with local co-ops or private sector people or others that we want their information and some of ours confidential. That's why we set up a separate company, Saferco, to do some of this.

But I'm sure you could get some of the information, if they would like to give it to you, from the wheat pool or from the Co-op Refinery. But I'm reluctant to give you their analysis as well as our own, but we'll certainly walk you through it, and that offer stands.

Mr. Solomon: — Thank you, Mr. Chairman. I have some questions I'd like to raise with the Premier on the Cargill deal. But before I do that, I just want to review what the situation is right now. We have a corporation that the Conservative government and the Premier have struck a deal with, that is the largest U.S. privately-owned corporation. It is one of the largest multinational corporations in the world. Its sales in 1988 totalled \$38 billion — not 38 million but \$38 billion, Mr. Premier.

Thirty-eight billion dollars is 10 times the revenues of Saskatchewan in this fiscal year. The sales and revenues of Cargill were greater than the four provinces of western Canada's total revenues for this current fiscal year. And here we have a Premier who has sold asset after asset — you've sold Saskoil, you've sold Sask Minerals, you've sold the computer corporations, you've sold the potash corporation or you're selling it right now — and you're so inconsistent that, on the other hand, you want to commit and expose the taxpayers of this province to \$230 million in guarantees and another 50 or \$60 million in cash to be

a partner with the Cargill international grain corporation.

Your actions are totally inconsistent. Even the Conservative supporters are shaking their heads. You've got as big a problem with your supporters, Mr. Premier, with regard to your inconsistency in the economy, as you have with those who have not supported your party.

And what I want to ask you about this deal, Mr. Speaker, you've struck with Cargill, is in relation to some of the comments you made during the original announcement. You said that Cargill is going into partnership with your government on this deal and that this will be an opportunity for the natural gas producers of Saskatchewan to have a market right there in this province, and that Cargill will be the single largest consumer of natural gas in Saskatchewan. And that will be an opportunity for the Saskatchewan gas producers.

Yet in question period, I have raised this with your minister responsible, and he said that there was no guarantees provided in the contract that you have with Cargill that they will purchase Saskatchewan natural gas. And I want to ask you this afternoon, Mr. Premier, whether there is a guarantee that Saskatchewan natural gas producers will produce all that they can up to the 19 billion cubic feet, I believe it was, of natural gas for this plant, or whether they are not going to be doing that? Will you tell this House this afternoon please?

Hon. Mr. Devine: — Mr. Chairman, we do projects that encourage Saskatchewan producers to contract here, and we certainly give them every opportunity to supply the demands that we have.

The upgrader here in Regina, for example, uses Saskatchewan oil but it has a back-up, and if in fact you can't get the right quality of oil or quantity at a certain particular time, you can go into Alberta, or for all I know, B.C. to get the oil. The majority of it will come out of Saskatchewan and the same applies to natural gas.

Now I will say to the hon. member, that was not possible prior to our administration. There was just hardly any natural gas development under the NDP. They were saving it for some next generation. We have developed the natural gas industry so that we can now build projects that were impossible under your administration. So it's quite feasible, quite feasible now that all the natural gas that would go into a fertilizer project in the province of Saskatchewan would come from Saskatchewan.

So what we've said to Cargill and others is that you contract with somebody in the natural gas business so that you can get as much as possible out of Saskatchewan, then from then on, if you need a back-up, you get it where you have to.

Mr. Solomon: — Well, Mr. Premier, what you're telling this House this afternoon is that there is no guarantee to the Saskatchewan natural gas producers that they will be supplying the entire needs of the Cargill plant at Belle Plaine. Your government deregulated the natural gas industry in this province. Your minister this morning or yesterday, I believe, announced . . . your Minister of Energy and Mines announced that there are more

supplies of natural gas, proven supplies, in this province in the history of the province. She announced the figures.

And yet you stand in this House committing \$290 million of taxpayers' money with an international corporation like Cargill without getting the assurances and the guarantees that they would at least use Saskatchewan natural gas. Now I want to ask you why you haven't done that, and if you haven't done it, and you can't give us a reason that's logical, would you be willing as the Premier to continue the negotiations with regard to the natural gas suppliers and try and get a guarantee that Cargill will at least use natural gas from this province?

Hon. Mr. Devine: — Mr. Chairman, the hon. member can rest assured that Cargill and the people that invest in this will use natural gas from Saskatchewan. It will be a priority to use natural gas in Saskatchewan. As a result of deregulation in the industry, they know that they will get natural gas where it is the most efficient and where there's least amount of transportation, and that is right here in the province of Saskatchewan.

Cargill, he says, has put together a company that gets 35 billion in sales. I would daresay that if a company can do that, and he's worried about them investing 50 million, they've probably made good on their investments in the past. If he's concerned about this project being successful and passing on the benefits of a low price fertilizer, I think he's answered the question himself. Because of deregulation and their record in the past, that they will draw from Saskatchewan as priority because it makes most economic sense.

Mr. Solomon: — Well, Mr. Premier, we are told that Cargill is seeking out natural gas supplies in Alberta. We have not been able to confirm that they are trying to arrange contracts for natural gas for this plant in the province of Saskatchewan. They're going around the province of Alberta seeking to get natural gas supplies ensured for this plant.

Now I'm not sure if you're aware that, but they're going to Alberta to do that. And I'd like to know if you are aware of that, and if you are, is there any accuracy to this? And what have you told them with regard to focusing or refocusing their priorities to the province that's taking all the risk on this deal?

Hon. Mr. Devine: — Mr. Chairman, the hon. member knows that he's got NDP resolutions before him that say that we should save the gas for the next generation in Saskatchewan. When the NDP were in power, they did not develop the natural gas, and they'd say it over and over and over again that the gas should not be used, and they would pay the Alberta heritage fund fortunes for gas and oil, and said that's fine, we're going to save ours. Now they stand in their place, they stand in here and say, well I guess maybe we should use Saskatchewan natural gas.

Mr. Chairman, they can't have it both ways. People in the gas business and the oil industry have no confidence at all in the NDP, never did have and don't have today. And if he stand . . . and probably never will because they don't understand natural gas; they don't understand oil; they

couldn't build upgraders; they couldn't build the natural gas industry. And he's standing in here saying now, well I guess all those old NDP resolutions don't count any more. We're not going to save the gas. We want Cargill, a multinational, to use up Saskatchewan's gas.

Well wait till I go and tell your constituents that are over 60 years old that now you want to have natural gas sold to Cargill from Saskatchewan, and they'll shake their head. I'll just read it out of *Hansard* to them. I mean you have gone all around the world; you're about as consistent as you are in agriculture policy.

Come on. I said it's a priority here because we're developing natural gas, and our position hasn't changed. You're all over the map. Because of deregulation, they're going to go where it's most efficient, which will be local, and we're happy to do it. And just like the upgrader here, we're going to make gasoline and diesel fuel from our oil. You're going to see fertilizer made from natural gas that comes from Saskatchewan.

Mr. Solomon: — If that's the case, Mr. Premier, do you have a guarantee from Cargill that they will consume Saskatchewan natural gas up to and including their needs if the province can provide it? And if you do have the guarantees, are they contingent on the deal that you've struck with Cargill?

Hon. Mr. Devine: — Mr. Chairman, we have spent an inordinate amount of time developing the natural gas industry so that we can build in this province, and the hon. member asks me if we're committed to natural gas and having people . . . and if we are guaranteeing the future so that Cargill and others and the co-op upgrader will use our natural gas and our oil in this province.

I'll say to the hon. member, it's a first priority. And they have said it and they know it and we are serious about developing the gas industry. And secondly, you will get your natural gas and your oil where it's most competitive. And because of the location, because the plant is in the middle of Saskatchewan, as is the upgrader, it makes eminent sense to a company that, as he says, makes 35 billion a year, to get it locally . . . (inaudible interjection) . . . 38 billion. To get it locally.

So he can't have it both ways. It's a priority for us to have the natural gas used from Saskatchewan going into this plant.

Mr. Solomon: — Mr. Premier, I have had natural gas producers raise with me the response that the minister gave in the House the other day. And they're very concerned because the minister said . . . and you are confirming that there is no guarantees in the Cargill deal on the fertilizer plant, that Cargill or Saferco or whatever the company will end up being called, will be consuming on a guaranteed basis, or on a contingent basis with regard to the deal, Saskatchewan natural gas. And they're kind of worried about that.

An Hon. Member: — Give me the names.

Mr. Solomon: — And I'm asking you, Mr. Premier . . . and the Premier's asking if I could give him the names of the

natural gas producers. Mr. Premier, I'd like to do that but a little confidentiality there, and I'm not going to do that. But what I'm telling you is that I've had two producers talk to me about this. I've had other producers talk to a colleague of mine, and they have raised this, they have raised this concern because they are a little cautious about what your government is saying in this House.

Your government is saying that Cargill is getting a guarantee of \$290 million — \$230 million plus cash of \$50 million of taxpayers' money. You are exposing the taxpayers to \$290 million on this deal, yet you're not trying to get any product or any kind of benefit for that deal. If you're going to stick the neck out of the taxpayers of this province on the deal, at least you can try and do is be a little more accountable and be a little more forthcoming, and to try and ensure that there's going to be some kind of benefit as a result of that besides all the promises you've made.

So I'm asking you for a final time, Mr. Premier, are you aware of Cargill seeking a natural gas supplies in Alberta? And if so, are you prepared to talk to Cargill and/or Saferco to make arrangements and guarantees that they use Saskatchewan gas produce in this province as a first priority? Are you prepared to do that?

Hon. Mr. Devine: — Mr. Chairman, the hon. member won't tell me who he's talking to; they won't identify the gas companies. We know and Saferco has made it very public, that natural gas companies that want to provide natural gas to this project are welcome indeed to come in and even be part of the project. And he's standing up here making huff and puff about people who are not interested or don't think they're going to get a chance. We have an open door at CMB inviting them in to participate in this, even put their money in it to provide natural gas.

(1530)

He stands there and he doesn't come up with any names. He says he's got a friend who talks to a friend about the . . . he's got two friends that contact an NDP critic. You know, Mr. Chairman, I absolutely would say to the hon. member, if you've got gas companies that are talking to an NDP critic in the province of Saskatchewan about developing gas I would just ask the hon. member, please say who they are. Have the courage of your convictions. Stand up here and say who wants to provide natural gas to this project. You give me their name and we would be more than happy to welcome them in to talk to them about it.

If you can't do that, then I think it's so much words. It's like huff and puff like the rest of some of this stuff — words, words, words. But when it comes to projects, whether it's paper mills or agriculture buildings or turbine manufacturers or upgraders, that's different. You just got words, and I don't buy it.

If you can back it with something substantive, fine, but if I don't get some names of companies, I know you're not serious. If you want to do it behind the rail and give me names of companies who are interested in investing in this project, providing natural gas, who come from Saskatchewan, I'd be glad to talk to you about it.

Mr. Solomon: — Mr. Chairman, my question to the Premier is, are you aware that Cargill is seeking natural gas supplies in Alberta for the Belle Plaine fertilizer plant?

Hon. Mr. Devine: — Mr. Chairman, I've said that the Co-op upgrader here has back-up supplies, and it's only logical, for oil from Alberta. What if they couldn't get . . . and the refinery has done it for years, used Saskatchewan oil. Not enough of it, but back it up in Alberta. We are now using almost all of Saskatchewan oil and almost all of Saskatchewan gas and he says, but, but, but, but, they're over in Alberta.

Well for Heaven's sakes, I mean, grow up and smell the coffee. Come on! We are developing the oil and the gas here multifold times what you did, and you're asking, well aren't they still over there somewhere in Alberta. You pumped the Alberta heritage fund half full of the money that's in there because you wouldn't develop our resources. And then you're standing here and say, but they're still over there some place.

I'll say to the hon. member, look, the refinery, the upgrader, and the fertilizer company get their supplies from Saskatchewan. It is a priority and they'll tell you that. They are certainly wise to get back-up supplies in the event that they have difficulties because of weather, frost, pipelines, quality, a combination of things. And so am I aware that they are in Alberta making sure they have the back-up supplies? Absolutely. And I recommend it for the refinery; I recommend it for the upgrader. And certainly it makes eminent sense for anybody that's going into the use of natural gas in this province.

Mr. Solomon: — If Cargill is in Alberta as you confirm, arranging back-up supplies, can you confirm in this House today whether Cargill has firmed up primary supplies for the plant?

Hon. Mr. Devine: — Mr. Chairman, Cargill and other people in the gas business are putting together the financial contracts to supply gas to this company. When they're finished, I will lay them out and table them before the hon. members.

Mr. Solomon: — What we've got, Mr. Chairman, is a deal that's exposing the taxpayers of this province to nearly \$300 million. We have the Premier of this province making an announcement of the deal in the spring, and we've got the deal that's not done yet, or we've got a deal and he's not being frank with the people of this province.

So what we've got here, Mr. Chairman, is the worst of both worlds. Either they're not telling the truth about the deal, because it's such a good deal for Cargill and such a bad deal for the taxpayers of this province; or even worse, they haven't struck the deal but they've gone on the public record of making this announcement and they haven't finalized the deal, which then gives Cargill the upper hand in negotiating. Because they recognize that the government and the Premier have made a public commitment on Cargill, haven't cut the deal yet with them, so they're going to get even a better deal than they originally had hoped.

And as we see from the responses from the Premier today we see a confirmation of the latter. The worst of the possible deal is that there is no deal; you've made the public commitment. Cargill has said, well you've made the public commitment, and you're not going to backtrack on it, so we're going to get the best deal for the Cargill shareholders in the United States, and the taxpayers of the province will be sitting holding the bag. And that's what we see here, Mr. Premier.

But before I finish I want to ask you one more question, and that pertains to the water supply. I would like you to give in this House today an indication as to whether the Cargill Belle Plaine plant will be using a fair amount of water, where that water supply will be sourced, and what kind of feasibility studies or environmental impact studies have been done with regard to that water supply?

Hon. Mr. Devine: — Mr. Chairman, with respect to the water supply, the water will be coming from Buffalo Pound Lake and there's ample supplies, and it is more than enough to suit the project. With respect to the risk the hon. member keeps talking about, if we did the whole project with government, and say we had to borrow \$350 million, it would cost the taxpayer \$35 million a year just in interest. Or if they built it and we bought it, as you bought the mines, 35 million in interest. Right now we back it up and we earn \$1.25 million.

In other words, under your kind of proposal where you go in and buy it, it would cost the taxpayer 35 million. Under ours, where we're paid commercially to back it up, we make 1.25 million. Now guess which way it's going to balance out the best.

We're already had it confirmed by all the media and all of the studies that you lost a billion dollars in buying a potash mine, and you're quite prepared to buy a fertilizer company if Cargill built it or IMC built it. I think you handed 4 or \$500 million over to IMC, lock, stock and barrel. You just give them half a billion dollars of the poor people's money and then you went on to lose another billion dollars.

I mean, well . . . and you spent that money. You could have financed health care for a whole year on what you lost in potash and you know that. All the records say that. You'd go to IMC or Cargill, the international fertilizer people, and you'd say, here's \$500 million, why don't you take it to New York. And that's exactly what you did.

And the whole country's telling you, forget it — you lost over a billion dollars. Every economic analysis, everybody watching television, whether they're in the gallery, in the schools, or in the public from Regina to Moose Jaw to Saskatoon, know that your philosophy of buying what's already there is absolute haywire. It costs money. It doesn't create anything.

I can remember meeting this . . . Well, let me just finally say, you have been promoting, you have been promoting Canadian "88". I think you should go back and do some research. Agri-Co, which is the mother company that supports Canadian "88", is a larger company than Cargill and you're out fronting for it. And I want to make sure people know that, that a large multinational goes back in

to support Cargill . . . or to support Canadian "88" and it's fine with the NDP. Oh that company, that's out of Calgary, that's okay; that's a nice Canadian company. It's supported and financed by Agri-Co. It's a multinational in the United States, and hon. members, you know, seem to sweep that under the rug.

Well I'll just say to the hon. member, this project will use Saskatchewan natural gas, and we will have it financed and it will be of little risk to the Saskatchewan taxpayer, and the water will come from Buffalo Pound Lake, and there's ample supply of it.

Mr. Solomon: — So what you're saying, Mr. Premier, is that the water supply is going to come from Buffalo Pound Lake. Are there studies that have been undertaken with respect to that? Because as the Premier knows, Buffalo Pound supplies all of the city of Regina with their drinking water and their water for their use, as well as the city of Moose Jaw, and I'd like to know whether you've done a feasibility study on the use of the water supply in Buffalo Pound Lake.

And I'd like to know whether you could table that study, whether it was a feasibility or an environmental impact study, because the people of Regina and the people of Moose Jaw would be anxious to know whether or not the use of their water is going to be, or their water supply is in jeopardy as a result of this plant. I don't know if it is. I don't believe it is, but I'd like some assurance from you.

And it's a difficult question to ask you for an assurance because the last five minutes you've spent blowing any accountability you have left out of the water by talking about some goofy proposal that we have never put forward, but one that you've created in your imagination and you're trying to sell to the people of this province, and I can't understand why you'd want to get into that.

But here we have, Mr. Premier, a project that is exposing about \$600 for each man, woman, and child in this province on a deal with an international corporation that you have not finalized a deal with. And I think Cargill has you over a barrel. I think they're going to have a wonderful financial deal as a result of this negotiating style of the Premier, and the typical negotiating style of your government.

And your government has a record that is purely unenviable across the nation. You go to Bay Street and talk to the Bay Street financial people and they say you're a laughing-stock of the country. Your government is the laughing-stock of the country when it comes to economic deals. You go and talk to some of the business people in this province and they confirm what Bay Street knows about you. They think you're a laughing-stock in this country when it comes to business deals.

Now you're striking a business deal exposing the taxpayers and the individuals in this province, every single person living in this province are exposed to the tune of about \$600 each on a Cargill deal. And this after you're selling off all the Crown corporations that are there. So now you're taking money out of one pocket and putting it in the next, and then giving it away to everybody else that's involved with big business or involved with

supporting the Conservative Party in this province and this country.

Mr. Premier, I'd like to know about the feasibility studies on Buffalo Pound. Have you done one? Can you assure this House and the people of Regina and Moose Jaw that the water supply is safe and secure when the Cargill plant in Belle Plaine goes.

Hon. Mr. Devine: — Mr. Chairman, any project that involves building a facility like this and uses water, has complete environmental assessment. And it will be done and is being done and the research will be there. So when we get the final go-ahead, all of that research will be done. We have looked at the water supply and there's certainly ample supplies and will have little effect on Buffalo Lake.

As the hon. member knows, and I know he's against water projects, but Regina and Moose Jaw get their water as a result of Diefenbaker Lake and the diversion of water. And without that, they would be just getting it out of Buffalo Pound Lake, which does not have the quality. But you can bring it from Diefenbaker Lake.

And what that is is a major water project supported by, I mentioned, Mr. Jimmy Gardiner, Mr. Tommy Douglas, Mr. John Diefenbaker, to divert water from there to another river system, the Qu'Appelle Valley river system, so that Regina and Moose Jaw can have water. And there were statesmen in those days, Mr. Chairman, who said, I think this is a good idea to have water management in southern Saskatchewan.

And that's why you can now facilitate projects like this, because we get our water from the Saskatchewan River. And that diversion is excellent, and that's because people had the vision to build Diefenbaker Lake and Gardiner dam, and you can have water coming down through, now through the new filter system.

Now we're asking you for the same support on Rafferty. We didn't get it from the NDP. But that would be very helpful if we could have water management here so that you could facilitate other projects. So we will be doing the complete environmental impact and all the studies necessary to facilitate a project like that.

Mr. Solomon: — Mr. Chairman, one final question. Mr. Premier, could you either give today or in writing to us as quickly as possible, the volume of water that the Cargill plants at Belle Plaine will require, both on a daily basis and on an annual basis. Is that possible, Mr. Premier?

Hon. Mr. Devine: — I can provide that to the hon. member. I don't have it today.

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Premier, I have been listening to you this afternoon, and there's no doubt that you exhibit enthusiasm. I think you'd be well qualified for a cheer-leader. But the question that has to be answered here, Mr. Premier, and the people of Saskatchewan are asking, is whether or not you're competent enough, and your government, to put a deal together of this magnitude. And let's take a look at some of the ringing successes of demonstrations of your

competence.

And we've had an exhibition here of free enterprise in this province with, you know, the Pioneer Trust, and that was Saskatchewan people who were asked to invest and buy shares and have an ownership in the company and have a say. And thousands of investors across this province that invested in Pioneer Trust lost, and lost heavily. And who were the winners? Well a good Tory, Willy Klein — he's doing well down in the United States because he ran away with the money. And Ross Sneath is doing all right because he ran away with a suitcase full of money.

And then Principal Trust — there's another exhibition of free enterprise, and there's 6 or 7,000 investors that are looking, seeking retribution now from the taxpayers.

But let's take a look at your competence, Mr. Premier. You say your Deputy Premier . . . and God help us if he is heading up this deal, because you had your Deputy Premier, and you said he rolls in the hundreds of millions of dollars in deals. Yes, he rolls in them all right. He couldn't even put together a deal. He got . . . the government, the taxpayers got skinned, fleeced, totally taken to the cleaners, for \$5 million extracted from this province, and not a single evidence of any worth.

(1545)

And here comes this enthusiastic cheer-leader. He's going to deal in the big leagues now. Oh, the big leagues. GigaText — couldn't handle a transaction of 4 or \$5 million. Rafferty dam — well we've got to have this Rafferty dam. But could he put together the necessary licensing to proceed? Couldn't do it. Incompetence, total incompetence.

And I want to say to you, Mr. Minister, Mr. Premier, the problem that you have is not enthusiasm; the problem that you have is competence and a direction that helps the people of this province. That's your problem. And the people of Saskatchewan know that, and they say for gosh sakes, don't let him get into any more transactions because the people of this province are getting fleeced.

Some Hon. Members: Hear, hear!

Mr. Koskie: — He comes into this House and says, I got a tremendous deal here in a fertilizer plant. Have we got a deal for the people of Saskatchewan. And he says we've done all the analysis and it's world class. There's no doubt about its success; it's going to be a success. Yes, just like other Tory governments. I remember they set up an oil refinery in Come-by-Chance and they ended up . . . they never even refined one barrel of oil, and they sold it for \$1.

In another Tory government, do you know, these entrepreneurs, what they did down in Newfoundland? They set up this cucumber plant and they were going to grow cucumbers to supply a world class market.

Actually I'm advised that they actually came to the Premier, and I don't know who advised him, but he didn't go ahead. But that's the problem, Mr. Premier, just a total lack of competence, total lack of competence on behalf

of your government. You have demonstrated it. You have run this province into an \$11 billion debt. You've given us the highest per capita debt in any province of Canada, and when you took over, it was the lowest.

You've burdened us with \$390 million annual interest payments, but are you a first-class builder, eh? Building for whom, they ask the people? Building for his friends, the multinational corporations and the wealthy. Easy to govern for the wealthy, Mr. Premier. Easy to govern for the powerful, but a little more difficult to be a Tommy Douglas or an Allan Blakeney to govern for all of the people of this province. That's the difference, Mr. Premier.

Some Hon. Members: Hear, hear!

Mr. Koskie: — He says this is a great deal. This is a deal we can't turn down — \$60 million, what's that? We've only got 11 to \$13 billion in debt, but what's another 60? What's to stop us from giving another guarantee of another 230 million while we're lined up with a great Cargill here. Mr. Premier, Cargill doesn't need taxpayers' money. Cargill can build this plant. There's no problem with that. But I'll tell you, they saw a sucker and they recognized one when they saw.

Some Hon. Members: Hear, hear!

Mr. Koskie: — And obviously any corporation that can suck in the Premier, this builder, you know, he couldn't get through GigaText, but he's a builder. And he's got a world reputation. They're coming in here flocking to meet with this guy that you can get any deal that you want. Heck, why not? I don't blame Cargill.

But I'll tell you, what the people of Saskatchewan worry about is the competence of this government. My God, I hope that the Deputy Premier is not orchestrating this deal, because I don't think there would be a feasibility study at all. He'd just go down to wherever Cargill is located, have a party, and come back and have a deal. Because that's the way this government operates. Competence, Mr. Premier, oh, are you competent, tremendous. We are doing well, tremendously well. Yes, Mr. Premier.

The question that I want to ask you, Mr. Premier, if this is such a good deal and people of Saskatchewan are just wanting to invest, why didn't you set up offering of shares and let these people that have all this money in Saskatchewan, rather than taking all of the taxpayers' money and putting it up, why didn't you let all of the people of Saskatchewan continue to own a potash mine instead of selling off those holes in the ground, and then coming and risking the people, the taxpayers' money? And if it's successful, he says, yes, I'll give it to Cargill. Well isn't that a nice deal for Cargill. And he says, if it isn't successful, he said, I'll have a cucumber plant all to myself, and I'll grow cucumbers. That's the Premier.

Yes, he'll have a fertilizer plant and he'll use those outdated computers to run it. And what an operation this Premier will have.

An Hon. Member: — Don't forget the plastic card.

Mr. Koskie: — Oh and the plastic card, that's right. Yes, exciting times, Mr. Premier, as our young people leave this province in record numbers. We'd have about 14 per cent unemployment if they hadn't fled from the province to look elsewhere for work.

You stand in this legislature, Mr. Premier, and you indicated to the people of Saskatchewan that you offer them bonds, and you have. And you stand in this legislature in support of privatization of potash. And he said, I'll give you an example of participation. He said, do you realize they got 46 per cent return in one year? Isn't that tremendous. Never paid a nickel back.

I wonder who paid the interest on that. All of the other taxpayers using the utility have to pay for that. And for the few that can invest, he says, isn't that wonderful — 46 per cent participating, 46 per cent. And that's what he uses as an illustration of Saskatchewan people participating.

Mr. Premier, I ask you, if this is such a good deal, why doesn't Cargill, and why didn't you in conjunction with Cargill, rather than putting up \$290 million of taxpayers' money, why don't you go out in the free market? Why don't you go to the foreigners like you're doing with the potash mine? Why don't you get the investment from other sources? Why should the people of Saskatchewan, because of you, take all the risk? And if it's successful, then Cargill in fact gets the benefit. Why don't you let the investors, free enterprisers work?

You seem to have a mixture in your agenda. You really don't know where you're going, Mr. Premier. And what the people of Saskatchewan are saying, competence — this Premier can't run this province; he's destroying the province, not building. And here he is with Cargill and the people of Saskatchewan with \$290 million of the risk.

Mr. Premier, if it was so good, why didn't you go, offer shares, and allow people to participate at the outset, rather than the people of Saskatchewan putting up the guarantee?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I think that's a very good idea. That's an excellent idea. And I will tell the hon. member that we are examining that very, very seriously. Because, as you know, when Cargill puts up the 50 per cent and we said we will put up 50, I don't want to be there, and I'm looking very seriously at offering shares to the public in a fertilizer company. And the hon. member, I hope, will encourage that, because he likes public participation now, and privatization.

If in fact this is entirely owned by the people, that is the investors, the Co-op, Cargill, natural gas companies, and the public can buy shares in it, I think that you would be very interested in it.

So when that comes to pass, I hope that you will stand in your place and say now, now you're doing something. You've taken the risk off the Saskatchewan taxpayers and you have allowed them to invest in the province of Saskatchewan.

Secondly, I'll point out to the hon. member, he says, why would you provide a loan guarantee as opposed to not doing it? I said to the hon. member, because you get a lower interest rate on the project and we get paid for that. It's a commercial payment; it's a half a percentage. And they pay us \$1.25 million so that in fact they can have that guarantee and they can borrow at a lower rate. That's better for all the investors. Therefore if I offer shares in that project, the people who will invest in that will get a better return, farmers get lower-priced fertilizer. And you ask me: why wouldn't we do that.

Third point I'd like to make to the hon. member. He is so excited about the fact that under his administration they bought something that was already there. Imagine the risk on the taxpayers of having to give IMC \$500 million of our people's money and tell them to go away and take it. Now that . . . and we get the mine and the risk — we get that risk. And the hon. member says, he says, why am I risking a loan guarantee. For Heaven's sakes, he risked the whole operation, it wasn't just the guarantee that he got paid for.

He bought the whole thing and he paid too much money for it. He gave the multinational a bunch of money, they left town, and we've been paying for it ever since. And every analysis says we lost a billion dollars. The Saskatchewan taxpayers, if they had just taken the billion dollars and put it in the bank, they'd have got 9 or 10 per cent, and over time they'd make all kinds of money.

And he asks me, why would you risk the taxpayers' money on a loan guarantee which is paid for, for we get \$1.25 million. And then at the same time has the audacity to come back in and say, well, why don't you offer shares? Well for Heaven's sakes, Mr. Chairman, I will say, we will help facilitate these projects, we don't want to own them. We will help them borrow money at a fixed rate if they pay us. We are not subject to international, or should not be subject to international countervail because this is not a subsidy. And we get paid for that risk . . .

An Hon. Member: — We'll see about that.

Hon. Mr. Devine: — And he says, well we'll see about that. Obviously if we built it ourselves and financed it through government, you could be subject to countervail. This is a loan guarantee paid for internationally, and we've had international lawyers look at that to protect us from that. So in terms of private sector investment, I say, I agree with you, let's go for it. In terms of people in Saskatchewan having the opportunity to invest in that, we're seriously looking at that and I hope you stand in your place and support it.

And with respect to a loan guarantee versus buying the whole thing, if you put up \$500 million of people's money to give it to a multinational like IMC, it's 50 million a year in interest that you pay them, somebody else.

Well isn't it much better if you just even took that money and built something new as opposed to buying it when it was already here? So there's absolutely no argument on

your part that a loan guarantee is nearly as expensive as borrowing and buying the whole thing and putting the risk on the taxpayer. None whatsoever. We're getting paid to do this — 1.25 million.

Under your philosophy it cost \$35 million a year, and that's \$35 million you wouldn't have for the poor or for hospitals or for health care or anything else. There is none, no economic analysis in the world that would support your philosophy of taking the poor, the taxpayers' money and giving it to a multinational and telling them to leave and say that we're better off. There's not one shred of evidence in the history of the world where that philosophy has made money, not in the Soviet Union, not in China, not in Poland, not in the Ukraine, not anywhere in Saskatchewan, not in Canada, not in United States — no place. And the media now has recognized it and they document it and I can read you editorials.

We lost \$1 billion in this province because your philosophy is: we'll take the money had give it to a multinational and out it goes. Everybody agrees that it falls right smack dab on the plate of the NDP. They don't like to hear it, Mr. Speaker. It's public knowledge, and it's now open.

A loan guarantee would be a lot better and they know it. They don't like to hear this, Mr. Chairman. The Leader of the Opposition is hollering from his seat because he can't stand the truth. The truth is it was his responsibility when they bought those mines and took all our money and put it in potash mines, gave it to a multinational, told them to take the money and left. And we've been paying the debt ever since.

Mr. Chairman, a loan guarantee we get paid for. The pay us. And we can have shares in it and we can see it grow. And that is precisely, precisely why the people of Saskatchewan want the government out of the potash corporation and they want to invest in the corporation so we're not paying our fortunes to international bankers or multinationals, as happened under the NDP.

Some Hon. Members: Hear, hear!

(1600)

Mr. Koskie: — That's a great little speech, and you've given it 15 times. Do you have it memorized? And it still makes no sense. And still makes no sense, Mr. Premier. Because you can't stand in this House and contradict the cold facts. When you took over this province even you said, so much going for Saskatchewan you couldn't even put it into the hole. You could afford to mismanage. Well I'll tell you, that's what we're talking about, your total, incredible incompetence. Total, incredible incompetence.

Do you stand around and say, the previous administration didn't build for the people of Saskatchewan? And I wonder, what are you selling, Mr. Premier? What are you selling? What does the farmer do? Does he go out and buy his land? Of course he does. And he controls the production and he reaps the profits. That's what a farmer does. That's what an ordinary business man does.

But what does this Premier do? He says, oh no, sell. Sell, he says, sell and tax. And the incredible mess that you've left this province, Mr. Minister, is your legacy, and the voters of Saskatchewan are sick and tired of your incompetence and your lack of direction and caring for the people of this province.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Premier, I ask you: why didn't you initiate right at the outset, an offering of shares, rather than later? Why didn't you go ahead and then there'd be no risks? You'd have the best of all worlds according to your litany. Why didn't you proceed with that way?

And secondly, you have indicated that you're taking an equity position in this. I want to ask you whether the Deputy Premier is going to be sitting on the board of directors and helping to administer the management in looking after our interests.

Hon. Mr. Devine: — Mr. Chairman, we've said from the outset that we don't want to own companies like this, we just want to facilitate them. We proposed this with the wheat pool, the same thing, 50-50, and we would offer our part of it to the public or to private sector people who want to participate and to farmers, and that's what we're doing now.

When the final engineering analysis is put together and the package is there, then I have every intention of seriously looking at a share offering for our part of it, and certainly companies that are publicly traded companies, if they invest, obviously people will have the opportunity to buy into those companies and have the opportunity to invest.

With respect to the board of directors of the company, when we finally put together the last engineering facilities and the research, then we will be making the announcement who is on the board of directors and how it will operate and the combination of things that will work to make that a very, very successful operation.

I will say finally to the hon. member, if we can put as much equity into this as possible through share offerings and private investments, then it does lower the cost of borrowing and it's good for the project. That's evident in Crown corporations; it's evident in a lot of things. To replace the debt with equity is a very good idea.

I'm really happy that he brought that up and I support the concept of as much equity as possible as opposed to debt, and certainly the opportunity for Saskatchewan people to do that. And we'll look very seriously at offering that to the people of Saskatchewan.

Mr. Romanow: — Thank you, Mr. Chairman. I suggest while the Premier is looking at the question of reduction of debt and increasing of equity, that he take another look at the potash situation. I suspect that I'm not going to be able to convince the Premier's mind because he is determined to give away an asset valued at his own books at \$1.2 billion, I predict for less than \$800 million, losing us right off the bat, \$400 million.

The loss there, Mr. Chairman, in that \$400 million, will equal the total cost and investment that the people of the province of Saskatchewan made into potash which provided a return and provided taxes and created jobs during the great boom years of the province of Saskatchewan. That give-away of the Potash Corporation of Saskatchewan of \$400 million plus, less than book value, to his big-business friends, that loss will have accounted for all of the cost to get into this initial investment back in the 1975-76 period.

That is smart business economics from this Premier. This valueless operation that he would have us believe, of course nobody will buy now shares in, because it is so useless, as the Premier has described it. Why would anybody buy the share offering, except of course when you give it away to the big corporations by phoney and false reductions in values.

But I think this person's commitment to the province of Saskatchewan, to the workers and to the sound business management, I think, is proven not to be there during the course of these examinations.

And there is another aspect of this which I think is troubling as well. The incompetence, the utter incompetence and the incredibility and the integrity of which I speak — GigaText, the double-dealing with Canadian energy "88", the give-aways and the incompetence of the corporation, the falsehoods, the out and out falsehoods which are being stated on a regular basis, now is coupled, Mr. Chairman, by another matter which troubles me as I move into another area. And that is this Premier's determination to play the role of the Hallelujah choirboy to everything that Mr. Mulroney and the PCs in Ottawa do.

It seems as though this government simply cannot take a position which is independent of the federal government on any of the major issues — none whatsoever. One of two things can be concluded: all of the issues are absolutely acceptable to the Premier, he has had no difficulty in buying them. Well if that's the case, then I guess under those circumstances, we know exactly that he supports the federal budget, which slashed \$500 million-plus from the agricultural side of things; that he supports the sales tax, which we also know is the case, the proposed new sales tax; but he's not able to take an independent, for-Saskatchewan position.

What he does instead is to take the position of always singing, ay, ay, Captain, whatever Mr. Mulroney says. It doesn't matter, we will fall into line. Now I think this is graphically demonstrated. Today's *Globe and Mail* does so, Mr. Chairman, with a headline which says, referring to the Manitoba Premier, "Filmon takes aim at Ottawa for not consulting provinces." Now Mr. Filmon, as most people will know, is the Progressive Conservative Premier of the province of Manitoba. And as much as I disagree with his big-business give-away approaches, at least Mr. Filmon has got the . . . how shall I describe it? — the courage . . . I guess I should say perhaps in more plain, old-fashioned English language words, the guts to take on Mr. Mulroney and the province's position to advocate where necessary in federal-provincial relationships,

something which I find very sorely missing in the Premier and the government opposite.

There is a first ministers' conference coming up in a few days, in August — I guess it starts tomorrow or the day after tomorrow in Quebec City. And Mr. Filmon, in the headline of the story, which says . . . takes aim at Ottawa for not consulting provinces, says the following, Mr. Chairman. He says:

Mr. Filmon criticized Ottawa for failing to reach agreement with the provinces on the new national sales tax, interest rate policy, regional development programs, cuts to Via Rail and unemployment insurance, child care, health care, military base closings and free trade.

The story goes on to say:

The sales tax, in particular, will be a top issue when the premiers hold their annual meeting next week in Quebec City, Mr. Filmon said. He said the sales tax issue will cause "strong disagreement" among the premiers and "antagonism" toward Ottawa.

Strong disagreement and antagonism toward Ottawa, apparently everywhere except in Regina. Strong antagonism and disagreement in these premiers with respect to all of these hurtful policies of Ottawa — regional development, cuts to VIA Rail, unemployment insurance, agriculture — everywhere, but apparently not in Regina. Apparently it takes a Mr. Filmon to stand up for the western Canadian people and to speak on behalf of western Canada.

An Hon. Member: — That's scary.

Mr. Romanow: — And as the colleague says, that's scary. Well it may or may not be scary. At least he has the courage of his convictions, and he's prepared to put aside his political commitments in the interests of his province and his region on these key issues.

An Hon. Member: — We'll have to send him his speech.

Mr. Romanow: — You can send him the copy of my speech. I've been around federal-provincial tables, and I know that there comes a time when co-operation only goes so far and there comes a time when you have to in fact stand up for the province of your jurisdiction. Maybe Mr. Filmon has to say this because he's in a minority government situation and the NDP is forcing him to say this. Maybe, as the Premier points out, Mr. Filmon would rather simply sing the Hallelujah Chorus — I don't know — as the Premier would have us believe that's his position going into the Quebec conference.

But what I don't understand is why, for the life of me, why it is that when we see this avalanche, this cascade of problems which are detrimental to western Canada, ranging all the way from Meech Lake as it's currently constituted, to the agricultural cut-backs to the proposed national sales tax, why in the world is it that the headline doesn't say, Devine take aim at Ottawa for not consulting?

Mr. Chairman: — Order. Members aren't to use other members' names in the debate.

An Hon. Member: — This is in the newspaper.

Mr. Chairman: — It's not a quote.

Mr. Romanow: — For the life of me, I don't know why it doesn't say, Premier of Saskatchewan takes aim at Ottawa for not consulting provinces. I don't know. I think this baffles a lot of the people of the province of Saskatchewan. It baffles and it confuses, and I think one might say that in addition to that, there's a bit of a dereliction of duty here.

I don't think what we need to be doing is the arguing with Ottawa on an incessant non-stop basis, but we need to speak up for the province of Saskatchewan when the time comes to be heard. And I think that there are many occasions now when the time is here that we should be heard. And the Premier should be burying his PC Party loyalties and, in the interest of the government and the people of the province of Saskatchewan, standing up and speaking for the farmers and the working people and the youth with respect to all of these policies that Mr. Mulroney and company are inflicting on Canada, but have particularly negative impact with respect to the regional progress and the regional development of this particular region.

I'd be interested in knowing why it is that the Premier feels so beholden to Mr. Mulroney. Why it is that the Premier is either unable to unwilling or perhaps fearful of retribution? We do know the Mulroney record is one of retribution. If you don't support Meech Lake, then he goes after you by cutting out the CFB (Canadian Forces Base) station at Prince Edward Island. If you don't support Meech Lake, then he goes after Manitoba and Gimli. Maybe our Premier is afraid that he has to swallow Meech Lake lest there be some form of yet additional harmful national reprisal by a prime minister. I think that pattern is well accepted or well seen now.

But that too is a shocking development in federal-provincial relations. I think in my years in the federal-provincial scene, I don't think I've ever seen a federal government which plays the pay back approach to co-operative federalism. Actually it's not pay back, it's "stick 'em up" federalism. It is: you must do this if you want, in exchange for something that the province wants, if you want that particular project, you must support my position, even if it is contrary to the interests of the people in the province of Saskatchewan.

Now here's the national sales tax, the national sales tax. Seven premiers of the province have the courage to stand up and say look, we do not like it the way it's currently structured. They have their officials; the Premier's got a slug of high-paid finance and executive people surrounding him here, feeding him the bullets and giving him the answers for these question we're directed to him today. And they must know exactly what the implications of the sales tax is. Surely to goodness, their capacity to analyse it is not so limited as the Premier would have us believe. I think the capacity is very, very strong indeed.

And we see all kinds of headlines about the proposed tax under attack across Canada: "Tory back-benchers warn", "The voter wrath." I suppose that'll prompt a little speech by the Premier about us promoting fear again. Oh of course, one headline here says: "The financial institutions will escape the brunt", "Sales tax seen as a deficit weapon." There's an argument that it should be revenue-neutral — no way. "Small business berates plan" is another headline here in *The Financial Post*. "Oddities in the proposed nine per cent sales tax begin to surface", "Drug-makers criticize the plan." Here's this headline which I think tells it all in the ... I guess this is *The Financial Post*: "Province-wide criticism for sales tax."

(1615)

Now how in the world is it, Mr. Chairman, that all the other governments can, in effect, get their analyses into place to be able to make a decision that they either accept or rejected this plan, but ours is incapable of doing so? Why even Mr. Getty next door in Alberta had the capacity to say to the Prime Minister: I'm sorry we don't want a sales tax; we don't want this 9 per cent sales tax. Oh the explanation is because Alberta doesn't have a sales tax. Maybe so, but he's at least stood up and he's articulated a Saskatchewan, or an Alberta point of view in his case.

Here's one which is in the financial pages as well, from the Canadian Press: "New sales tax could stall Canada's faltering economy." Could stall? — in a sense, add to the faltering nature of the economy. And on and on it goes. I think the one article which I enjoyed was the one by Mr. Ray Guay, the retiring Ottawa editor for the *Leader-Post* and the *Star-Phoenix*, which says, "Goods tax trips over test of truthfulness," is the way that that article is indicated and is written.

Well at least Mr. Filmon says he's going down to Ottawa to protest, and he predicts that Ottawa is going to be criticized for these initiatives that it's taken contrary to the best interests of the province of Manitoba. And I must say in criticizing the sales tax, Mr. Filmon comes from a province where at least the manufacturing base is as large as ours, if not larger, traditionally larger than ours. So any of the arguments with respect to the reduction of the changes of the manufacturers tax and the next sales tax, surely, Mr. Filmon too must be aware of it.

Well, Mr. Chairman, I have one specific question to the Premier. My question is this: does the Premier agree with the Premier of Manitoba, Mr. Filmon, that Ottawa has failed to consult with the provinces in the areas of national sales tax, interest rate policy, regional development programs, cuts to VIA Rail, unemployment insurance, child care, health care, military base closings — that may not be relevant here — and free trade?

Now that's his brother, political brother. It's his western Canadian soul mate next door — a very harsh statement made against the federal Prime Minister of this country. My question to the Premier of this province is: will you be going down to Quebec City and agreeing with Mr. Filmon in these comments?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Chairman, the new Premier of Manitoba is doing very well in Manitoba. His popularity has been increasing at the expense of both the NDP and the Liberals. He is obviously in a minority position but is getting stronger and stronger. And I certainly wish him well. He has been working very hard on the solutions with respect to economic analysis and constitutional change associated with Meech Lake.

And I've had the opportunity to be with him on several occasions, most recently at the western premiers' conference in Camrose, and he's growing in confidence and he's growing in maturity with respect to the role of Premier. And frankly, the people of Manitoba think very highly of him, and I suspect he's going to do quite well in the next general election in Manitoba, based on his stance. He's taken a very hard stand with respect to the constitution, on Meech Lake, and he wants to see some parallel stuff to go along with the constitutional accord, and he's said that. He's held his hearings across the province of Manitoba and he's bringing forth recommendations.

He certainly has joined me and Don Getty and Bill Vander Zalm on the absolute disagreement on high interest rate policy in this country. We understand that it's led by inflation coming out of Toronto and area. We are not part of the problem in terms of inflation here in western Canada, but yet we are being blamed for it. And we said to the federal government — I've met with the chairman of the Bank of Canada, I've met with the Finance minister and the Prime Minister, and I've said very, very clearly that we don't want high interest rates. The Premier of Quebec as an economist, myself as an economist, looking at the reasons and the alternatives they have, have made very specific proposals, and I will be tabling some of those proposals in front of the premiers when I go down to Quebec City for the premiers' meeting.

I will say that the hon. member raises the point that now we see the Premier of Manitoba raising his profile in talking about interest rates. I would also say, with respect to free trade, we've had absolute agreement that we support free trade, and certainly the people of Manitoba endorsed it. And we saw that very clearly in the last election led by the premier there, who said free trade will help Manitoba because it's into manufacturing.

And when we looked at the province of Saskatchewan, clearly the NDP said that they were successful because they frightened people about free trade. Well we had a by-election after that and we proved to the people of Saskatchewan that, if you go back and tell them the truth, then they can respond, and they did.

With respect to the new sales tax and its implications for agriculture, I have some very specific recommendations and I gave them to the Prime Minister, saying that agriculture should be exempt. And if you have any rebate system, do it right up front, make sure agriculture is no worse off now, and in some cases I would hope, with the modification of that tax, that they can be better off. Certainly if you can drop from thirteen and a half down to nine, or if in some cases you not only lose the thirteen and a half but you take off the nine, there's substantial benefit.

And I believe the committee, the House of Commons committee that is going around now is getting some very strong suggestions that were put forward by the premiers like Gary Filmon and Finance ministers and others right across the country. So we'll be making those strong points on interest rates, on trade, on the new sales tax as it applies to agriculture, specifically at the premiers' conference.

Other things that we'll be doing at the premiers' conference will be the whole question of the new structure of the family and the role of the family. I will be recommending to my colleagues that they have a minister responsible for the family; we set up a foundation for the family in each of our jurisdictions, which I believe would be very important; talk about equity investments in Canada to make sure and to help us have regional development and reduce our debt; a fair amount of discussion on agriculture and trade in the multilateral discussion and in the free trade discussions; and a big discussion and recommendations with respect to the environment that will be all placed before the people in Quebec City as the premiers meet.

So the combination of those things will be, I think, fairly well rounded when we look at the family interest rates, agriculture, trade, tax, monetary policy, fiscal policy and the environment, Mr. Chairman. It will be a full agenda for the premiers of the provinces, and I can only echo the support that the NDP leader makes in this province for the new PC premier in Manitoba. I will be very anxious to send the *Hansard* here over to the people of Winnipeg and see the strong endorsement of the NDP in Saskatchewan for the new PC premier in Manitoba.

Mr. Romanow: — Mr. Chairman, I notice again . . . you see this makes my point, the address, the response by the Premier, makes my point again about the Premier's inability and unwillingness to stand up for Saskatchewan. I definitely disagreed with much of what Mr. Filmon is saying and doing, but at least he's standing up for the province.

I'll be very interested . . . the Premier talks about environment being talked about at the Quebec City conference. No doubt the Premier will give a little instructive lesson to the premiers assembled there as to how sufficiently the Rafferty dam complied with the environmental laws and the impact assessment study there. They will want to know your commitment to the environment, sir, on that basis, and that will be an interesting discussion. I'm looking forward to a very good strong communiqué about how Saskatchewan stands up for the environment and follows all the laws and does all the studies, notwithstanding the courts having struck it down, and notwithstanding the wildlife federation. That, I think, will be an interesting little bit of a discussion.

But let's leave that aside for the moment — Rafferty. I'm still talking about federal/provincial relations and the attitude of this government. I'm trying to figure out if there's any other position other than singing the Hallelujah Chorus to Mr. Mulroney, being so very deep in his hip-pocket, this premier, that he can't see daylight, if there is any other position at all. And I don't detect it,

based on the last answer that he gives me, because I asked him whether or not he agreed with Mr. Filmon's criticisms. You take whatever you want out of the evasiveness of that answer. I will interpret that he does not agree with Mr. Filmon. He supports Mr. Mulroney.

Mr. Filmon says in this article the following, Mr. Premier, which I want you to answer for me as well. Mr. Filmon says:

In the last year or two, there's been a marked drop-off in consultations on a wide range of important issues," the Conservative premier said.

"Sometimes there's been little or no consultation at all. The result for most provinces has been growing concern and frustration."

I note those words again for you, sir:

"Sometimes there's been little or no consultation at all. The result for most provinces has been growing concern and frustration."

Mr. Premier, do you share that sentiment of your colleague, the Premier of Manitoba?

Hon. Mr. Devine: — Mr. Chairman, I said that I agree with much of what the Premier of Manitoba has been doing and saying, and his popularity is growing significantly in Manitoba. And he's taken a very hard stand on interest rates and on taxes and on the Meech Lake accord. And I will be discussing those, and I've discussed that with him at the western premiers' conference in some detail.

Now he wants to see particularly some things happen with respect to the Meech Lake accord and he's taken a hard line on that. We've passed it in this legislation. It has not passed Manitoba. He has that opportunity for him because . . . and it was not passed.

The NDP in Manitoba under premier Howard Pawley agreed with Meech Lake, as did all the premiers across Canada. The NDP agreed, the Liberals agreed, and the Tories agreed, and the Prime Minister. And they all agreed. And now we see this change in philosophy among the NDP, and Mr. Filmon was left with that situation when he became premier and he has to deal with it. He has to have his hearings and so he's being very careful. He's growing in popular support as a result of the things that he's doing.

He asked me about interest rates; he asked me about taxes. And I've said to him, we've taken a very, very strong stand. I've gone right to the chairman of the Bank of Canada on interest rates. And I don't believe that you can get any more than that; and right to the Finance minister and the Prime Minister.

And the hon. members say, well, well, well, they went to see the chairman of the bank. I went to talk to him personally, and I have made it very, very clear on many occasions, at western premiers' conferences, first ministers' conferences, on national television with respect to high interest rates on a national policy — I

fundamentally disagree with it as an economist, as an agricultural minister, as a western premier.

It is the cost of capital for us to develop. And interest rates are extremely important to us, and to have them at a reasonable level, you might say, as someone said, it's because of high interest rates and the failure of the NDP to deal with it that we were elected first and foremost in 1982. We just said we would go in there and we would not put up with it, and we didn't.

We've got the best interest rate protection package in North America here in this province, and I have fought against high interest rates, and the record is clear. Every mortgage in this province is locked in at \$50,000 for home owners, nine and three-quarters, and they can't go beyond that. Now that's the best record we've seen any place in the country, and I will stick up for our guns there.

With respect to tax changes, I've said agriculture must be exempt and there has to be fairness. I would like to see, as the NDP do and others, that thirteen and a half per cent manufacturing tax removed altogether and I want to see fairness in any new proposal that comes in. We're looking at all kinds of analyses. There's all kinds of pitfalls with respect to the new tax, and we're looking at making modifications to make them better. And so I would join with the Premier of Manitoba in making those recommendations to the federal government.

Mr. Romanow: — Mr. Chairman, again I note the Premier avoids the specific answer to a very simple, straightforward question. Apparently he doesn't share Mr. Filmon's concern about growing concern and frustration on the lack of consultation; in fact, to the contrary.

Well I want to come back again to federal-provincial relations in the context of the sales tax, the proposed sales tax. Now the Premier yesterday in question period — maybe it was during his estimates, his agricultural department estimates — in his defence of this 9 per cent sales tax, in his, again, apologia for the federal government in defence of the 9 per cent sales tax, and again, playing his role of the Hallelujah choirboy to whatever the Prime Minister should propose and recommend, suggested that one of the benefits would be that we would change from the 13 per cent somewhat, whatever it is, extra manufacturers sales tax, to a new national sales tax and there would be a saving that would be passed on to the consumers. He says the example of a half-ton truck, and not to question of farm machinery — it doesn't matter the examples. The argument is that there's going to be a saving here. That was part of his defence.

Now, Mr. Premier, today the same *Globe and Mail*, which I suppose prompted Mr. Filmon's response to stand up for his business people in the province of Saskatchewan in opposing Ottawa, and while you silently and mysteriously remain silent with respect to defence of the Prime Minister, today's *Globe and Mail* says in the headline: "Government can't force business to pass along GST savings, MPs told." And, Mr. Chairman, I've got to read a paragraph or two from that. It says:

Consumers will have to hope . . .

I say this to the Minister of Trade and Investment, he should read *The Globe and Mail* sometimes:

Consumers will have to hope that competition and the threat of negative publicity will persuade companies to pass on any savings they realize when the new federal goods and services tax takes effect.

Officials in the Finance Department say the government has no legal right to force businesses to reduce their prices to reflect the lower tax rates that are expected on a wide range of goods under the GST, which takes effect on Jan. 1, 1991.

"I can't think of any legal basis on which Ottawa could impose that requirement," department counsel Marc Jewett told a meeting of the Commons finance committee.

(1630)

This is the committee that is studying this new onerous 9 per cent sales tax which is going to fall on farmers and working people and others. So much for the argument that there's going to be a passing along of the savings. Or will the Premier stand up in defence and say that he really thinks the fertilizer companies are going to be passing on any new-found savings that they may achieve by virtue of this change? Because as I said last night, if the Premier would advance that unbelievable proposition, then I think myself and the member from Quill Lakes could uncover somebody who would offer him another bridge here that he could bring to Saskatchewan as part of his building process.

Now, Premier, there is a legal opinion here which says there's no way you can force the reduction; that's the federal people say this. And Mr. Filmon says, I object. He says, I object because it's going to hurt our people. I'm opposed to this sales tax; I object; and I'm going to stand up and I'm going to say I object.

Mr. Premier, can you tell me whether or not your Minister of Justice, with whom you're conversing on this issue, has provided for you a legal opinion that varies from this one; and if so, could we see it. And that being the case that we can't guarantee any reductions, why don't you join Mr. Filmon for a change and stand up in opposition to the sales tax?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I remember in 1982, Mr. Chairman, the NDP who are anti-business, very much anti-business, they said, and we made the offer, Mr. Chairman, we made the offer — and the member from Moose Jaw North will appreciate this — we made the offer and said if you elect us, we'll take the tax off gasoline and those big companies will drop the price of gas. And the NDP said it would never happen.

We said we'll take the sales tax off gasoline, and said don't fill up your tank until Tuesday because the tax is coming off gasoline and those big companies will pass it

on because everybody knows what it is.

And the NDP said no, that will never happen. It'll never, never, never happen. Big business won't do it. Those multinationals at Imperial Oil, the Co-op, and others, will never pass it on. They said the same thing over and over. They are so preoccupied with being negative — doomsday-sayers, anti-business, anti-retailers, and spreading fears — the opposition said, and telling everybody that we're trapped in Saskatchewan; we're trapped. And they said the very same thing in 1982.

Well, Mr. Speaker, do you know what happens with competitions? When you have several people that will offer the same product, we've got a perfect history example, an economic example in the province of Saskatchewan. When we took the tax off gasoline those big retailers and multinationals dropped that price and we saw gasoline prices at the lowest of any place in Canada, right here in the province of Saskatchewan, because we took the tax off. And it worked.

And they haven't forgot it, Mr. Speaker. When you remind them of that they say oh well, gee, we made a mistake; we were taxing too much; it just shouldn't have worked. And oh my goodness, and they lost every seat in the province including the member's from Riversdale. He went down and he said, oh my gosh, those Tories figured it out. If we reduce the tax they'll pass the benefit onto the consumers. And he got snookered. They got him.

A 22-year-old gas jockey in Saskatoon took his seat. And she was pumping gas and she said the price is going to go down. And holy smokes, he lost his riding because he was wrong. He said oh, oh, if they drop that tax, it'll never been passed on in my riding. Well I'll tell you what the people of Riversdale did. They just voted in droves and they said, you give me a crack at this. And we took the tax off and down came the price. And gas tax is for ever implanted on that member's mind.

Now he stands again making the same sorts of analogies. He's saying, well, he said, look, if you reduce taxes in Saskatchewan or in Canada there will be no benefit to consumers. Did you hear him say that? See, he says it's all right.

And the NDP have this philosophy. If we raise taxes, only the big people will pay — they'll pay, the little guy won't matter; but if you reduce taxes nobody will benefit. Do you notice how he says that? You can reduce taxes and taxes, but it will not provide benefits. He feels trapped philosophically. He feels trapped economically. And he is frightened and he would say, my gosh, if we reduce these taxes, who will get the benefit?

Now he can't have it both ways. He says, well we can't reduce the tax because they won't pass it on; therefore he doesn't want to change that tax system. He doesn't like the taxes to go up. He doesn't want them to go down. He is all over the map.

What would his suggestion be? I asked him the other day if he wants that thirteen and a half per cent to come off, and I assume that he does. He already admits now that it wouldn't get lower because they're going to keep it and

there's be benefit, so it might as well be higher. But if he wants it down and he wants it reduced, what would he say should come in its place? He's never stood in his place and said, this is what we should do. He didn't have any response to the gas tax; he's got a fairly weak response now to this sales tax, saying that if you reduce it, it won't come off. If you take thirteen and a half per cent off a truck or a car, he's saying the price won't drop.

Well I say, Mr. Chairman, if you reduce taxes like we did on the gasoline tax you will see a benefit to consumers. And we have got a history of that here in this province. I would like to see the thirteen and a half per cent come down and I would like to see fairness in the new tax system, and I will fight for farmers and consumers and manufacturers and processors in Saskatchewan and across the country to make sure we have a very, very fair tax and not go back, as the opposition member's doing now, and say, well I guess we just have to stick with the thirteen and a half per cent because there's nothing else we can do. I don't buy that. When we took the tax off gasoline, consumers benefitted. If we reduce the manufacturers tax or sales tax in this country, people can benefit, Mr. Chairman.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Your tax scheme doesn't seem to work very well, Mr. Premier. It didn't work for Ross Thatcher and it's not going to work for you. The best way for Saskatchewan people to get their fair return on resources is by the dividends through the Potash Corporation of Saskatchewan.

In fact, in public accounts, at our last meeting, we find that your government has retained the firm of Touche Ross in the fiscal year under review at a sum of \$15,000 to fight a dispute of a million dollars in tax owing by one of the private potash companies in the province of Saskatchewan who won't pay their taxes. We maintain Ross Thatcher couldn't do it; you can't do it either.

Now, Mr. Premier, you should maybe read the transcripts of the Public Accounts Committee where your officials, that appeared before the committee stated very clearly that there's a million dollars by one particular potash company in the province of Saskatchewan who won't pay their tax. Therefore they have to go to a dispute settlement mechanism which has taken place now over three different fiscal years and that company still will not pay their tax, sir.

You'd better do something about collecting taxes before you start selling off everything in Saskatchewan, taxing the average and ordinary individual in the province of Saskatchewan and letting the potash company away with a million dollars in tax who won't pay it, and they have to go to some kind of a dispute settlement mechanism which takes three fiscal years to make it work.

I ask you — you shake your head, Mr. Premier — I ask you to read the public accounts transcripts from the last public accounts meeting in which your officials stated very clearly what I have just laid out to you in this House here today, sir. So don't you talk to us about being able to tax back all this money from the multinational corporations.

And when you talk about the Leader of the Opposition in such a disrespectful way and also disrespectful about your own candidate, calling one of your own candidates nothing but a pump jockey, I can't believe it. What about you, Mr. Premier, back in the '78 general election. Did you not run in the Nutana constituency, and were you not soundly defeated by Wes Robbins.

Some Hon. Members: Hear, hear!

Mr. Anguish: — And then, Mr. Premier, did you not run in a by-election in the Estevan constituency? And what happened there? Did you not get defeated by one Jack Chapman?

Some Hon. Members: Hear, hear!

Mr. Anguish: — Is that true, or could you stand up and tell us some warped perspective that you have of your scenario of events that defeated you in, not one, but two elections in the province of Saskatchewan as an individual candidate, because people rejected what you stood for? You fluked the election when you came into office in 1982. And do you know how you won the 1986 election campaign? How did you win it? I think the best description of that is by the reporter that overheard you in a motel room in Saskatoon, yelling and shouting on the telephone with Prime Minister Brian Mulroney, you've got to give me money for a deficiency payment because the farmers are going to throw us out of office after only one term, only one term they're going to throw me out of office so you've got to give me a billion dollars. You've got to give me a billion dollars so I can win the election in the province of Saskatchewan. And as chance had it, Mr. Premier, you won that election because you bought the election with the Prime Minister's money. They put in gigabucks, because giga means one billion. You got a billion dollars from the Prime Minister and you bought the rural votes in the province of Saskatchewan.

What happened, what happened since that time? You sold your soul because the Prime Minister isn't going to buy you out any more. You sold your soul. You lost your backbone to stand up to the Prime Minister in his central Canada interests. You support the multinational corporations, you support Brian Mulroney, but you won't support the people in the province of Saskatchewan. They're going to throw you out of office, sir.

Some Hon. Members: Hear, hear!

Mr. Anguish: — What are some of the things where you don't have the backbone to stand up for Saskatchewan people? What about the national sales tax, which almost all Saskatchewan businesses recognize as detrimental to their business. Already consumers in the province of Saskatchewan don't have the spending power to create the buoyant small-business economy that we should have. Don't go away, there's more. How about also the feds reducing crop insurance, wanting to pull out of crop insurance? Did your Premier stand up to that, did the Premier stand up for Saskatchewan farmer? No he did not.

What about no cash advance payments? No cash

advance payments until the new legislation comes in. Did the Premier stand up for that? No, he didn't stand up for Saskatchewan people. How about the fact that when the new legislation does come in the federal government and Brian Mulroney tell Saskatchewan people, there'll be interest on cash advances from now on. Did the Premier of this province stand up for Saskatchewan people? No, he didn't stand up for Saskatchewan people, lost his backbone, sold his soul when he took the billion dollars to buy the 1986 election campaign.

Some Hon. Members: Hear, hear!

Mr. Anguish: — What about when Brian Mulroney announces a reduction in established program financing to the provinces? Did the Premier and his cabinet stand up for the interests of Saskatchewan's programs, such as health care and education and programs for the good of the people of this province? No, he didn't stand up. Why? Because he lost his backbone and sold his soul for a billion dollar deficiency payment. What about an ongoing disaster relief program? Whether it's tornado disasters or whether it's natural disasters such as drought, does he stand up for Saskatchewan people? No, he doesn't stand up for Saskatchewan people. He lost his backbone and sold his soul to Brian Mulroney and central Canada interests.

Some Hon. Members: Hear, hear!

Mr. Anguish: — And what about the worst of all, the Mulroney-Reagan trade deal? Did this Premier stand up for Saskatchewan people? No. Did Saskatchewan people stand up for the Conservatives? No, in fact they elected 10 out of 14 federal members of parliament in the last federal election.

Some Hon. Members: Hear, hear!

Mr. Anguish: — Does he stand up, does the Premier of this province stand up when Brian Mulroney wants to do a corporate restructuring of North America? No. Why? Because the Premier sold his soul and lost his backbone when he pleaded and cried in a motel room in Saskatoon to Prime Minister Mulroney for a billion dollars, because you got to help me with the election.

Hon. Mr. Devine: — Mr. Speaker, I want to respond to the hon. member. I have the notes with respect to the water requirements for the fertilizer project in . . . Regina Rosemont MLA asked for this. Saskatchewan Water has been working with Cargill on it, and there will be no undue demand on Buffalo Pound. The demand is 15,000 cubic metres per day, and if you look at Regina, Moose Jaw, Kalium, and evaporation, it in total will use 3 million cubic metres per second. So the Saferco demand is less than 0.3 cubic metres per second, and this is equivalent to about normal evaporation in Buffalo lake. So it's very modest; it's very little. It's only a fraction of what we use today, so it certainly can be accommodated and the information with respect to the water corporation that has been working on this for Saferco . . . and certainly this will all become available when they do their environmental impact study.

(1645)

With respect to the hon. member talking about the co-operation or lack of co-operation with the federal government, I think it's important that we do work in co-operation with the federal government on environmental projects like Rafferty, to help farmers. We've been able to get about \$2 billion in cash payments to western Canadian farmers, and that's cash into their pockets. And that's taken a lot of lobbying, a lot of co-operation and work.

We've certainly lobbied hard to change the national energy program, to change FIRA (Foreign Investment Review Agency). We've worked hard to change the international trade agreement so that we could have more liberalized trade supported by the wheat pool, farmers, and indeed members opposite who say they have nothing against more liberal trade internationally. They don't like the deals that I do, but generally speaking they like international trade to be more liberal. They supported it at the GATT (General Agreement on Tariffs and Trade), they supported with the United States and with the Japanese, and they've told me that and I appreciate that. From a political point of view, they can say, well you didn't do it quite right, but we generally agree with the kinds of things you're doing. That takes a lot of work and a great deal of co-operation.

I've said very specifically on many occasions, with respect to interest rates, that I am absolutely against high interest rates. We have protected consumers and farmers and home owners and others in this province, and we're going to continue to do it. And it's cost us money. The hon. members say, well you've got a deficit and you shouldn't be building these capital projects and you shouldn't be protecting farmers and you shouldn't be protecting consumers against high interest rates. Look, when you face 22 per cent interest rates and drought, we are there to protect farmers and we believe that it's a good idea.

So, Mr. Chairman, it does take some co-operation. And if you look at two issues where we've had a great deal of difficulty: one is in the constitutional change in Meech Lake and the other's in free trade. And the Leader of the Opposition raised this — there has been hours and hours and, frankly, days of negotiations and meetings between the federal government and the provinces. We've met on committees. It was initiated by Premier Getty of Alberta on a constitutional accord that could bring Quebec into the constitution, into the country, and that was just no end of ministers travelled across this country and worked with the federal government. And we finally, and in very historic . . . all 10 provinces agreed on a constitutional change and eight out of the 10 passed it.

Now that took a great deal of consultation, and I'm very proud of the fact that that worked — and that included the NDP in Manitoba, the Liberals in Ontario, and Tories in other places, and the Prime Minister.

The same applies to free trade. You can talk to people like Ted Turner, and they will tell you there has been no end of negotiations with SAGIT (Sectoral Advisory Groups on International Trade), federal-provincial people, ministers, and others working extremely hard to put

together a better and better package at the MTN, at the General Agreement on Tariffs and Trade, and with the free trade agreement.

So negotiations are never perfect. We want to keep that dialogue open. We have had some significant differences with respect to interest rate and on measures in the tax, and we will level them right squarely in front of the Prime Minister and other people. And we have in the past and we will continue to do that in the future.

Mr. Romanow: — Thank you, Mr. Chairman. I'm still on the issue of federal-provincial relations and this government's position with respect to federal-provincial relations. I am disappointed, but I think exhausted in being able to get any answer from the Premier with respect to the sales tax position and why he endorses it, but that is it. I guess we have to live in Saskatchewan with the 10 per cent tax on lotteries. We have to live with the other tax increases which this government has announced. The sales tax, a flat tax, and now we've got the federal sales tax of 9 per cent on everything from hair-cuts to fertilizers to goodness knows what it is.

An Hon. Member: — Stamps.

Mr. Romanow: — Stamps, I guess. Is it on stamps too? Well there it is, stamps as well, and it really is an expensive, all-embracing, all-ranging situation.

And the Premier's . . . I must confess, I was both entertained and pleased with the content of the presentation from the member from Battlefords about why it is that the Premier's been so silent on federal-provincial matters. Perhaps that explains it. Frankly I haven't thought of it in those terms myself, but he might have a good explanation as to why the Premier is the silent Sam of federal-provincial relations

But I think what I want to do is to move away from sales tax, as very important as that is, extremely important, to another area which I want to test the Premier on. And I suspect that he will continue with respect to his support of the federal government in this regard.

The headline in the *Prince Albert (Daily) Herald*, I think it is, of July 29, 1989 says, "Western premiers can't agree on accord." Western premiers can't agree on accord, is the heading. This comes out of Camrose, Alberta when the premiers got together for their annual, maybe now semi-annual — I'm not sure — western premiers' meeting. And there is the failure of agreement, partly again by Mr. Filmon, but also it seems now by Mr. Vander Zalm. Mr. Vander Zalm has some second thoughts, according to this newspaper article, about the meaning of distinct society, buried as it is in the main body of the text of the constitution giving, some observers would say, a special status for Quebec.

The newspaper story however that I want to refer to says in part as follows, and it pertains to our Premier:

(I'm reading from the paper now) Premier Grant Devine of Saskatchewan, to date an ardent booster of Meech Lake, said he has talked to both Filmon and New Brunswick's Frank McKenna,

and may support amendments to the accord based on hearings in both provinces.

I might add that that's something that was rejected here in the province of Saskatchewan, the request for hearings, notwithstanding the opposition's request for hearings, the opposition steadfastly refused and bulldozed the resolution through. I now go back to the main body of the story. This is quoting the Premier.

If they are reasonable men, if they can add (this is referring to McKenna and Filmon: if they are reasonable men, if they can add) to something that is already what I believe reasonable, then two and two is five and we'll get it done, Devine told the news conference at the end of the meeting. But if they just offer tiddly-winks or something that is window-dressing the people will backhand them out of there.

You'll note from that story that the Premier has said that he will consider, he's considering supporting amendments to the accord based on hearings in both provinces. My question to the Premier is: is in fact that the position, that if the hearings in New Brunswick and in Manitoba produce suggested amendments, that you will urge those amendments for the accord. Is that your position today?

Hon. Mr. Devine: — Well, Mr. Chairman, this House virtually unanimously passed Meech Lake. The hon. member opposite was not present but the NDP supported it; the majority of the NDP supported Meech Lake accord, as did all of the provinces but two. And it was passed in the legislatures.

Now I certainly support Meech Lake. As the hon. member knows, I will look at companion legislation or parallel things that would help us maybe move Senate reform along or some other things that will come out of Manitoba or New Brunswick, but I find it quite difficult to conceive how we could pass amendments in 10 different legislatures before June of 1990.

And he's a man with considerable experience in legislatures, and it would be certainly much easier conceptually if Manitoba and New Brunswick passed it in their legislatures, and if we had some additional things that we wanted to do in the constitution, we have more time to do those. I would certainly look at, in the spirit of that, signing an agreement between ministers, first ministers, that we would agree to go on and do some other things as rapidly as possible with some companion legislation, some parallel accord, something like that.

But the Meech Lake accord to reopen, not only because of the logistics of it, but because once you open it up to try to make it perfect, it is virtually impossible to satisfy everybody else. And any lawyer would know that. You have . . . (inaudible) . . . once you get into the ranking of, or perhaps possible ranking of rights and whose rights are above and below this, and I'm sure that's what would happen.

That Meech Lake accord is worded very, very carefully, extremely carefully, and we've had the best legal advice,

and I think the Attorney General of Ontario, at least the former attorney general — I don't know if he still is the Attorney General — went through it in detail, and Premier Peterson had them look at it in detail as a person from Ontario that is quite sensitive to French in Quebec, and they looked at it as a Liberal administration with a Conservative prime minister, and they said this accord does not change anybody's rights.

What it does is recognize that most of the French-speaking people live in Quebec, and their distinct minority's English, that are there that must be recognized and protected and most of the English speaking people live outside of Quebec, and the minorities here must be protected, and that's what it says. And for that recognition, we get the right to veto, that is we get power, the same powers Quebec or Ontario or others, over certain constitutional changes. And I think that's good for a smaller province, to have that same stroke, that same capacity and constitutional change as the bigger provinces.

So, certainly, I would be very much in favour of Meech Lake. We passed it here. The NDP supported it; the Liberals have supported it, and the Conservatives have supported it. That's true across the country. Logistically, it would be much easier to say, it's passed here, pass it in two more provinces. If you want to make some additional modifications, let's do it in a parallel fashion or another fashion or a later fashion.

I am sure this country will go on and attempt to amend the constitution, as the hon. members knows, for decades and well into the 21st century. You never quite get it perfect. But when you got a chance to get everybody together — and I'll just close on this, and I don't mean this is a partisan sense — but when we brought the constitution home, we left out one province. We would dearly like to get all the provinces together. This country is tough enough to run as it is without having one major centre with 20-some per cent of the population left out. We'd like to get that done. It's bigger than partisan politics, as the hon. member knows. We should do it. He's been involved in the process before. It takes statesmen to get that done.

We'd dearly like to see this country built strongly on all provinces together in one constitution, and I believe that's very possible with Meech Lake. And it takes some companion legislation or parallel agreements, I would certainly look at that.

Mr. Romanow: — Mr. Chairman, the newspaper story that I refer to, and subsequent newspaper stories, quotes Premier Vander Zalm of British Columbia as having now some second thoughts about the distinct society clause in the Meech Lake accord. He says that many people question the distinct society clause especially after Quebec superseded minority language rights in Bill 178, its French language sign only law. And this comes from a premier who was there in the all-night sessions, without officials and without the constitutional advisers. I guess that's how it took place. I wasn't there on that occasion.

But from this premier, who heretofore has been a booster and an advocate of Meech Lake, he now says that he's got

uncertainties about the distinct society clause. I want the Premier to indicate to me whether or not that is the case, and if that's the case, how in the attempt to keep this country together, as he describes it, how do we get around those concerns which now an original signatory . . . a person who signed it, signatory to the agreement, how do we get around that from a person who was there and heard the arguments, and now says that there may be a dysfunction or an imbalance here given to the powers of Quebec? What is the Premier's game plan in the light of that?

Hon. Mr. Devine: — Well, Mr. Chairman, I would think it would be fair to say that the Premier of British Columbia's observation have more and as much to do with informing the public about the Meech Lake accord as anything else. And the reason I say that is I had the opportunity to meet with the news directors of western Canadian media and they were asking me about the accord and if I'd modified. And they put together headlines, and they admitted that their responsibility was the editorial headlines and all kinds of things including the constitutional accord.

And I went back to them and I looked them in the eye — and the hon. member would appreciate this being in public life — and I said, has anybody in this room read the Meech Lake accord? And not one of the news directors from across western Canada had read the Meech Lake accord. And I said to them, you know, with respect, you are writing editorials about what the accord says and what it means and what you think people think it means, and you haven't read it yourself, and you are responsible for your reporters coming in and putting the editorials together.

Now that was a rather shocking thing for me to hear that the immediate directors, not just the reporters, and I can understand that, but these are news directors that had not read it. What Mr. Vander Zalm, I'm sure, is expressing is the fact that most people in this country have no idea at all what's in the Meech Lake accord, none.

And if they recognize and had it explained to them in detail — here's what distinct society means, that most of the French-speaking people in this country live in Quebec and we should recognize that, and that there are minorities that need to be recognized, I mean, and most of the English-speaking people live outside and that's just a fact of life — all of a sudden becomes much easier to put a constitutional accord together, and everybody saw that when we signed it, including the NDP and others. And as we read it here in this legislature, people had the chance to go through the constitutional accord on Meech Lake.

So I'd just say to the hon. member, I think that we have a marketing job to do. He asked me specifically; I think the Canadians need to be well informed and better informed about that constitutional accord, and maybe it needs to be in the newspaper or put out in some publications and say, this is what it means. It recognizes the truth, the facts, the reality of the differences across this country and particularly focuses on Quebec.

Mr. Romanow: — Mr. Chairman, I'm in the committee's hand. I must be honest to you, sir, and the Premier, we're not going to get done clause 1 today. I'm prepared to

continue if you want until 5 o'clock, come back at 7 o'clock tonight. I know the Premier has another engagement to Quebec City. I'm sorry we couldn't finish the estimates, but it seems that during the course, the two days time was not sufficient to do it. So I'm in your hands if you want me to continue it.

Hon. Mr. Devine: — Thank you, Mr. Chairman. I understand the situation. I would recommend that we break — it's 5 o'clock — and come back at seven. I can't be back at seven because I've got preparation for the first ministers conference, and if they want to go into other estimates, I'll certainly be back afterwards, and if it looks like they want to pick up the ball where we left it off today, that I would be more than willing to co-operate, as I suggested to the House Leader when we talked about it earlier.

Mr. Romanow: — Mr. Chairman, if I might, I'm uncertain about what the Premier is suggesting when he says afterwards. Afterwards today or afterwards, after you come back from your trips. What's your proposal? We want to try to accommodate you. But what do you suggest?

Hon. Mr. Devine: — I discussed this with the House Leader, Mr. Chairman, and said that I have preparation to do, because I'm leaving in the morning, and that I'd be more than prepared to come back when I return after the premiers' conference, and we can pursue it from then. And maybe it won't be necessary, maybe it will, but it will be in your hands and obviously we'll be prepared to co-operate.

The committee reported progress.

The Deputy Speaker: — Being 5 o'clock, the Assembly is recessed until 7 p.m.

The Assembly recessed until 7 p.m.