

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

PRESENTING PETITIONS

Mr. Prebble: — Thank you very much, Mr. Speaker. Mr. Speaker, I rise pursuant to rule 11 to present a petition to the Assembly for more than a thousand residents of Saskatchewan. These petitioners are urging the government to reverse its decision to impose the 7 per cent provincial GST (goods and services tax) and are specifically expressing concern, Mr. Speaker, in opposition to a tax on reading — a tax on books, magazines, and newspapers. The petitioners point out that with the proposed, and now in effect, 7 per cent provincial tax on books and periodicals, that readers in Saskatchewan are among the highest taxed readers in the world.

Mr. Speaker, on behalf of more than a thousand Saskatchewan residents, I am very pleased to present this petition to the Legislative Assembly. And I'd ask one of the pages to assist me. Mr. Speaker, these petitions come from my home community of Saskatoon, in fact my home constituency, but also from other residents from Maidstone, Kelvington, Maple Creek, Moose Jaw, Regina, Melville, Evesham, Macklin, Denzil, Primate, Kerrobert, Cut Knife, and Unity. On behalf of all these residents I'm very pleased to present these petitions to the Assembly.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, I too rise in this House pursuant to rule 11 to table petitions signed by well over a thousand people from various parts of Saskatchewan, people who are very concerned about the implications of implementing the 7 per cent sales tax, particularly, as my colleague has indicated, on reading materials. I met with a couple of university students earlier today who had indicated that they were very concerned about this particular tax.

Mr. Speaker, these people whose petitions I will table today are from my city of Saskatoon — they are from Kincaid, Ponteix, Burstalls, Findlater, Gravelbourg, Shamrock, Radville, Cabri, Lemberg, Leader, Fillmore, Creelman, Mossbank, to name only a few of the centres that these petitioners come from. Mr. Speaker, on behalf of these people, I will present these petitions to the House.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Mr. Speaker, I want to present to the legislature a number of petitions with respect to the tax on knowledge and ideas. I want to read a portion of this petition and a portion only, Mr. Speaker.

We the undersigned support the Saskatchewan Alliance Against Tax On Reading in opposition to tax on books, magazines, and newspapers. We believe that a tax on reading is a tax on knowledge

and information, and is detrimental to our society. Traditionally, books, magazines, and newspapers in Canada have been exempt from the sales taxes because Canadians have recognized . . .

The Speaker: — Order, order, order. I've been listening to the presenters of the petition this afternoon and I must now interrupt. The previous two were just more or less on the border, but you, sir, seem to have stepped over the border, and petitions, when they are presented, must not encourage debate.

Now I believe that you're supposed to keep the information that you are presenting very, very brief — the essence of the argument. And presenting in such a way that it's going to encourage debate is out of order.

Mr. Shillington: — Mr. Speaker, it was my understanding that I could read the petition I was presenting. That's all I was doing.

The Speaker: — You're allowed, sir, to inform the Assembly why the petitioners are presenting the petition, but once again not to present it in such a way that it's encouraging debate, and I believe you're doing that.

Mr. Shillington: — Mr. Speaker, I will then end this by pointing out that the petition points out correctly that a tax on reading material is a tax on ideas and knowledge. The people who signed this are from various communities throughout Saskatchewan: Caronport, Wishart, Whitewood, Spring Valley, Rockglen, Rouleau, Wolseley, North Battleford, Kindersley, Rosetown, Weldon, Christopher Lake, Green Lake, and Meadow Lake.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — I too, Mr. Speaker, rise pursuant to rule 11 to present to the Assembly hundreds of names from people who are opposed to the provincial GST on books, magazines, and newspapers. As well, in part, I want to quote from the motion, the petition being put. "The proposed provincial tax on reading will be the only one of its kind in Canada."

Mr. Speaker, for that reason hundreds of people have signed this petition, and they are from Grenfell, Willowbrook, Yorkton, Canora, Ogema, Moose Jaw, Mazenod, Balgonie, Regina, Pense, Kayville, Torquay, Estevan, and Swift Current.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I rise as well pursuant to rule no. 11 to table over a thousand names on petitions, of people who are concerned about the proposed 7 per cent, in fact the implemented 7 per cent provincial GST on books, journals, and reading material in general.

Mr. Speaker, this 7 per cent provincial tax will make Saskatchewan the highest taxed province in Canada by a long margin. And that is another reason why these people are concerned.

The people who have signed this petition, Mr. Speaker, come from many places in Saskatchewan, including The Battlefords, Viscount, Turtleford, Glaslyn, Wilkie, Mildren, Guernsey, Lanigan, and Kerrobert. I am pleased on their behalf to table this petition at this time, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Thompson: — Thank you, Mr. Speaker. I also rise pursuant to rule 11 to present a petition to the Assembly from more than a thousand residents of Saskatchewan. These petitioners are urging the government to reverse its decision to impose a 7 per cent provincial GST on reading material. These petitioners are from a number of communities including Raymore, Semans, P.A., Saskatoon, Meadow Lake, and Arborfield. Thank you.

Some Hon. Members: Hear, hear!

Mr. Mitchell: — Mr. Speaker, like my colleagues I rise pursuant to rule 11 to present a petition to the Assembly for more than a thousand residents of the province. These petitioners are urging the government not to impose the 7 per cent provincial GST on books, magazines, and other reading material. The people who have signed the petition that I am presenting are from Weyburn, Pelly, Yellow Grass, Radville, Coronach, Estevan, Indian Head, Yorkton, Climax, Frontier, Val Marie, Davidson, Kipling, and Regina. I'd like to table this.

Some Hon. Members: Hear, hear!

Mr. Upshall: — Thank you, Mr. Speaker. I rise pursuant to rule 11 to present a petition to this Assembly for more than a thousand people who are urging the government to not impose a tax on knowledge and information that they believe and I think everyone, most thinking people in this province, believe is detrimental to our society. These petitioners come from places such as Prince Albert, Paddockwood, Rosthern, Cut Knife, Pelican Narrows, Clavet, North Battleford, and Saskatoon.

Some Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. I also rise pursuant to rule 11 to present a petition to the Assembly for more than a thousand residents of Saskatchewan. And these petitioners as well are urging the government to reverse its decision to impose the 7 per cent provincial GST on ideas and information, and on the dissemination of those ideas and information through books, periodicals, newspapers, and other written material, Mr. Speaker.

Some of the communities that are represented in these petitions, Mr. Speaker, are Melville, Meadow Lake, Invermay, Saskatoon, Foam Lake, Sheho, Regina Beach, Montmartre, Weyburn, Kendal, Oxbow, Pangman, Ceylon, Estevan, and Bienfait. Thank you.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Thank you very much, Mr. Speaker. I too rise pursuant to rule 11 to present a petition to the

Assembly of more than two thousand residents of the province of Saskatchewan. These residents are opposed to a tax on reading material, as they believe a tax on knowledge and information goes against the very fundamental principles of democracy, Mr. Speaker. They also believe that a tax on reading materials goes against our belief that we need to have literate people in our society.

Mr. Speaker, these petitioners come from several communities across Saskatchewan, representing communities like Melfort, Cut Knife, Paynton, Drake, Nokomis, Saskatoon, Esterhazy, and Theodore. Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Thank you, Mr. Speaker. It is my honour, Mr. Speaker, to bring to the Assembly a petition signed by over two thousand Saskatchewan residents who have chosen this means to express to their government their opposition to the proposed goods and services tax, and express their opposition specifically, Mr. Speaker, to the reading tax which will be the only one of its kind in Canada.

Mr. Speaker, pursuant to rule 11, along with my colleagues, I present these from petitioners in communities across the province, communities like Yorkton, Bethune, Moosomin, Churchbridge, Canora, Kipling, Regina Beach, Earl Grey, Herbert, Shaunavon, Regina, Humboldt, Annaheim, Wynyard, Muenster, Davidson, Glenavon, Churchbridge, and Carlyle, and other communities as well, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Pringle: — Thank you very much, Mr. Speaker. I also rise and join my colleagues today with pride, to engage in this fair democratic right of petitioning the Legislative Assembly. Pursuant to section 11, I present some 1,200 petition names of Saskatchewan citizens opposed to the 7 per cent tax on reading material, opposed to the tax on information and learning, Mr. Speaker.

They urge the Government of Saskatchewan not to proceed with this 7 per cent tax on books, magazines, and newspapers. These 1,200 names, Mr. Speaker, are citizens of the communities of Christopher Lake, Tisdale, Vanscoy, Hanley, Weyburn, Cut Knife, Outlook, and Manor, Mr. Speaker. And I'm proud to table these 1,200 names on behalf of Saskatchewan citizens.

Some Hon. Members: Hear, hear!

Mr. Lyons: — Thank you very much, Mr. Speaker. I too rise pursuant to rule 11 to add a great number of signatures to petitions of residents of Saskatchewan who are joining the tax revolt against the provincial government's goods and services tax on books and periodicals. These residents come from the communities of Saskatoon, Eastend, Eston, Nipawin, Spruce Home, Birch Hills, Prince Albert, Marsden, Maymont, Harris, Tessier, Rabbit Lake and Mervin.

And, Mr. Speaker, these petitioners do pray that the

government be pleased to reverse its decision to impose what they term as an unfair tax. And I would join them in that prayer, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Calvert: — Thank you, Mr. Speaker. I join with my colleagues today pursuant to rule 11 in laying yet another 2,000 signatures on the Table, of petitioners from across Saskatchewan who see the tax on reading materials, knowledge of information, as unfair — an attack on our very future.

Mr. Speaker, these residents whose signatures I present today make their homes in the communities of Regina, Pennant, Cabri, Nipawin, Prince Albert, Paradise Hill, Porcupine Plain, and many of them in my own community of Moose Jaw.

Some Hon. Members: Hear, hear!

Mr. Lautermilch: — Thank you, Mr. Speaker. I too rise pursuant to rule 11 to present on behalf of around 1,200 petitioners, the petition rejecting the unfortunate and misguided decision, by their words, to introduce a provincial goods and services tax on reading materials, books, and periodicals.

I would indicate, Mr. Speaker, these people are from Eastend, Ponteix, Moose Jaw, Estevan, Montmartre, Glenavon, Kendal, Weyburn, Craven, Lumsden, Churchbridge, Consul, and Gainsborough.

Some Hon. Members: Hear, hear!

Mr. Trew: — Mr. Speaker, I too join my colleagues in rising pursuant to rule 11 to present a petition from more than a thousand Saskatchewan residents who are opposed to the government's decision to impose a 7 per cent goods and services tax on reading material.

Mr. Speaker, the signators of the petition I'm about to table come from Raymore, Davidson, Bladworth, Abbey, Herbert, Pense, Carlyle, Nokomis, Whitewood, Avonlea. And in looking at the signatures in this particular bundle, it's quite obvious there's a large number of my own constituents from Regina North and other parts of Regina as well as my very own next door neighbour.

So, Mr. Speaker, I am proud to present this petition on behalf of those people who have signed the petition.

Some Hon. Members: Hear, hear!

Ms. Smart: — Thank you, Mr. Speaker. I too rise pursuant to rule 11 to present a petition to the Assembly from more than 2,500 residents of Saskatchewan:

The petition of the undersigned residents of the province of Saskatchewan humbly sheweth:

That we the undersigned support the Saskatchewan Alliance Against Tax On Reading in opposition to tax on books, magazines and newspapers. We believe that a tax on reading is a tax on knowledge and information, and is

detrimental to our society. Traditionally, books, magazines and newspapers in Canada have been exempt from sales taxes because Canadians have recognized the cultural, social, educational values of the written word. The proposed provincial tax on reading will be the only one of its kind . . .

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

Once more I bring to the hon. member's attention that she may read the prayer of the petition but not the entire petition because that is encouraging and engaging in debate. So I wish to bring that to your attention.

Ms. Smart: — Mr. Speaker, I thought I could read the wording of the petition, but it is certainly praying "that your Honourable Assembly may be pleased to urge the Provincial Government to reverse its decision to impose this unfair tax."

Some Hon. Members: Hear, hear!

Ms. Smart: — Mr. Speaker, these petitions that have come from the city of Saskatoon, which I am pleased to represent here, and also from other communities, among them Pilot Butte, Rosthern, Leroy, Jansen, Kerrobert, Blaine Lake, St. Walburg, Sylvia, Tisdale, Radisson, Tribune, Spy Hill, Moosomin, Wapella, Martensville, Waldheim, and Hague.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Mr. Speaker, I rise also pursuant to rule 11 to present a petition to the Assembly for more than a thousand residents of Saskatchewan. These petitioners are urging the government to reverse its decision to impose the 7 per cent provincial GST, and these petitioners are from a number of communities including Kincaid, Mossbank, Spy Hill, Stony Beach, Estevan, Central Butte, Caron, Delisle, Indian Head, Pilot Butte, White City, Whitewood, Craik, and Fleming.

Some Hon. Members: Hear, hear!

Mr. Koenker: — Mr. Speaker, I too rise pursuant to rule 11 to present a petition on behalf of individuals protesting the provincial government's tax on learning. And I would just say that the overwhelming majority of signatures in my particular batch of petitions come from Saskatoon. And I strongly suspect that they were largely gathered at the University of Saskatchewan campus, and represent well over a hundred of my own constituents of the 1,200 names I'm presenting. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I rise pursuant to rule 11 to present a petition to the Assembly for more than a thousand residents of the province of Saskatchewan. Mr. Speaker, these petitioners are urging the government to reverse its decision to impose the unfair 7 per cent provincial GST. They believe that a tax on reading is a tax on knowledge and information and is detrimental to our society. Mr. Speaker, these residents are from Blaine Lake, Grandora, Delisle, North

Battleford, Langham, Weyburn, Dodsland, and from many constituents in Regina North West. Thank you.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Thank you very much, Mr. Speaker. I rise pursuant to rule 11, as my colleagues have done these last 20 minutes or so, to present a series of petitions totalling something in the order of 13 or 14 thousand names of people who are opposed to the provincial government's imposition of a 7 per cent GST on reading and on ideas and knowledge.

Mr. Speaker, before I take my place, today we have tabled something in the order of 45 thousand names of people who have signed this petition by this exercise. This group which I have here in front of me — and as members opposite will know is very considerable, and you do too, Mr. Speaker, note the size of it — represents among others those signators from Balgonie, McLean, Rosetown, Ponteix, Aneroid, Saskatoon, Estevan, the Premier's home riding; Kerrobert, Beauval, Cole Bay, and many others. We tabled these in support of these petitioners in urging the government to reconsider this onerous task.

Some Hon. Members: Hear, hear!

READING AND RECEIVING PETITIONS

Clerk: — According to order, I have reviewed the petitions presented on Friday last by various hon. members. All such petitions were found to be irregular, pursuant to rule 11(6) and (7), and therefore they are not permitted to be read and received.

NOTICES OF MOTIONS AND QUESTIONS

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, I give notice that I shall on Wednesday next move that an order of the Assembly do issue for a return showing:

For the period showing June 19, 1990 to the date this return was ordered, a detailed list of the flights taken by the Government of Saskatchewan's executive aircraft, including in each instance the purpose of the flight and the minister who authorized it; the date of the flight; all destination points of the flight; to which department, agency, or Crown corporation the cost of the flight was charged and the amount of the charge; the name of each MLA on the flight; the name of each government employee on the flight; the number of family members of MLA's on each flight; and the total number of persons on each flight.

Some Hon. Members: Hear, hear!

Ms. Smart: — Mr. Speaker, I give notice that I shall on Wednesday move that an order of the Assembly do issue for a return showing:

For the period May 2, 1990 to the date this return was ordered, a list of the executive motor vehicles purchased by the Central Vehicle Agency, including in each instance the make, model, and

cost of the vehicle; the name and location of the dealership from which the vehicle was purchased; and the name and position of the individual to whom each vehicle was assigned.

Some Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. I give notice that I shall on Wednesday next move an order of the Assembly do issue for return showing:

The names, titles, and remuneration of all non-clerical staff employed in or assigned to the offices of the ministers of the Government of Saskatchewan for the period June 19, 1990, to the date this return was ordered.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Mr. Romanow: — Thank you very much, Mr. Speaker. Mr. Speaker, I have the pleasure of introducing to you, sir, and to the members of the Assembly, a group of people who are located, I believe, basically in your gallery who represent the alliance to stop the tax on reading — people who have been very prominent in the organization, such as Mr. Ken Jensen and Ms. Mary Sutherland, and Ms. Bonnie Bernard.

But there are others as well who come from libraries, who come as writers, who come as booksellers, who are or not a part of the alliance, but all share the general concern respecting the 7 per cent GST tax on books and reading — students from the University of Regina, representatives from the Canadian Conference of the Arts, ACTRA (Alliance of Canadian Cinema, Television and Radio Artists), and some representatives of the consumers and the general public, Mr. Speaker. It's my pleasure to introduce them to you today.

Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, I would like to join with the hon. member in welcoming the members of the alliance here from across Saskatchewan today on behalf of this side of the House. I've had occasion to meet with many of them over the past few weeks, and I too would just ask that the House give them another warm welcome, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Rolfes: — Thank you, Mr. Speaker. Mr. Speaker, I would like to join with my colleague, the member from Riversdale, in welcoming two students from the University of Regina: James Burton, who is the president of the students' union association, and the vice-president, Dwayne Cutler. They're in your gallery, Mr. Speaker.

They are here because they are very concerned about the 7 per cent tax on students' books and on other expenditures that the students have to incur at the university. They're very concerned about the harmful effect this tax will have on many students, and that's why they're here today, hopefully to convince the Minister of

Finance to change his mind. Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much, Mr. Speaker. Of the distinguished people in your gallery, I want to pick one of that number out for special introduction. It's George Bothwell, former member of Regina City Council, but more important for today, a long-time worker on behalf of libraries and indeed a long-time president of the Saskatchewan Library Trustees' Association — here today as the others are to dramatize their opposition to what amounts to a tax on knowledge.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Provincial GST on Reading Materials

Mr. Romanow: — Thank you very much, Mr. Speaker. Mr. Speaker, as you know today the official opposition has tabled petitions totalling 45,000 Saskatchewan people who are, by their signatures on these petitions, strongly opposed to the provincial government's 7 per cent provincial GST on reading and knowledge. My question, Mr. Speaker, therefore is to the Premier of the province of Saskatchewan.

Mr. Premier, in light of the fact that there is such a large voice of concerned people cutting across not only the knowledge industry but right across the province of Saskatchewan — 45,000 in number — in the light of this petition, are you prepared to get up today in the House and tell the people of this province that you have now rethought this ill-advised tax? And are you prepared to tell the people that you will not proceed with the tax on reading and knowledge?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, there's no question, and members of the alliance have put the case well, that a decision to tax reading materials is a difficult one and one that was difficult for members of this side of the House as well, Mr. Speaker.

At the time I made the announcement I as well indicated — as it relates to the municipal, university, school and hospital sector of which obviously school libraries and university libraries would be part of it — that we would be entering into discussions with those sectors to evaluate the impact of the tax, Mr. Speaker, and we are prepared to do that. And I've already had a number of meetings.

I would just caution everyone from assuming that somehow because there's a tax on reading materials that that somehow means that this government is against literacy initiatives or reading or libraries, because nothing could be further from the truth, Mr. Speaker. The reality is if you are going to harmonize and include all of the same things and have just one tax, if you start to make exemptions then you have to ask, where do you draw the line? Some would say some forms of reading material; others would say baby clothes; maybe others would still say home heating fuel.

The bottom line is if you're going to make it simple for the consumer and for the business person alike, then one tax, which the NDP are on record, Mr. Speaker, as supporting as well because of its simplicity . . . then you can't start chipping away at it even though it certainly can be difficult, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question, and again I direct this question to the Premier. And I do so, Mr. Premier, and Mr. Speaker, because clearly we're getting nowhere with the Minister of Finance.

My question, Mr. Speaker, is this. The Minister of Finance just a moment ago or so said that the government opposite is committed to its battle on illiteracy, that it's in support of reading and knowledge. Yet as we know, Ottawa recently announced a \$99,000 grant to the Regina Public Library, and it's estimated by the chief librarian there that of this \$99,000 about 36,000 is going to go back to Ottawa to pay for the federal GST, and presumably about the same amount will go back to Regina, 36,000, to pay for the provincial GST, leaving of the \$99,000 on the war against illiteracy a net situation of only \$27,000.

My question therefore, Mr. Speaker, to the Premier is: how can this be said to demonstrate a commitment to battle illiteracy; how can this be said to demonstrate a commitment in support of reading and knowledge? Will you not agree with this side of the House that this example demonstrates exactly how unfair and counter-productive this 7 per cent provincial GST tax really is; and won't you admit that you could have found the \$7 million that the tax proposes to raise by slashing your own government waste?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, just to repeat the reasons for harmonization — it's simplicity. The issue is to have one tax, which the NDP (New Democratic Party) have said that they recognize that that is the best way to go. If you're going to have one tax, then it does include, as difficult as the decision may be, things like reading materials.

Having said that, I've already indicated that university libraries and school libraries, as part of the MUSH (municipalities, universities, schools and hospitals) sector, obviously that's an aspect that we are prepared to examine, Mr. Speaker. I made that evident in February when I made the announcement.

And the third point, as it relates to literacy, I think by any measure of those that you would talk to who are working in the field of literacy today, they would say to you that Saskatchewan has been out ahead of the pack across the country on dealing with fighting illiteracy, Mr. Speaker, largely due to the efforts of my colleague, the Minister of Education, who sits next to me.

So one ought not to confuse the perception with the facts. And when it comes to literacy, this government, this

administration has been first and foremost in addressing that area, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, I have a new question again directed to the Premier. I gather he will not answer this question for the third day in a row, but none the less I'll direct it to the Premier.

Mr. Speaker, the government opposite takes the view that it is in support of the proposition that they're battling illiteracy, and by implication — note not by direct words — that somehow they're opposed to a tax on reading. Yet we know that on February 20 they imposed and announced a tax on reading and they're only now considering it because of the public pressure and the outrage that the public is expressing against it.

Some Hon. Members: Hear, hear!

Mr. Romanow: — My question therefore, Mr. Speaker, to the Premier is this: let the government demonstrate its faith, good faith.

Let the government demonstrate what the Minister of Finance only hints at today — he hints at more meetings. Let them prove today what they say by announcing that the government will not threaten citizens who are withholding the payment of this tax — many of whom are in the Speaker's gallery today. Let the government get up today and announce that it's not going to threaten these citizens with fines of up to 10 per cent of the uncollected tax, with going to court, as the government has threatened them to do. Let them say today that in the absence of legislation, they are withdrawing and they apologize for those kinds of bullying tactics.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — As it relates to the taxation of items that weren't previously included and now are in the E&H (education and health) base as of April 1, Mr. Speaker, whether it's reading material or snack foods or restaurant meals — I think we went through that debate last week in this House.

The process will be the same as it has always been. Announcements are made, effective certain dates, often effective certain times on certain dates, and that at sometime during the course of the legislature those Bills are brought forward. Those tax Bills are brought forward, amended and made retroactive to the effective date. The process will be the same again this time, Mr. Speaker.

Mr. Romanow: — Mr. Speaker, I have a new question for the Minister of Finance. And I say, Mr. Speaker, that the Minister of Finance has got himself here in a contradictory position. He has told us just a few moments ago that there are apparently meetings — which he is prepared to enter into — with those who are opposed to this tax on reading, to reconsider, by implication he says, what the government announced a couple of months ago.

All that I'm asking the Minister of Finance to do is to stand up in the meantime and say, as a show of good faith, that

he apologizes and withdraws the suggestion that he's going to bring these people up before the court and put a 10 per cent tax on uncollected amounts as he has threatened the book sellers and others in this war. All he has to do is get up and tell us that he apologizes and withdraws from that position. That'll show good faith. Are you prepared to do that?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, I just repeat what I have said now I think on a couple of occasions. When I made the announcement in February, I said then that the municipal, university, school and hospital sector, which would obviously include those libraries, that we would have to examine those areas to assess the impact of the sales tax. That we will be doing. That's part of why we left ourselves a nine-month lead time to January — or a 10-month lead time to January 1992, so that we could have harmonization and the implementation of it go smoothly.

When it comes to the issue of GST and contradiction, and education and health sales tax basis and harmonization, Mr. Speaker, the only contradiction is the opposition. Because the reality is they have endorsed the recommendations of the GST advisory committee that recommended harmonization, Mr. Speaker. They have said, if there must be a GST, and the reality is there is, Mr. Speaker, they have said we should have one tax.

Now, Mr. Speaker, in the heat of an election they want to posture and sort of somehow suggest that this is not their position, Mr. Speaker. The reality is both sides of the House recognize that in the face of the reality of a GST it does make sense to harmonize. We are moving forward with that, Mr. Speaker. And why are we doing it? To revitalize the rural economy, Mr. Speaker, and to deal with the debt and the deficit. And we stand by those objectives, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, a new question for the Minister of Finance, which is a simple, straightforward question and it can be answered simply and straightforward.

The Minister of Finance said in this question period today that he's prepared to talk to the people on this alliance opposed to the tax on reading and ideas. Yet at the same time he refuses to tell this House that he is going to withdraw the club of taking them to court and putting the 10 per cent levy on uncollected taxes at the same time.

Will the Minister of Finance please stand up and tell us and the people in the gallery how in the world is that negotiating in good faith with that kind of a club hanging over their heads?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, the changes relative to the taxes will be handled in the same manner as they always have, including the collection, Mr. Speaker. Nothing has changed there in terms of process. It will be

as it has always been.

And I can only remind those who are in the gallery here today, we do recognize, yes, that putting it on reading materials is difficult. We ought not confuse, though, the perception with the facts in terms of our government's record on reading and literacy.

And I'd just like to remind everyone in the House, everyone in the House, Mr. Speaker, the numerous occasions which are recorded in *Hansard* where the opposition have said: if there is going to be a GST, then we support one tax. How is it, Mr. Speaker, we have that position and somehow suggested today when we do go to one tax, Mr. Speaker, that somehow it's wrong? Hypocrisy at best, Mr. Speaker.

Some Hon. Members: Hear, hear!

Report of the Provincial Auditor

Mr. Rolfes: — Mr. Speaker, my question is to the Premier. Last week, Mr. Premier, we indicated to you that the Provincial Auditor had demonstrated very clearly that your ship of state had developed many leaks, and that you had a choice, that you did not have to implement this massive tax on the people.

And I want to draw your attention to a few more leaks that your ship of state has developed. And I want you to turn to page 91 of the Provincial Auditor's report where he says that Parks and Renewable Resources paid SPMC (Saskatchewan Property Management Corporation) 32,600 in rent for buildings that SPMC had sold previously.

I ask you, Mr. Speaker, or Mr. Premier, why do you expect the people of Saskatchewan to accept the 7 per cent tax on books, on literacy, and on knowledge, when you, Mr. Premier, have such kinds of mismanagement and waste in your government? How do you expect the people of Saskatchewan to accept that tax? You had a choice, Mr. Premier. You chose the wrong one.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — If I understand the hon. member, the issue he's raising on page 91 relative to authorization of controls and the commercial revolving fund. And I think it's fair to say, Mr. Speaker, that managers who work in the departments of government do try to constantly provide the most prudent use of the taxpayers' dollars possible. The hon. member however, in raising this point, if I have the right point, failed to read the last two sentences under that section. And maybe I will read those:

We discussed these errors with management, (the auditor says). They corrected the financial statements for the Fund and took initial steps to recover rental paid to SPMC for the buildings sold.

On further investigation we also found that on June 6, 1990 an agreement was signed with SPMC retroactively transferring ownership of these buildings to the Department. The sale proceeds

then became the property of the Department.

So I think the hon. member would not be doing members of this House a service if he were to sort of leave the story only partially told, Mr. Speaker, because I think it wouldn't fairly lay out what managers are trying to do, in terms of being good stewards of the taxpayers' dollars, Mr. Speaker.

(1445)

Mr. Rolfes: — Mr. Speaker, I have a new question for the Premier. Mr. Premier, the Provincial Auditor again points out and demonstrates very clearly your waste and mismanagement.

Let's turn to page 104 of the Provincial Auditor's report, where he says the Beef Stabilization Board lost \$462,000 investing in beef futures despite the fact the board has no legal authority to do such investing.

Mr. Premier, I ask you, how often do people have to accept this kind of mismanagement, this kind of waste? Mr. Premier, you have taxed the people to death. They are telling you in the galleries. They are telling you by the petitions: enough is enough. When are you going to withdraw that tax, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. Martens: — Mr. Speaker, I just want to bring to the House's attention a number of matters that relate to the Beef Stabilization Board, and that would be that, number one, the auditor is accurate. We are working together with the auditor in dealing with the problem. We've been working with him for the last year.

I want to point out a couple of things that are absolutely essential for you to know and for the public of Saskatchewan to know, is that the Beef Stabilization Board was set up by your government. It was set up in 1982 by your government, and it had a whole lot of leaky holes in it at that time. And, Mr. Speaker, at that time they had a 50-feeder option that pulled more money out of that function than any other program in its history. It just drained all of the money right out of it. In fact, it was 15 to \$16 million that we as a government lost through the loopholes that you put in there in 1982 before we became government.

Some Hon. Members: Hear, hear!

Mr. Rolfes: — Mr. Speaker, I would like to direct a new question to the Premier. Mr. Premier, I'd like to direct you to page 119 of the Provincial Auditor's report. And on that page he indicates that the chairman of the Liquor Board was paid a salary of 115,000, which you then increased to 119,600 six months later, despite the fact, Mr. Premier, that an order in council stated and stipulated that the salary was to be 60,000. Again, Mr. Premier, you play very loose with the moneys of the people of Saskatchewan for your friends.

Mr. Premier, you had a choice. You did not have to impose this massive tax. That was your choice. I ask you, Mr. Premier, when are you going to answer to the people

in the gallery and look out for their interests and not for the interests of your friends?

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — Mr. Speaker, we have noted the auditor's comments relative to that issue. Once again though, I would caution the hon. member from drawing the wrong conclusions from the facts here. What the auditor is saying is that there wasn't legislative authority to make the payment, Mr. Speaker. Order in council wasn't satisfactory. He didn't say, as the hon. member has tried to suggest, that this was somehow imprudent use of the dollars and that it was somehow the government's friends getting this money, Mr. Speaker.

He was very professional in his commentary. It was strictly as it relates to there not being sufficient authority. He didn't draw any of these other conclusions that the hon. member is trying to impugn in the auditor's remarks, Mr. Speaker.

Some Hon. Members: Hear, hear!

Government Payments to Consulting Groups

Mr. Van Mulligen: — Thank you, Mr. Speaker. I too have a question for the Premier. Mr. Premier, when we look at the *Public Accounts* we see that another former member of your political staff, one Sean Quinlan, did pretty good. His firm, Ryer Management, collected \$96,000 from your government, and who knows how much more, Mr. Speaker, from Crown corporations.

Now while your new tax is driving record numbers of small business operators in Saskatchewan to bankruptcy, your friends and political operatives seem to be doing quite well. Would you care to explain this double standard? You had a choice; why the tax?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, while the members opposite will carry on with their process of saying, well why would you have spent this money on this particular expenditure; why would it be spent on this particular expenditure or paid . . . a cheque would be sent to a particular business in this city or in this province, all of these kinds of questions.

All I would say to the hon. member, and I would point out to all members of the House and to the public, the member is not arguing about whether or not — or we'll see if he's arguing about whether or not — I don't hear him arguing about whether or not those moneys should have been expended. What he's saying is, why are you increasing the tax on one side; and other side he's saying why are you spending any money at all?

But frankly, Mr. Speaker, the government operates. The government will obviously enter into contracts with businesses throughout the province to carry out the administration of government. The particular company that the member refers to is a company registered in Saskatchewan. The government does business with that company. He will attach all kinds of motives to it and drag

the names of individuals who have worked in the government at other times and who now work in the private sector, through the House and into the public forum if he likes. Mr. Speaker, I say to him that it is not appropriate what he's doing. And the money that was spent in that particular company was appropriately spent.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — I have a new question, Mr. Speaker. Mr. Speaker, we're talking about waste and mismanagement. Mr. Speaker, we're talking about opening the books so that the people of Saskatchewan can get the full story on what it is that you've spent their tax dollars on. That's what we're talking about.

Some Hon. Members: Hear, hear!

Mr. Van Mulligen: — Speaking of which, Mr. Minister, I see from the Public Accounts that you've paid \$597,000 to Nancy McLean's image consulting firm in Toronto, and included in that is \$87,000 paid by the Premier's office. Now that seems like a lot of money to Saskatchewan people to pay to a firm to teach cabinet ministers how to dress and how to comb their hair.

Now how do you explain to students who must pay the new provincial GST on their school-books that this tax is acceptable while you seem to have the money to teach cabinet ministers how to blow-dry their hair. You had a choice. Why the tax?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, as I say, the hon. member raises a question and he raises once again the issue of . . . and you will remember, Mr. Speaker, members of the public will remember — what were they called? — the "open the books" tours that were presented around the province by members opposite, the "open the books" tours that nobody went to, all these meetings that nobody showed up at.

Mr. Speaker, there were ads that were run across the province of Saskatchewan, which is a matter of course, for people to pick up their copies of *Public Accounts* to be open.

Mr. Speaker, the pile of books that have been opened to the public of Saskatchewan is that high. The hon. member knows it very well. The members opposite know it very well. The books of the province of Saskatchewan are very open, the auditor's report, and this auditor has done a very professional job of laying out the concerns that they have as it relates to the operation of this very large enterprise which is the government of the province of Saskatchewan.

That's legitimate concerns that have been raised by the auditor and in every case the government ministers and the administration in the government have been giving the assurance to the auditor that we'll be dealing with the specific issues that he raises.

Some Hon. Members: Hear, hear!

Government Travel Expenses

Mr. Hagel: — Thank you, Mr. Speaker. Mr. Speaker, I direct my question to the Premier. Mr. Premier, it's difficult to talk about your government's waste and mismanagement without getting around to your cabinet's love of travel.

Mr. Premier, you will note that in *Public Accounts* for 1989-90, you and your cabinet ministers, Mr. Premier, spent a total of \$501,845 in travel that year alone. You had a choice. You had a choice.

And what's particularly galling, Mr. Premier, is that a year before that, you made the announcement, Mr. Premier, you made the announcement that you were going to introduce new guide-lines to cut back on your ministerial travel. In that year you spent \$294,000, and after you said you'd introduced the guide-lines, your travel went up, not down.

And I ask you, Mr. Premier, you had the choice, you said that you were going to introduce those new guide-lines. You still haven't done that. Will you explain to the people of Saskatchewan where the money went? Will you table your guide-lines in this Legislative Assembly today and explain to the people of Saskatchewan where their money went and explain your choice, Mr. Premier?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, if you listen to the hon. member, his suggestion is clear that the government ministers or the government members or people administering the government should not be making public expenditures on travel. Frankly, government members and the ministers of government from the Premier on down need to make expenditures on travel. We have the . . . We've been very open about it. We've said so openly. The Provincial Auditor, no one bears making any . . . is questioning any of that.

The hon. member tries to raise the issue as it relates to his own political agenda. Frankly, Mr. Speaker, you cannot operate within a far-flung province like this and present Saskatchewan's position in the world and a global economy without having some ministers, for very good reasons, travelling wherever it's required to travel to carry on the conduct of the people's business in this province.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 55 — An Act respecting Programs to Stabilize the Income of Agricultural Producers

Hon. Mr. Devine: — Mr. Speaker, I would like to move first reading of a Bill respecting Programs to Stabilize the Income of Agricultural Producers.

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

Bill No. 56 — An Act to amend The Farm Financial Stability Act

Hon. Mr. Devine: — Mr. Speaker, I move first reading of a Bill to amend The Farm Financial Stability Act.

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

Bill No. 57 — An Act to amend The Financial Administration Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Financial Administration Act.

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

Bill No. 58 — An Act to amend The Statutes Act

Hon. Mr. Lane: — Mr. Speaker, I move first reading of a Bill to amend The Statutes Act.

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

Bill No. 59 — An Act to amend The Interpretation Act

Hon. Mr. Lane: — Mr. Speaker, I move first reading of a Bill to amend The Interpretation Act.

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

Bill No. 60 — An Act respecting Certain Payments to the Meewasin Valley Authority, the Wakamow Valley Authority and the Wascana Centre Authority

Hon. Mr. Wolfe: — Mr. Speaker, I move first reading of a Bill respecting Certain Payments to the Meewasin Valley Authority, The Wakamow Valley Authority and the Wascana Centre Authority.

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

Bill No. 61 — An Act to amend The Education and Health Tax Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Education and Health Tax Act.

The division bells rang from 3 p.m. until 3:25 p.m.

Motion agreed to on the following recorded division.

Yeas — 29

Devine	Neudorf
Muller	Swenson
Schmidt	Britton
Klein	Pickering
McLeod	Toth
Lane	Duncan
Hepworth	Gleim
Meiklejohn	Smith
Hardy	McLaren
Kopelchuk	Baker

Petersen
Wolfe
Martens
Hopfner
Martin

Swan
Muirhead
Johnson
Saxinger

of a Bill to amend The Tobacco Tax Act.

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

Nays — 22

Romanow
Prebble
Rolfes
Shillington
Lingenfelter
Tchorzewski
Thompson
Brockelbank
Mitchell
Upshall
Simard

Kowalsky
Atkinson
Hagel
Pringle
Lyons
Calvert
Lautermilch
Trew
Smart
Van Mulligen
Koenker

Bill No. 67 — An Act to amend The Mortgage Protection Act (No. 2)

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Mortgage Protection Act (No. 2).

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

Bill No. 68 — An Act to amend The Legislative Assembly and Executive Council Act

Mr. Pringle: — Mr. Speaker, I move first reading of a Bill to amend The Legislative Assembly and Executive Council Act.

The Bill ordered to be read a second time at the next sitting.

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

Bill No. 62 — An Act to amend The Revenue and Financial Services Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Revenue and Financial Services Act.

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

Bill No. 63 — An Act to amend The Liquor Consumption Tax Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Liquor Consumption Tax Act.

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

Bill No. 64 — An Act to amend The Income Tax Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Income Tax Act.

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

(1530)

Bill No. 65 — An Act to amend The Corporation Capital Tax Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Corporation Capital Tax Act.

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

Bill No. 66 — An Act to amend The Tobacco Tax Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading

ORDERS OF THE DAY

GOVERNMENT MOTIONS

Federal Funding for Agriculture

Hon. Mr. Devine: — Thank you, Mr. Speaker. At the end of my remarks I will be moving a motion that I gave notice of last week, and I'll move the motion:

That this Assembly, strongly noting the commitment of the Government of Canada to provide a third line of defence as part of the complete farm safety net package recently negotiated by the Premier, and recognizing the urgency for farm families that the nature, extent, and timing of this third line of defence be known; and pursuant to the commitments made by the federal ministers, both in the Saskatchewan media and in the House of Commons, call upon the Government of Canada to honour these commitments by announcing the details of the third line of defence and urges that government to include sufficient funding to provide Saskatchewan farmers with the assistance desperately needed for their income stability.

And that motion will be seconded, Mr. Speaker, by the member from Morse.

I want to begin my remarks, Mr. Speaker, with a combination of things that briefly describe the importance of the agriculture community and rural communities to the Saskatchewan way of life.

Agriculture is the backbone of the Saskatchewan economy. It certainly is significant that 40 per cent of our economy is impacted by agriculture in a significant way. The direct and indirect economic activity for the province of Saskatchewan, whether it is rural or urban, Regina, Saskatoon, Prince Albert, Morse, Maple Creek, or indeed Southey, Mr. Speaker, is very significant.

In a city like Regina, for example, as a rural service centre, 40 per cent of the retail sales can come from the southern part of the province. So it's indicative that when our agriculture communities do well, everybody does well.

Two out of every five jobs rely on the agricultural industry here in this province. Farmers spend about \$3 billion a year to operate their farms and ranches — \$3 billion in cash. The importance of agriculture to our economy just cannot be understated. And anybody who would not appreciate the value of \$3 billion in expenditures going into a province like Saskatchewan, with a million people, coming from agriculture, which can in turn generate billions and billions of dollars of revenue, sadly misses the point and the future and even the spirit of the Saskatchewan way of life, and certainly the kinds of optimism that we've had here for generations despite some really difficult times.

As I speak, Mr. Speaker, you know that there is this annual spiritual and economic megaproject taking place here in the province of Saskatchewan. Farmers are getting ready for spring seeding. Some are on the land; some are watching the rain and the snow that comes down in the last 24 hours. They are about to spend another billion dollars in inputs and 50 million acres is going to be attended to by Saskatchewan men and women all across this province. And it amounts to about 46 per cent of all the farm land in Canada. It is something that makes men and women in this province, whether they're rural or urban, feel really good about. It's close to nature, it's close to the land, it's close to the people — very close to Mother Nature. And it's the kind of thing, Mr. Speaker, that will drive the very spirit of people in the province, and certainly in this legislature.

And to get some sense of the impact of how the mood of the country affects the mood of the cities, as you know very well, being a farmer yourself, Mr. Speaker, that when the dust starts to blow in certain parts of the province and you know that it's blowing up there as high as several thousand feet, it's not a very comfortable mood in the country. But just as sure as it isn't in the country, you walk up and down Albert Street or in the mall or in Saskatoon or in Estevan or any place else, and they see that dust blowing and they feel exactly the same way.

In other words, Mr. Speaker, that annual megaproject, those billions of dollars, those tens of thousands of lives that are on the land in agriculture and food, drive the very spirit and the hope and the economic activity, not only in the country, but all over the province from north to south to east to west. And the whole nation knows that about the province of Saskatchewan.

The importance of agriculture cannot be underestimated. And, Mr. Speaker, we certainly haven't underestimated on this side of the House, and as I will point out in a minute, in the next few minutes, we have done as much as is physically and financially possible to make sure that farmers get through some really difficult times. And it's important as we go through this spring into the beginning of the 1990s and into the 21st century, when there's some hope now because of some long-run programs that have been in place, that we have the kind of cash necessary to

make sure people on the farms, in those ranches and in those rural communities, are solid enough.

And secondly, that the people in the towns and the villages know precisely why it's important that we be there and back them up, and secondly, that they know that the federal government, plus provincial governments and municipal governments all work together in a fashion that will make sure that there is confidence and stability in rural Saskatchewan. And if there's stability on the farms and the towns and the villages, there will be stability and growth and optimism for the future in the major cities as well, Mr. Speaker.

The importance of agriculture to our culture is significant, and the life-style . . . And you watch the NHL (National Hockey League) play-offs going on, you watch football games and you watch hockey, you watch and listen to the musicians; you look at some of our best professionals and you know that we are linked very intimately to the rural way of life, to the rural attitudes, to the life-styles, to the values, Mr. Speaker, that we got and were generated growing up on the land.

And many of us will go back to that land and go back to our parents when we're tired or when we need some support and when we want to sort of, some would say, you know, get it straight. You go back to mom and dad on the land and say, how should we be doing this? Where should the province be going? How should we be helping ourselves? What should we do about our families? That's a very, very important part of our culture.

Mr. Speaker, the land is Saskatchewan. The land that includes the farming and the food, the water, the resources that are all over the land — the oil, the gas, the potash, the water, the forest, the wildlife, all of that is Saskatchewan. When that's in trouble, we're all in trouble. When that is stable, when that is growing, and when that entire life-style and those resources and that land base is confident, then there's investment, then there's stability and the kind of thing that we're looking forward to in a great province like Saskatchewan.

Well, Mr. Speaker, this year the realized net farm income in the province of Saskatchewan is now forecast to be something like \$160 million. That's with all the programs that we can put together. The \$160 million includes payments from GRIP (gross revenue insurance plan) and NISA (net income stabilization account), and the average income for Saskatchewan is usually around 700 million to \$750 million.

Well this year without any government program, any help at all, going into the market-place and just getting your income in the face of the international commodity wars, the income in Saskatchewan farming is not 700 million, is not 300 million, is not even zero. It is a negative \$181 million. That is, the revenue doesn't cover expenditures.

And if you look at our province, it has almost half the farm land in Canada, can normally generate \$750 million in income, and we're running up a situation where it can be actually negative and not cover their costs, then the people of Regina, the people of Saskatoon, the people of Rosetown, the people of Melfort, Yorkton, and Weyburn

all know that we've got to be there. And it's important that we're there with cash and long-run safety nets so that in fact everybody in the province can be there to defend and help those people who are the very backbone of this province.

In 1989, realized net farm income in Saskatchewan was \$776 million. In 1990, income fell to \$226 million. And in this year we're facing another drop of \$66 million.

Now I don't know how many people, Mr. Speaker, you would find in society that have their incomes cut in half in one year, and the next year they're cut in half again, and in the next year they actually go into a negative number. Not many, Mr. Speaker, and not many that are running billions of dollars in an industry.

So your income is cut in half and then it's cut in half again and then it's cut down to where it's actually below breaking even. And that's an average for the province. So you see the pain and the suffering, let alone the lack of confidence if in fact our provincial government and this entire legislature and the federal government, along with other municipal governments and indeed people from all across the country, don't put their very back and their shoulder to the wheel to make sure that we defend these people and the way of life and our economy.

The \$160 million projected for this year is a 40 per cent reduction from the income position last year, and it wasn't good last year. It's down another 40 per cent. This drastic reduction in income is a result of successive years of drought, high interest rates, and most of all, low prices due to the international trade war. And we are now looking and forecasting — that is, people in the industry — at initial prices coming out from the Canadian Wheat Board that are going to be closer to 90 to \$100 a tonne than they are \$200 a tonne.

Now you get \$99 wheat, \$99 a tonne, or you get it \$2-and-something a bushel, you know the impact that that can have on the attitude, let alone the income. That's why it's extremely important at this time when we put in the crop, that the federal government and the provincial government be as solid as possible in providing as much money in programs to make sure that people will plant and they will be confident.

The international price of wheat which is Saskatchewan's largest agriculture product has declined by more than \$40 a tonne. The last sale to Norway, and people talk about this, that the United States made, the price of the wheat was \$54 a tonne and the price of the subsidy was 52. So the subsidy almost matched the price of the commodity. So you're down for about a dollar a bushel on both, a little bit over a dollar a bushel on subsidy and a little bit over a dollar a bushel for the commodity, Mr. Speaker.

And that's the kind of thing Saskatchewan farmers face. And that's why we're prepared, as we have seen, and we make no apologies for it, to make sure the Saskatchewan treasury is there to defend that kind of income, those kinds of families, so that we can plant. And indeed, and I'll point out in some detail, provide over a billion dollars in cash to the people of Saskatchewan that are in

agriculture and food and they'll spend it all over the province year after year after year. And that billion dollars, Mr. Speaker, is on top of the grain that's out there, the grains and the oilseed.

But you can see if wheat drops \$40 a tonne, if the international trade war that's going on will subsidize over a dollar a bushel, we're into some very serious circumstances, Mr. Speaker, where in fact this House has to unanimously call for immediate money, immediate announcements, and the immediate support of the federal government and provincial government. And deep support, deep support from all the members of the legislature here that they will say yes, our treasury; yes, the federal treasury; and yes, municipal governments; and yes, all people in society realize how important defending rural Saskatchewan and managing through this crisis is.

And that's what we're going to be calling for today, Mr. Speaker. Without some agreement at the GATT (General Agreement on Tariffs and Trade) we look forward to these difficult times. And you know yourself, sir, when we're trying to figure out what to grow and you're going to have wheat and it's going to be \$2-and-something a bushel, it frightens people. And it'll frighten the bankers and it frightens the credit unions and it frightens the people who have supply companies, and others. We must have that confidence so that in fact that we can produce.

Saskatchewan farm families have struggled with these cycles for some time. Since 1985, Mr. Speaker, realized net farm income has been positive with only the help of our programs. In other words '85 and '86, '87, '88, '89, and '90, and again in 1991 there would have been negative cash flow on the farm if it wasn't for this administration and this administration's efforts to get money from the federal government, that literally amounted to tens of millions, hundreds of millions, and as I'll point out, Mr. Speaker, over \$10 billion into the province of Saskatchewan alone.

(1545)

In 1988, the federal agriculture minister, Don Mazankowski, announced and initiated the National Agriculture Food Review. And what he did, Mr. Speaker, was ask the farm groups who wanted an end to *ad hoc* band-aid programs, if they would come up with a plan for a long-run national agricultural strategy, so that in fact farmers like you and me and others across this province could plan from year to year, in the spring, what their income would be and buy some insurance and be able to protect themselves so that they could plan with their financial people and their others and inputs with some confidence.

Mr. Mazankowski set that committee up with my help and with others, which was recommended in Prince Albert when all the agriculture ministers met here in the province of Saskatchewan. I think it's fitting that that kind of a national program would be initiated here in the province of Saskatchewan, a province that has 50 to 60 million acres, 50 million of cultivated and about another 15 million of ranch land and other land, grasslands.

But here is where it started. And it was announced here two years later, Mr. Speaker. And I want to, if you permit me, to commend the representation on that committee, because it makes my argument for the validity of the request that they've sent to Ottawa and they should bring it back here as quickly as possible.

The committee was made up of 19 producers and 6 of those were from Saskatchewan. The Saskatchewan representatives were from the Western Canadian Wheat Growers, the canola growers association, the National Farmers Union, United Grain Growers, the Saskatchewan Wheat Pool, the Canadian Wheat Board Advisory Committee. Mr. Speaker, after months of study and consultation, an agreement for a new program was reached and the new program, Mr. Speaker, as you know, is called GRIP on one side and NISA on the other. And it was announced early this year.

GRIP is a combination of crop insurance and revenue insurance. It's a gross revenue insurance program and it will address the variations in production and price at the individual farm level, and in this way address the fluctuations in revenue at the farm level. Producers will receive a revenue guarantee based on a price guarantee and on the average yield of their own farm and the acreage that they have.

Well, Mr. Speaker, we have met with in the neighbourhood of 40,000 farmers. Some say it may be closer to 50,000 farmers. And the cabinet ministers and the MLAs (Members of the Legislative Assembly) have met with people all across the province, describing the program that was designed by farmers. And I want to thank these farm organizations because they went to a lot of meetings.

And they said a couple of three things that are very important. They said this should be based on something that we really understand, like crop insurance, because it's very popular in the province of Saskatchewan, more so than any other jurisdiction. And if it's based on crop insurance, they say that it should be based on my own productivity. So my production really counts and I should be able to insure 100 per cent of my productivity.

And if I could take that productivity and I could multiply it by a price that included some costs into that price and make it a fair price, a 15-year moving average price, and put the two together, then I would have some idea what I'd get on my farm, because I know I can grow this from crop insurance records and I know from 15 years in the past that in fact that would be the price of the commodities.

Well, Mr. Speaker, that's exactly what they came up with. They came up with a program that said, here's my production, here are the prices. They put the two together and they have a program that they can insure their income. So if you can grow 25 bushels times \$4 a bushel, that's \$100 an acre, Mr. Speaker. And for about \$10 an acre, you can lock in \$100 an acre in income.

Now, Mr. Speaker, some are still signing up, but in my estimation if you can lock in over a billion dollars in income, plus you still have the crop . . . And that's the

case, because you can market that grain through livestock, you can store it till the next year, you can do all the combinations. If you have a drought, you still have your money there. If prices collapse, the money is there. But if you could lock in over \$1 billion in cash that can come into your province in crop year after crop year, and its equivalent, for about 10 per cent, Mr. Speaker, then it's been well worth waiting for.

It's been difficult. It's been many meetings. But for the farmers and the ranchers and the small towns and villages and indeed the entire Saskatchewan economy to be able to know that farmers can go out spring seeding as we sit here today, and that annual megaproject, knowing that they've got at least a billion dollars cash on top of the crop that's out there, Mr. Speaker, that's very significant. And that's not *ad hoc*. That will be next year and the next year and the next year. That's not linked to anything except it's a long-run program and it is non-partisan.

It was supported, Mr. Speaker, I think it's important to note, by all the ministers of Agriculture, the NDP Minister of Agriculture in Ontario, Liberal ministers of Agriculture in the Maritimes, Conservative ministers, Social Credit ministers — from coast to coast, Mr. Speaker. This program was recommended by the ministers of Agriculture to the federal minister and to everybody else because it was recommended by the farmers.

Now when it was designed by the farmers, put together by farmers, recommended by all the ministers of Agriculture, then, Mr. Speaker, I think we're on the right track. I think we're getting closer and closer and closer to allow farmers to put more and more commodities in this safety net, this insurance program, based on their production, because they know what they can do best and that's produce. Times international prices on an average, plus the cost of production in there, and to put them together and then they can forecast and plan.

Well the new program, Mr. Speaker, is one that will make a big difference to the province of Saskatchewan. What it will give is predictability. They want it to be as resource-neutral as possible. It fits with the livestock sector because you can feed it all; you don't have to market it to the elevator or any place else. It includes 18 different commodities. So GRIP and NISA satisfies all of the various characteristics that farmers wanted initially.

Now, it's not perfect. We're designing and we modify it from time to time as we do crop insurance. Crop insurance has been changed year after year, particularly in the last few years with us, Mr. Speaker, to make it much more productive and careful. The salvage program and many others are sensitive, topping up the areas of drought, the long run . . . the extra drought program in crop insurance which was very important, the specialty programs. They're all made to help the farmer.

This program takes all of those changes and combines it with price and insurance and puts the two together, and with a great deal of flexibility, I might add, Mr. Speaker.

The farmer can take crop insurance, if he likes. He can take revenue insurance if she likes. They can take revenue and crop insurance together, if they like. They can take a

net income savings account and put it aside if they like, or they can do one of each if they like. It's very flexible.

And it includes the livestock sector. And I would forecast, Mr. Speaker, from what I've heard in listening to the farm groups, that as we're able to include more and more specialty crops, the forage industry, into things like GRIP, I think the livestock sector will move closer and closer into a national income protection plan which will allow us to compete internationally. It will be safe or as green as you'd find before the GATT and in fact it would provide the income support that we'd like to have. And certainly, Mr. Speaker, if you can do that for Saskatchewan farmers and people in the situation that we face where we have, as I said, almost 50 per cent of the farm land, now you're talking. That's exactly what the farmers wanted to see.

Well, as I mentioned, we've talked to over 40,000 farmers. I'm advised this afternoon in the first week of consultations with crop insurance agents, approximately 5,000 producers have signed up; in the second week more than 9,000 farmers have signed up and are participating. So that's over 14,000 in the first two weeks, and this represents over 90 per cent of the farmers who have been contacted by their agent.

There's interest, Mr. Speaker. There's interest because they've designed it on behalf of themselves and their communities and knowing they have the full support not only of this administration, but the administrations across Canada and indeed the federal government.

Well the safety nets have spin-offs, Mr. Speaker, and that's why I want to talk just briefly about how some people consider the requests for provincial governments and federal governments being involved in these safety nets.

Let me just read you a couple of quotes that endorse the concept. Here's one and, I quote:

The money will have a tremendous rippling effect on Saskatchewan. It will help reduce farm debt, go toward upgrading the machinery and buying land, cars, trucks, household goods, even groceries. The safety net program will go a long way toward restoring confidence in the rural Saskatchewan economy.

And that was published in the *Humboldt Journal**, January 18, 1991 of this year. Positive editorials about what a long-run safety net can do for the farming community.

Party politics aside (here's another quote) the national safety net program is the best news for Saskatchewan in a long time.

The *Humboldt Journal*, January 18, 1991. Another quote:

The program looks even better than its advanced billing. It's easy to criticize programs but GRIP has many advantages. A farmer knows in the spring what he can expect from a gross return from his farm. That makes it a lot easier to plan and to get financing. Compared to market prices, you know,

GRIP looks pretty good.

The individual was Kevin Hursh in *Crossroads*, January 23, 1991. I think Kevin has a farm program on the CTV network, CFQC in Saskatoon.

Here's another one, Mr. Speaker, and I quote:

It's the best assistance program we've had. Explaining his and other farm organizations have been working on it for almost a year, it's more or less a guaranteed return.

Michael Wanner, a Weyburn resident and Saskatchewan Wheat Pool director, in the *Weyburn Review*, January 16 of this year.

Here's another one:

Without GRIP his family was going to have to live on equipment depreciation, borrowed money, and income from a part-time job.

In other words, the money that should have been set aside for replacing aging equipment or reducing debt, instead would be used to just feed the family.

The *Leader-Post*, March 16, 1991.

And again, Mr. Speaker:

Both GRIP and NISA provide advantages, such as predictability and more comprehensive revenue protection, over programs previously in place.

Barry Senft, producer representative on the safety net, *Leader-Post*, April 11, 1991. And Barry is a member of the wheat pool executive, Mr. Speaker.

The National Farmers Union and some members of the NDP have responded by saying that GRIP is no good because it doesn't guarantee farmers their cost of production.

And I'm quoting here:

No it doesn't. (And this members says, nor it shouldn't.) There are a lot of prominent New Democrats who know better. Many others still propagate this myth about cost of production.

And the writer goes on to say:

Come on guys, join the real world. Get a real policy on agriculture.

Kevin Hursh, The Battlefords *News-Optimist*, January 27, 1991.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I have a folder full of editorials from agriculture reporters, from country newspapers, from city newspapers, from folks, all walks of life. And what they do, Mr. Speaker, is endorse what

the farmers have done for all of Saskatchewan in setting up a long-run safety net that is actuarially sound. In other words, it balances out. In some years you'll pay in, in some years you'll take out. And it's an insurance policy where if the people are involved with farmers in making it actuarially sound, then the taxpayer knows exactly where they are and so does the farmer.

The first line of defence that the people have talked about is the individual farmers and their willingness to commit to good agriculture policies. And that's very important, Mr. Speaker, and there's a lot that we can do and continue to do there. Farmers will now be able to set their own course of maximizing their resources.

Governments also have a supporting role in the first line of defence. We'll support farmers through research, farm management programs, agriculture education, new College of Agriculture, Mr. Speaker — the new building, where just under a hundred million dollars might help in terms of management and education — interest rate protection programs, and others. These are important for farmers to make accurate and effective management decisions. That's the first line of defence.

The second line of defence, Mr. Speaker, is GRIP and NISA. But you know, when you look at this, the farmer can manage all he likes, as well as he or she likes. We can provide them some interest rate protection. We can come in with a long-run program that's called GRIP and NISA, which allows them to get into some insurance mechanisms, both in terms of immediate insurance and some long-run savings with NISA. But when you're running up against the commodity war, you need what is known, Mr. Speaker, as the third line of defence.

You need some cash to get you into this program, get you over the hump so you can see some light at the end of the day. And that's what this motion is all about. We endorse the first line. We endorse the second line. All the ministers of Agriculture across Canada endorse the safety net insurance programs called GRIP and NISA.

What we need now, Mr. Speaker, is a commitment immediately by all members of the legislature and certainly by all Members of Parliament, that there will be cash in the hands of people — farmers — so that they can put in the crop, or with the confidence that they know that it's going to be there, so in fact the financial institutions and others say, we are not just leaving you to the whims of the commodity wars; we're not just going to leave you just vulnerable because United States or Germany or France is subsidizing wheat to the tune of a dollar a bushel these days. We're going to be there to defend you.

So the focus should be on quick action. We can't handle it alone as farmers, Mr. Speaker. We can't afford it. Provincial treasury can't afford it alone. Federal treasury is the largest. At least they get to print their own money, Mr. Speaker, and that's one difference that the federal government has over the provincial governments.

But the combination of things that the federal government of the United States does has to run up against, frankly, what the federal government in Canada can do. And that's why we've asked and have been very successful

over the last few years in getting money coming from the federal government to defend Saskatchewan farmers and other western Canadian farmers.

(1600)

Let me point out, Mr. Speaker, that . . . If you'd just allow me, I would provide the comparisons in programs. I think it's important that we have that kind of information so the people in the public know and are given an idea of what we're talking about.

Since 1982, Mr. Speaker, since 1982 we have worked to provide income support for farmers — short-run programs as well as working long-run programs, and worked towards a better mechanism. We've asked the federal government to do the same.

Since 1982 we can put together the amount of money that was forwarded by the provincial government and in combination, the amount of money that was forwarded by the federal government, and then put them together to give the average person in Saskatchewan an idea of the kind of support that we think is necessary to help farmers.

And if I could, Mr. Speaker, I would just put this together in a fashion like this. In 1982, from the provincial government . . . and this is a list of programs that would run about 32 programs, Mr. Speaker, from counselling to farm purchase programs, feed grain programs, livestock programs, oil royalty programs for farmer fuel rebates, grasshopper, irrigation, livestock, grants to individuals for various kinds of expansion purposes, home quarter tax rebates, fuel tax rebates, flood control mechanisms, Saskatchewan Water Corporation, the Crop Insurance Corporation, the Agricultural Credit Corporation, and the agriculture development fund. If you go through those, there's 33 items to be exact.

In 1982 people said, you know, I think we should pick up on the agriculture support, helping them particularly with respect to the 21, 22 per cent interest rates. And we touched them up, Mr. Speaker, and the costs were 40 million in '82, 41 million in '83, 52 million in '84, 86 million, 136, 124 million, 171 million, 137 million again, 67 million, 63 million, for a total so far — it doesn't include this year — of \$1.7 billion from the provincial treasury, Mr. Speaker, 1.7 billion.

Assistance for farmers was in the neighbourhood of \$29,000 a farmer, Mr. Speaker, to show the Saskatchewan farmer and the towns and villages and indeed the people of Saskatchewan that we're prepared to shore up and make sure that we can stabilize the industry that is most important here in the province of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I rose on this motion because at the same time we've wanted and asked the federal government to take its fair share of responsibility, and that's extremely important. And as I pointed out, in the province of Saskatchewan in 1982 we put up \$40 million. What we got out of the federal government that year, Mr. Speaker, was \$107 million. In 1983, Mr.

Speaker, we came up with another \$41 million. We got about four times that from the federal government, 130 million.

And then, Mr. Speaker, we started to get serious. We came up with \$50 million more and we got \$500 million out of the federal government in 1984; \$848 million in 1985; \$1.315 billion in '86; \$1.848 billion, Mr. Speaker, in '87; \$1.588 billion, Mr. Speaker, in 1988; \$1.4 billion in '89; and \$1.5 billion in 1990. And, Mr. Speaker, we haven't got through, finished yet in 1991. But to date, Mr. Speaker, that is in the neighbourhood of \$11 billion — \$11 billion, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And we haven't finished 1991. Mr. Speaker, when we have stood on our feet, Mr. Speaker, and said look, we'll work with you but you've got to be an awful lot bigger than we are because it's important that the federal government takes on other federal governments, and we've said that. When the federal government can come up with about \$10 billion to date — and we haven't included 1991 — we come up with \$1.7 billion. That's \$11.568 billion, Mr. Speaker. And we're into this year.

Now, Mr. Speaker, my point that I want to make to the people of Saskatchewan and to the members of this Assembly, and I certainly want them to endorse the kind of record that they see here, but to use that as a lever to encourage the federal government to be there in third line of defence for farmers.

And I will say, Mr. Speaker, be there in terms of an immediate announcement as quickly as possible; tell farmers how they can get access to that kind of cash; lay it out as quickly as they can so that they know what kind of linkages there are between GRIP and NISA and third line of defence.

Encourage farmers to look after themselves, by all means, Mr. Speaker; we know that's the case. But to look at the past record and say, if we can put hundreds of millions of dollars into the hands of farmers now, it will help them into a long-run stabilization mechanism with GRIP and with NISA that will be very, very helpful in the long run, Mr. Speaker.

And I will also say, if they could make the commitment that not only do it now but be prepared to be there while this commodity war is on, then it would act as a very powerful stabilizing force to the family farms that are out there today investing in this spring seeding megaproject.

If they knew that not only GRIP and NISA were in place but there was cash that was going to be there this year and more cash next year, and granted, it may sound *ad hoc* on top of the long-run safety net, but I believe that it's absolutely necessary under this crisis situation, Mr. Speaker. It's necessary because while farmers can get into this long-run safety net, and some of them are going to do relatively well as they go through it, there's so many of them out there that need to get picked up by their bootstraps and set on the right course, have their debt restructured, have some cash in their pockets, have some

opportunity to make sure that they make the right planting decisions, and set the program in place, Mr. Speaker, so that in fact the long-run programs will make sure this province is viable and stable for generations to come.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — I put these figures before you, Mr. Speaker, so that in fact members of the legislature — all members of the legislature on both sides of the House — will know that by making our commitment to work with other provinces, and we encourage them to make the same sort of commitment, that we will show that indeed it is a partnership.

The lion's share of it is obviously coming to a province like Saskatchewan from the federal government. And if you take in the neighbourhood of \$10 billion, Mr. Speaker, that we've received since 1982 . . . Ontario may have received a billion dollars but Saskatchewan received \$10 billion from the federal government. I mean the per capita expenditures here on a per farm basis or per capita basis, you know, are tenfold what they've received in Ontario and Quebec — tenfold.

We want that ratio and that relationship to continue, Mr. Speaker. If we can get \$10 billion out of the federal government and slap it here into the province of Saskatchewan where half the farmers are, then the benefit per person here is appropriate. Because we produce the commodities and we export the commodities; we help the balance of trade; we have the 50 million acre megaproject. This is where it belongs.

When we balance our trade internationally, much of that balance comes out of the province of Saskatchewan. It comes out of here in grain and livestock, as well as oil, gas, and potash, pulp and paper, and many other things. But that food industry is very important.

So the federal government should know, as I'm sure that you can see from their record, now \$10 billion, that that kind of commitment and that kind of stability is necessary on into the future so that in fact, Mr. Speaker, the confidence that can be here combined with the provincial government.

So as our Minister of Finance has said, we're committed to GRIP and NISA, and he's laid it out there. And he said we need this money, a hundred-and-some million dollars, to lever all of that federal money, to put a billion dollars in cash. Now we put up a hundred million, Mr. Speaker, to get a billion. Year after year after year, if we go with them, then we expect them to come on and put that long-run safety net in place. Now farmers participate in this too, as they do in crop insurance or as they have in the western grain stabilization.

What we're asking for today — and I'll wrap up with this, Mr. Speaker — is the federal government to maintain that kind of large commitment so that it not only funds GRIP and NISA the second line of defence, but is prepared to put hundreds of millions of dollars into the pockets of Saskatchewan farm families as we prepare to make this annual megaproject and kick us into that long-run safety net.

Mr. Speaker, I just want to summarize by saying it is a rural crisis. We have met with farmers across this province in meetings and town halls by the dozens. And I think we've had over a hundred meetings, Mr. Speaker, in meeting with something like 50,000 farmers. And they've all said pretty much the same thing. We want a long-run stabilization program. We like crop insurance. We like revenue insurance. We want to make for sure that the premiums are protected. We want to have the kind of flexibility so that we can plan and manage our livestock operations, and we want to know that the federal government is there in spades as we've seen in the past.

Well, Mr. Speaker, today I am moving this motion that the federal government indeed honours its commitment that there will be cash in support, back-up for those farmers this spring, so that in fact we can kick them into gear and get them into the long-run safety nets because it will benefit not only the agriculture community, but it'll benefit the towns, the villages, the families, the seniors, all across the province of Saskatchewan, Mr. Speaker. And indeed, if Saskatchewan is doing well, it will benefit the entire nation. Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Hon. Mr. Martens: — Thank you, Mr. Speaker. I want to begin my remarks today by saying to the Assembly that the past three months have been a time of a great deal of education for me as a minister and as a person organizing and travelling around the province.

We have a significant industry in this province, and I want to point out to the people of this Assembly that because I'm involved in agriculture is a part of the reason why I believe this. But beyond that, the facts and the figures provided to us through the years have demonstrated that agriculture is the focus of attention in this province and needs to be the focus of attention.

We have a significant item as it relates to the impact that agriculture is in the provincial economy. Forty per cent of our economy is impacted one way or another by agriculture. You can just go out into the province today and realize the impact that it is in the small towns and villages through the medium-size cities and into the large cities of Saskatoon and Regina. Agriculture impacts in every one of those areas.

I noted that many of the mayors of large cities like Saskatoon and Regina have considered agriculture as a fundamental part of the tradition of this province. Not only that, Mr. Speaker, we have in this province two out of every five jobs that is initiated from agriculture. Very important. They deal in all aspects, from grain handling to buying groceries. Farmers and agriculture are directly involved in these areas.

The province has a little over 60,000 farmers today, and as the Premier indicated, we spend a lot of money when it comes to the springtime of the year in getting and establishing our production units in the farming side as well as the ranching side.

We spend, in the spring, just to put the seed in the ground

and to have agriculture begin as spring starts to surface — as the crocuses start to come, the grass starts to green — we spend in this province \$1 billion, Mr. Speaker. It's very, very significant to the people in this province and to the people in the various communities that are around us.

(1615)

I want to point out too, Mr. Speaker, that on the average the people, the 60,000 farmers in this province, spend on the average \$15,000 to drive to town, to buy groceries, to do the ordinary things that people do in this province. That alone, Mr. Deputy Speaker, is worth \$900 million to the economy of this province. So as we spread ourselves over this, this entire province, we begin to realize the value that it is to our economy. If agriculture suffers at all, all of the rest of the economy suffers with it.

And that's why we have had . . . in 1984 we had a concern as we addressed it from this provincial government on this side. We addressed a drought need; we addressed a grasshopper need. In 1985 we did the same thing; in 1988 we did exactly the same thing again. And through that period of time, Mr. Speaker, agriculture community has begun to have a confidence in the kinds of things that this government can do.

I went to about 35 of these meetings throughout the province this past three months, and in that period of time I met with thousands of farmers myself, and it was a unique experience. Farmers are in a very serious financial situation as it relates to income. And that, Mr. Speaker, is significant. And that is why the farm organizations that we met with last October told us that we need to have some change in what we're doing in relation to agriculture. One of those things dealt with income. We need a long-term, secure kind of income to give us the time to go through those periods of time when the international trade scene is driving our prices down, and so that we can substantially insure ourselves. So that we don't have those times when we bottom out in the agricultural economy, farmers lose their farms, their jobs, and then have to go to the other market-place, which is non-agriculture, to derive some of their income.

Mr. Speaker, the past 30 years of my life have indicated to me that there are things that we have to do in agriculture that are very important. Agricultural people, as I've learned in the past three or four months and beyond that, are very common sense-oriented people. They have a way of responding to need. They have a way of responding to stress and pressure, and that, Mr. Speaker, is finding out how they can best cope with it. They are creative in alternative planning. They're creative in planning new and innovative ways of realizing income for themselves on the farm. They're innovative in being involved in looking for places to generate income.

And that's why through the years our heritage has been that. Our parents and grandparents came from countries throughout this world and they settled here in Saskatchewan, and together we have provided ourselves an opportunity to show that we can be number one in not only production, but the capacity to draw from ourselves when times are tough. And that, Mr. Speaker, shows itself in the way the people are responding to the very serious

nature of the international trade wars that have impacted directly into Saskatchewan.

Agriculture in Saskatchewan is like its word. It has to do with a rural way of life that has a certain culture of its own. And that is very important; that is a very important part of how we handle the dimension of agriculture in this province.

I want to point out a couple of places where we have dealt very specifically with communities, rural people, in their way of life. We have provided for this province an individual telephone line service. It really probably is the only place in North America where you can hook on your farm and in your living-room a computer that deals with all the markets in the world. You can do that with individual line service. You can provide that information for yourself to be a better marketer of the kinds of commodities that you grow.

We have in this province, in the west side of the province . . . I live in that part of Saskatchewan that has energy, oil, gas, and through the years we have had an opportunity to see the development. The past eight years or nine years we have seen the development of the natural gas industry. And what has that done for this province? It has helped us in a number of ways. We've provided natural gas service to a lot of communities and individual farms to help them reduce their cost of production — very, very important.

And what does that do to the small towns and villages across this province? It provides an infrastructure that is able to maintain itself. And we, Mr. Speaker, need to shore up that at this time. And the resolution that the Premier has indicated it will send to the federal government is a way that we can do that. We need to support the infrastructure that has been established within our small towns and villages dealing with the rinks and the schools and the hospitals, the long-term care facilities. All of these need to be supported by the rural part of Saskatchewan. They provide the dynamics of support that are needed.

This year, if we took a look at just the farm income, we would be in a shortfall of almost \$200 million. That shortfall, Mr. Speaker, is really very, very serious.

I want to go back to 1985; 1985 was the beginning of this downturn in agriculture economy. And if you want to point out some very serious implications during that period of time, we had a U.S. farm Bill of 1985 just drastically impacted into the agriculture scene and the international trade market.

The 1990 farm Bill that was discussed just prior to Christmas, that in itself, Mr. Speaker, represented the second step in the long-term commitment that the U.S. government had to the U.S. farmers. And what did that do? It drove down the commodity prices in the world and then we as a province suffer from that kind of an impact.

And that is the reason why the income in Saskatchewan in 1991 is expected to be in the neighbourhood of minus \$200 million. If we take and add in the various components dealing with the western grain stabilization payment and we deal with the component that GRIP and

NISA will perhaps pay in, that volume of dollars will translate itself into a net plus of roughly \$160 million.

Mr. Speaker, that \$160 million is a far cry from the average of 700 millions of dollars that we have received through the market-place and through the federal government and the provincial government being involved in agriculture. It's a significant drop from that, from that period of time. We need to very seriously consider this resolution as a part of the focus of dealing with how to ask the federal government to become involved in agriculture in Saskatchewan. I don't want to belittle the fact that they have been involved, because they have been. They have been there in '85, '86, '87, '88, '89, and '90, and what we're doing here today, Mr. Speaker, is asking them to become involved with us in 1991.

The reason why we are having serious problems in agriculture today is not because farmers don't have large incomes. As a matter of fact, if you go back in history, 1975, farmers had less income than they do today. But what was happening in 1975 is we had a big jump in the price of grain, and it drove that price up. We had large volumes of grain on hand from years of '68, '69, '70 when low quotas were there. Farmers had grain on hand. They sold it, and that delivered for them a high net income. And their income after expenses was the highest we ever had in our history.

However, in 1984, '85, and on to 1990, we have had over \$4 billion worth of income in this province year after year after year. And what has cost us is the interest rates from 1979 and through to 1984. It's cost a lot of money just on the volume of dollars that we have had to pay out in interest.

The cost of fuel has driven the production part of the producers into a place where they didn't have enough revenue to move and that. And that's why I think that the program that we have as it relates to GRIP is extremely important.

For the first time in the history of agriculture . . . and I want to quote Ken Rosaasen from the University of Saskatchewan. He said that this is probably the most significant piece of legislation that we are having here in the last 50 years. And the reason is, Mr. Speaker, is that it, for the first time and the very first time, it accents one point in its triggering mechanism that deals with a cost of production. The average cost of production will trigger into the way that the GRIP program will provide itself an entrance into this, and that's why it's important.

I want to point out too that under the international market, the price of wheat has fallen, and it continues to fall. We have had some signs that it's strengthening the last month or so; however, I think that probably that isn't as significant as what some of the other things that we see in the international scene. Export enhancement has driven down the price of grain far more than any other subsidy in the history of international trade. When President Bush introduced his budget in the House of Representatives in the Senate in United States, the Bush administration was asking for \$900 million of export enhancement money. Congress gave him \$556 hundred million of that.

What that means, Mr. Speaker, is that the international market, which is delivering grain to people that we sell grain to, United States has an opportunity when they sell that grain to pay the buyer an additional amount of money as a rebate to the purchase.

And we had an example for just one. That in a sale to Norway, the export enhancement, what the money was delivered to the Norwegians for the sale was \$52 a tonne; roughly half the value in the international market of what a tonne of wheat is worth. And that, Mr. Speaker, is very significant.

And I want to point out a couple of other things that I've come across that are important. Japan, Germany, France, and the United States are probably the largest contributors to this kind of a market situation — export enhancement -- and they are doing it to each other even.

I'll just make a point of two illustrations of that. I was visiting with directors and commissioners of Agriculture from two states in the United States, Louisiana for one. Louisiana grows rice. Japan grows rice. The Japanese government pays the Japanese farmer six times the world price to grow that rice. What the Japanese then do is they buy all this rice, they hold it in one unit, and in that unit they then market it to their customers.

Well, the people of Japan can't afford to buy the rice. So what they do is they dump it on the world market because there's a surplus in Japan of rice. They dump it in the world market and from that world market they ship it into places throughout the world with an export enhancement. That, Mr. Speaker, the Louisiana rice producers can't even compete in the export enhancement in their own country and they are part of the people that are involved in the same thing with our wheat growers.

Another example that I was told was, the horse-racing industry in Kentucky buy their oats not from the United States, they buy their oats from Europe. Europe moves that oats into the United States through an export enhancement. And that, Mr. Speaker, United States moves their wheat into Norway with export enhancement; Europe moves their oats into the United States with export enhancement; the Japanese move their rice into United States with export enhancement, and that's why we have a very serious trade problem in this world.

(1630)

The U.S. farm Bill triggered that start of that export enhancement in 1985. And from 1985, if you take a look at our net income in Saskatchewan, it went from \$600 million to minus in 1985 — from '84 to '85. That was the direct relationship that the U.S. farm Bill had to our agriculture economy. That's why the federal government became involved in providing some opportunity to spring free some cash so that we could supply to the people of Saskatchewan a reasonable kind of an income.

In 1985 the net farm income was only very slightly positive, very slightly. In 1986 it was when we began to ask for a long-term safety net. And if we go back to 1986, I

want to point out a couple of reasons why GRIP and NISA are a part of what was happening in 1986.

In 1986, the fall of 1986, the farmers in Saskatchewan had produced an excellent crop. What happened was that the month of August nobody combined; the month of August ruined what was a good crop and drove the grade down until it was . . . most of it became feed.

What happened then, Mr. Speaker, was that the farmers realized that the building blocks of crop insurance weren't significant enough to deal with all of the problems that related to the cash flow. So what we did through '87 and '88 is we developed a process to have crop insurance have two mechanisms to deliver a benefit to producers: one was the yield side and the second one was a price side. In each of these two areas, we then began to have experience about what was supposed to be done as it related to the responsibility that crop insurance had.

In 1989 Mr. Mazankowski asked farm leaders from across Canada to come to Ottawa, and we met there in December 1989. Mr. Mazankowski set out a green paper on agriculture and he dealt with about 11 different components of agriculture: agriculture and the environment; efficiencies of agriculture; competitiveness in agriculture; farm safety nets, which we talk about and we've had introduced legislation into the House today; supply management was on that agenda; transportation was on that agenda — all of these.

He asked the farm leaders to become involved with . . . he involved them in the safety net program. There were 19 farmers on that from across Canada, six from Saskatchewan, and each of these were representative of a farm organization. They put together some principles that they wanted to have, that ministers of Agriculture follow from across Canada. And as we began to deal with them, we began to realize more and more the value of what crop insurance had done for us earlier.

What they did is they took about seven different stabilization programs that were available from across Canada — and you have to recognize that there's a large diversity, there's all kinds of agriculture in Canada. You have grain in Saskatchewan, you have forage in Saskatchewan, you have daffodils in British Columbia, you have potatoes in Prince Edward Island, and corn in Ontario. All of these ministers had their own particular vested interests in dealing with the way that we would set up a safety net program.

This safety net program, as it related to the principles that the committee set down for the ministers to go through, dealt with some very basic principles. One was to deal with it from the aspect of the individual to be able to manage his own farm. The second one was to deal with it as a safety net process dealing with a stabilization program like we have presented in GRIP and NISA. And the third was the third line of defence, the part of the responsibility that dealt with international trade, national disasters like drought. And those are the kinds of things that this group sat down and put together. They were then asked to deal with the GRIP and NISA as their basic focus, and I think it's important to note that the committee came

forward with four basic principles that I think we need to talk about a little bit.

One is that the farm be targeted and the farm be targeted for a number of things. One is the individual's capacity to produce, which was a shortfall in the crop insurance side because it dealt in a large part with area averages, and the individual then did not have the capacity to increase his production. And because of the way that the program was set up, it allowed it to develop itself so that each individual farmer can have the program targeted to his individual farm completely.

The second thing that I want to point out is that it was . . . another building block, you might say, was the price-setting mechanism. And that, Mr. Speaker, is a very important part of how we put this together. First of all, you have the yield that is targeted to the individual farm. Secondly, you have the price-setting mechanism dealing with targeting to the cost of production and the relationship that that has to a 15-year average of production and the price of grain.

I want to point out that there were some variables that needed to put in place as it related to this. And one of the things that we have come across, and I want to point that out to this Assembly, is that, for example, Saskatchewan is at 70 per cent — 70 per cent of the production capacity and the yield and the price. In Ontario, for example, that is 64 per cent — not as good as Saskatchewan. So there, individually, they set up different patterns and processes according to what they felt their province could afford. And so Ontario is less than we are, and I wanted to make that point today.

The programs needed to have predictability, another point that the committee raised. Predictability to the producer so that he knew what kind of premiums he was going to be required to pay — very important in dealing with this. Predictability on the parts of provincial governments to be able to respond in a way that would give the Minister of Finance and the people of Saskatchewan, as taxpayers, the opportunity to respond.

And the third group that needed to have predictability is the federal government — needed to have a program that was targeted and predictable. I think both of these programs — NISA and GRIP — both do that. They wanted the capacity in the program to have resource neutrality. And I want to point out to the Assembly that in the western grain stabilization and crop insurance, there were many cases where there wasn't a resource neutrality, specifically in western grain stabilization.

There were crops that weren't in western grain stabilization. There were crops that weren't in crop insurance. So it became the focus of attention — and ministers became sensitive to it, that more and more we needed to have resource neutrality. Very important as it relates to the benefit that agriculture can have in Saskatchewan. Because we, in this resource neutrality, have less competition between the livestock sector and the grain sector. And that is very important as it relates to this program. This program is anticipated with a normal production, and on grains and oilseeds to stay constant the way they are for 1991-92, to pay out in excess of \$1.3

billion.

And that, Mr. Speaker, is a significant benefit to the people of Saskatchewan. And why is it important to note that this is predictable? Because each farmer will be able to, on the basis of the information that he is provided before he goes to seed . . . what his pay-out could be and what his guarantee is.

And that is very important to the people, not only of Saskatchewan, but it's also important for the people of Canada who are taxpayers in relation to this. It's important for people who are business men in relation to this, so that they can budget for themselves certain volumes of dollars that will come into the province of Saskatchewan. And that's very important.

The last three months, as I've indicated earlier, have been a significant part of changing and adjusting and shaping how the safety net programs have worked. I want to say that it's been significant because I've had a number of very important items raised dealing with individual management capacity, individuals able to access the safety net programs, and questions related to the third line of defence — very, very important.

I've had . . . personally have been involved in a lot of these meetings and I think if I would add up the numbers, pretty close to 10,000 just myself. And it's been significant in meeting these people. We had crowds of 6 to 800 people in Humboldt and in Moose Jaw and Assiniboia, and 500 in Unity, and 500 in different locations like that all over the province. We had significant people being involved in the discussion — very, very important to keep that in mind.

What they did is they told us some things that we needed to do to adjust and to shape the kinds of things that we are going to talk about in the safety net program. They gave us some good ideas about the safety nets and how we should move into that, not only in the first line of defence, but the second line of defence, and the third line of defence.

I want to point out some of the things that people have said throughout the province. I want to point out a news article from the Humboldt **Journal**, I think it's very important. This is what they say:

The money will have a tremendous ripple effect on Saskatchewan. It will reduce farm debt, go toward upgrading machinery, and buy land and cars, trucks, household goods, and even groceries.

Just what I've tried to point out here today. The safety net programs will go a long way to restoring confidence in the rural Saskatchewan economy.

Safety nets . . . another one from the Humboldt **Journal**:

Party politics aside, the national safety net program is the best news for Saskatchewan in a long time.

Illustrates, Mr. Speaker, exactly what Mr. Rosaasen said, that this is probably the most significant piece of legislation to come across the legislative process in

Saskatchewan in 50 years — very important to keep that in mind.

I want to point out another article that Kevin Hursh wrote in January:

The program looks even better than its advance billing. It's easy to criticize programs but GRIP has many advantages. A farmer knows in spring what he can expect for gross returns from his farm. That makes it a lot easier to plan and to get financing.

Very important for agriculture. It stabilizes income, which is one of the things that is very important for the people of the province. And compared to the prices that there are today, GRIP looks pretty good.

Weyburn Review pointed out some significant words in their paper:

It's the best assistance program we've had, he said, explaining that his and other farmer organizations have been working on it for almost a year. It's more or less a guaranteed return.

Leader-Post, March 16:

Without GRIP, my family was going to have to live on equipment depreciation, borrowed money, and income from a part-time job. In other words, the money that should have been set aside for replacing aging equipment, reducing debt, instead would be used just to feed the family.

Very important, Mr. Speaker, to deal with that.

The third line of defence is a part of this discussion, the reason being that the committee suggested that the first line of defence needed to be the management skills the individual had himself, the capacity that the individual had to deal with the kinds of things that he would do on his own farm. That was the first line of defence. The farmer set his management skills against nature and against all of the things that confronted him. And that, Mr. Speaker, was what the first line of defence was.

(1645)

The second line of defence I have just described to you deals with crop insurance, deals with GRIP, deals with NISA, deals with all of those kinds of things. And I want to point out that those are very, very important parts of the overall dynamic of what the committee reported.

The third line of defence has to be brought into the context of these other two. And the reason that I take the time to explain the first two is so that you get the picture of the importance of the third line of defence. We said that we would be prepared to work together with the federal taxpayer, the provincial taxpayer, and the producer, in dealing with a second line of defence.

In the third line of defence, it became the responsibility of the people in Ottawa to deal with the third line of defence. It's not the responsibility of the taxpayer in Saskatchewan alone, but it goes beyond that. Because

what I wanted to point out too, earlier, is that the trade wars and drought as it relates to the province of Saskatchewan and the province of Alberta and Ontario and other places, is directly related to something that the farmers can't insure against. And that, Mr. Speaker, is very important.

I want to say to the legislature that on March 1 and 2, we met in Regina here with ministers of Agriculture from across Canada. At that time a report was given to us dealing with the third line of defence. It dealt with three basic areas on third line of defence.

The first line of defence had to do with land use and the value that the federal government saw as a part of environment, as a part of keeping Saskatchewan green or Canada green, and that was the land-use question and whether or not the capacity that the governments had in providing benefits to certain sectors was directed in the proper fashion and to the right location. And one of those things that was discussed under the land use had to do with fertilizing, had to do with seeding forage, had to do with the livestock side.

And as a part of the review that the land-use portion of that third line of defence committee presented to us, we were given an opportunity to talk about whether in fact forage would become a part of a second line of defence throughout Canada. And that, Mr. Speaker, very likely will take place next year. It's a part of an overall strategy. The western premiers were in agreement with forage becoming involved as a second line of defence, not only from the perspective of a third line of defence where it dealt with land use, but also from a second line.

The second item under the third line of defence committee pointed out to us was debt — how the seriousness of the debt problem in the province of Saskatchewan really has expanded itself. If we take a look at debt and debt servicing in the province of Saskatchewan, long-term debt in the last five years has only been served very, very slightly. We have reduced our total debt from 6 billion in '85 to 5 billion in 1991. However, Mr. Speaker, a large part of that was debt write-downs by banks and credit unions throughout the province. That was pointed out to us. Debt servicing, the capacity of individual farmers to provide debt servicing was greatly reduced because of the cash flow in the income side on producers — very significant.

The third item that the committee presented to us on the third line of defence had to do with income. They dealt with various kinds of aspects. They dealt with issues like having a cash advance on the GRIP program, dealt with payments to NISA, dealt with payments to the GRIP premium, dealt with a whole host of them. Altogether, Mr. Speaker, we had about 20 recommendations made by the third line of defence committee.

This third line of defence committee was asked to consider this, and they're going to bring forward, probably in July, dealing with some other items as it relates to debt and income. But our view, as a part of what the motion presents to this Assembly and to the federal government, is that we cannot, as a province, continue to carry the cost of the agriculture scene as it relates to

international markets and drought. We need to have the Government of Saskatchewan and the Government of Canada . . . where we need to have the Government of Canada realize its responsibility in relation to this. And so it's very important, Mr. Speaker, on our part to submit this to the federal government.

We have had, I believe, . . . we have established our responsibility in this. We are going to be paying out \$125 million as it relates to this program, and we want to deal with that in our GRIP and NISA legislation. However that volume of dollars is extremely important in establishing that program. What we are doing as it relates to the federal government on third line of defence is asking them to consider all of the alternatives of the third line of defence committee and not leave any of them unused.

So therefore, it is a privilege for me to second the motion that this Assembly strongly represents itself — and this government and this legislature represents itself to the federal government — that we ask the federal government to seriously consider providing income for the shortfall because of trade and trade-related issues in the province of Saskatchewan and to provide that as soon as possible because the people of Saskatchewan need it. Farmers need it; business men need it, and as we move it into that bottom base of the productivity, then we have an opportunity to deliver a better opportunity for the people of Saskatchewan to produce and to develop their economy and be competitive with the international scene.

Thank you, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Romanow: — Mr. Speaker, in the light of the time that we have here — six minutes before 5 — and in view of the fact that I'll have some extensive comments to make, I wonder if I might have your approval and the indulgence of the House to call it 5 o'clock.

Leave granted.

The Assembly recessed until 7 p.m.