

April 12, 1988

EVENING SITTING

Mr. Speaker: — Why is the member on his feet?

An Hon. Member: — Mr. Speaker, I would request leave to introduce some guests if possible.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Solomon: — Thank you very much, Mr. Speaker, it's my pleasure this evening to introduce to you and all members of this Assembly, in your gallery, 43 Cubs and Scouts from the No. 86 Cub and Scout pack which meets at Bud MacNeill School in Lakewood. With them are Ed Seal — a good friend of mine, Ed Seal — Adrian Mohle, Donald Euston, Charles Webb, Laverne Moskal, Mike Partington, and Murray Aasen.

So I welcome all of you to this Assembly this evening and I hope that you enjoy the visit here. I look forward to meeting with you after 7:30 has passed for some pictures and some refreshments. And I'd be happy to answer any questions that you may have at that time.

So I'd ask all members to join with me in welcoming all of these fine people from Regina North West to this Assembly. Thank you.

Hon. Members: — Hear, hear!

MOTIONS

Resolution No. 2 — Handling of Farm Production Loan Program

Mr. Anguish: — Thank you, Mr. Speaker. Before the evening supper break, I was speaking on a resolution put forward by the member from Humboldt, a resolution that condemned the government for their handling of the farm production loan program and how the changes to that had disappointed and, in some cases, devastated farmers in the province of Saskatchewan.

And I don't want to take much more of the House's time this evening, but I do want to say that I would be remiss if we didn't offer some alternatives to what could be done in terms of providing some constructive criticism to the government and would hope, in some cases, they may in fact listen and explore some options other than what they've done today.

The programs to date that have been viewed as helpful to the farming population of Saskatchewan have to a large extent been band-aid programs with substantial amounts of money attached to them. And as I've said before, earlier today, they have been appreciated by rural Saskatchewan, by farmers, and it's been a thrust in our economy by having these infusions of cash. But when you look at the couple of billion dollars that has been put out from the federal government in terms of deficiency payments, and you look at the 1.1 or

\$1.2 billion that was put out in farm production loans, it hasn't really done anything to solve the problems of agriculture in Saskatchewan or, in fact, in western Canada.

And so I think that we have to look at other options besides just throwing out large sums of cash, even though they may be necessary, but we have to look at other options than throwing out large sums of cash because they certainly aren't solving the problems. And when the farm production loan first came out, the production loan was based on very serious economic pressures on farmers. Those problems are even worse now, and it seems to us that the government has some obligation to looking at restructuring of debt.

All farmers acknowledge, that have debt — the 70 per cent or so, 75 per cent of farmers that have significant debt in the province of Saskatchewan — they acknowledge that debt has to be repaid. But in many, many cases they can't handle the huge debt burden that's there, and I think the government has a real obligation to look at some restructuring scheme for the debt whereby possibly a portion of the debt could be set aside for payment at a later date. And even if they were to make some overtures or to suggest some solutions to their federal counterparts, I think that would be a constructive step forward in terms of the agricultural problems in Saskatchewan.

One of the members opposite was saying something about initial prices going up, and that's the next thing that I would want the government to explore, that's some type of targeting of price for farm commodities. And by targeting I would mean that if your initial price on number one wheat today was \$2.50, the government should target a price of say, \$4.50, or in that ballpark somewhere. I'm not suggesting the actual figure because the agricultural economists can work that out, but as the initial price moves up, the amount that would be paid in addition, by either the provincial or federal level of government, would decrease so that if you hit the target number, there would be no pay-out from the government. But any time that it's under the target price, there should be a pay-out from government based on that productivity. And the caps certainly shouldn't be in the hundreds of thousands of dollars area where we feel that the cap should more likely be in the area of somewhere between 30 to \$50,000 as a cap on that type of target pricing.

The other thing that I think that the government really has to look at is some kind of intergenerational family farm transfer program. The answer that the government seems to be putting out is equity financing of farm land, and I see this as a sell out of the family farm to interests that are not looking at a farming operation, but they're interests that look at the speculation in land prices, hoping at some point that land prices would go up so that they can get a return on their investment, because not many people today would invest in a farming operation with any kind of equity financing if they were just looking at the immediate return that one would get from investing in a farming operation today. So those are some things that we put out and challenge the government address. We put them out very seriously in light of the agricultural crisis in the province of Saskatchewan.

I would like to close by thanking members opposite for their indulgence this afternoon and this evening. And I thank you, Mr. Speaker, for the opportunity to rise in this debate on the resolution by the member from Humboldt.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Thank you, Mr. Speaker. It's with pleasure that I stand on this side of the House and speak in opposition to the motion that's before us.

Mr. Speaker, what we've been hearing this afternoon and part of this evening, other than the last couple of remarks from the member from The Battlefords, is basically a total no-type knowledge, no comprehension of the program that was set before the agricultural community in Saskatchewan.

What I'm meaning to say, Mr. Speaker, is basically the production loan was just that, a production loan, not a production give-away. When the farmers of the province of Saskatchewan here decided that this was a good thing for them, that they took these dollars that the government provided — \$1.2 billion worth of funds — and they took that to put into their operations, they took it as a loan. They took it; they took those funds to put together an operation that they saw fit for seeding in 1986.

But I want to back up a little bit, Mr. Speaker, because I'm kind of a little ahead of myself on where I want to come from in regarding this production loan. This production loan was and came from a necessity of putting funds into the farmers' pockets. And why, Mr. Speaker? Why, you may ask. Well I'll tell you why.

Saskatchewan had not been lucky as far as the climatic conditions were. And I'll take you back into 19 . . . and I'm talking financial climatic conditions as well as weather climatic conditions. In 1981 under the NDP government, interest rates sky-rocketed to 24 and 25 per cent in this province.

An Hon. Member: — Did they do anything about it?

Mr. Hopfner: — And, Mr. Speaker, a colleague of mine asked me if they did anything about it. And I say to you, Mr. Speaker, no. The NDP turned their backs on the farming community in this province. They said no, we are not going to help.

Twenty-four and 25 per cent, Mr. Speaker, was the start of the dilemma and the downfall of a lot of the farmers that we're dealing with here today, where they had payments that, on an overnight . . . almost an overnight reaction from the lending institutions had doubled, and more than doubled in some cases. Interest rates to that degree on a minimal, small or low interest rate . . . would have almost literally doubled or more their payments.

And, Mr. Speaker, with that and the downfall in the grain prices in the market-place was the tremendous strain on the back hip national pocket of the farmer. They did not no longer have that cash to be able to continue on with their everyday input costs for their farms. And they cried out to the NDP government, and I remember it very well as a candidate running in my first election back in 1982. I remember it very well in my constituency of Cut Knife-Lloydminster, where farmers were literally begging that government of that day, the NDP government of that day, to help them — and they did not. They said there is no answer other than the fact of the land bank answer.

Mr. Speaker, when I say land bank, that was their answer. Mr. Speaker, I want to give you some idea of what the security and what they're talking about in regarding the loan securities on the production loan program versus the land bank securities of the NDP day. Under the security of the land bank, the NDP with land bank took it even further than our security that they have been condemning here in the House today.

Mr. Speaker, when the NDP were government, the government owned the land under land bank and everything on it, including the house, grain bins, equipment, vehicle sheds — just literally everything, Mr.

Speaker. They didn't demand a security agreement because they already owned everything and didn't need it. But they didn't tell the farmers that, because when the farmers went to buy back that land, Mr. Speaker, when they went to operate as a normal operation, they then found out that they could no longer do that because they did not have those types of securities.

And we all know in our everyday life, whether we want to buy a car or a house or anything else, and we go to a lending institution, they want some sorts of security. And there is nothing wrong with that because I think every decent man, woman, and child in this province, be it said, when they do purchase something and they do take out a loan or something like that, they rightfully and in their own rights expect to pay that back.

(1915)

Mr. Speaker, when the NDP have been accusing this administration of taking security on all the farmers and everything they have, and that they cannot no longer go to the lending institutions to get backing to continue to operate. Well, Mr. Speaker, that is not accurate. The security agreement . . . This is what the Leader of the Opposition, the member from Riversdale says, along with the member from Humboldt, the agricultural critic. They said, quote:

The security agreement (this is of the production loan program) is so wide-ranging that it threatens to make it much more difficult for farmers to get their annual operating line of credit from their local bank or credit union since the government now holds first claim to all of their personal property.

That is a quote from the member from Riversdale and the member from Humboldt.

Well, Mr. Speaker, that's false; it's totally incorrect. The Government of Saskatchewan stands second in line to the banks when making a claim in every case, and I repeat that, Mr. Speaker, second in line in every case. Even if the farmer is borrowing from a lender for the first time and has to sign a bank security agreement, the production loan program agreement will be second to that lender's claim.

Now if a bank, Mr. Speaker, says it can't lend money to a farmer because the government won't let it, then I say to you, Mr. Speaker, the bank is wrong. We are second in line and we remain second in line.

Mr. Speaker, I want to say that I was listening to the members opposite and I listened to them talk about this production loan program, and you know, Mr. Speaker, there wasn't one of those speakers over there that could keep on the topic of the production loan program. They were all over the map. They had to talk about free trade and everything else.

Well, Mr. Speaker, I don't intend to. I intend to say to you, Mr. Speaker, that I'm proud of our Premier, the Minister of Agriculture. I am proud of the fact that, Mr. Speaker, our Premier is the man that has taken agriculture to the utmost that it could ever be taken to. Because for . . .

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Because, Mr. Speaker, it has never been in the history of governments, in this province or indeed all across this country, where agriculture has ever been deemed at such a high priority as it is today. And let me tell you, Mr. Speaker, this is not the first time agriculture has ever had any type of downfall.

Mr. Speaker, I want to say to you that it's not us as members here . . . because I'll tell you, my colleagues on the government side of the House here, they are definitely made up . . . a large majority of them are actual farmers, come from the farm. I look across the way in the NDP opposition, and, Mr. Speaker, I do not see a real farmer across the floor of this legislature. I see people pretending to be farmers. I see people pretending to understand what agriculture is about. But, Mr. Speaker, I call them a drug store farmer. I'll call them an urban cowboy.

Mr. Speaker, I want to say — and I'm not saying that for a laugh or anything because when I hear them stand in this House and try and talk about agriculture, Mr. Speaker, it's a joke, it's a real joke.

Mr. Speaker, when it comes to the production loan program I just want to indicate to you that when we asked the farm groups across this province how we could best handle this — because when we put it out on a three-year program, and we said well okay, we'll collect a third one year and next third the next year and the last third the third year and everything is clear.

Well the dilemma wasn't over, because with the grasshoppers and the two . . . Well going back to the high interest rates of the NDP in 1981 when they wouldn't do anything, and then the grasshoppers and the two-year drought — and we may be still looking at a drought this year — Mr. Speaker, we did not turn our backs on the farming community. We said to the farming community, we will give you a break again.

We asked them to pay an interest for the fourth year, which they did, and they were happy to do that. And now, Mr. Speaker, we're saying, well here are some more options for you. We're not saying you have to do it. We're not saying you have to take the option. We're saying you can stay in the old program or you can take the new program. It's a free-wheeling deal for them. Then can decide what they want to do.

But, Mr. Speaker, like I said, each and every farmer that took that loan want to repay it. They want to be able to say that they know how to repay and live up to their commitments. Not like the NDP that want total moratorium on everything in this province — everything in agriculture. Now there is the question, Mr. Speaker, as to where we could get into a real jam, because if we were to put total moratorium on agricultural debt in this province, the farmers out there in Saskatchewan know that the lending institutes would pull right out. They wouldn't lend dollars to the farming community. The farmers might as well not walk into the bank.

Bu, Mr. Speaker, when we went and asked whether this would be, maybe . . . asked for some ideas, these are the kinds of ideas we got from farm groups. And, Mr. Speaker, I just want to say to you that one particular group — if I may — the Saskatchewan Stock Growers Association on February 22, 1988, made a news release, Mr. Speaker. It was a news release — it's not a government news release; it's a stock growers news release. And what did it say, Mr. Speaker? It says:

Contrary to various other organizations and parties in Saskatchewan, the Saskatchewan Stock Growers Association commends our provincial government for their plans for repayment of the \$25 per acre production loan. The production loan has two repayment options. The first is a repayment

schedule up to three years at 6 per cent interest. The second plan has a repayment schedule for up to 10 years, averaging 8 per cent interest with limited security required (limited security required). The second option allows the borrower to use . . . to cash over the next 10 years.

The Saskatchewan Stock Growers Association has had assurances from the financial institutions that the production loan will not interfere with regular operating loans from the lenders.

So you see, Mr. Speaker, they too went out and asked the lending institutions whether it would interfere with normal operations and, Mr. Speaker, members opposite today said they would. Well, the stock growers . . . Are they calling the stock growers a word that we should not use in this legislature? I say not, Mr. Speaker, because if they did they'd have to answer to a lot of farmers and ranchers across this province.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Mr. Speaker, it went on to state, the Stock Growers Association went on to say, “scare tactics used to rally an already nervous agricultural industry are unfounded.” And that is exactly what the members opposite are trying to do, Mr. Speaker. And they go on to say:

A great deal of havoc and unnecessary work has been created for the government, which we could have put to better use in solving the real agricultural problems.

You see, Mr. Speaker, they understand the dilemma; they understand what government is trying to do for the agricultural sector.

Here it is again, and I go on to say, from the Saskatchewan Stock Growers, Bill East, president of the Saskatchewan Stock Growers Association says, “this production loan was put into place to help farmers during an especially difficult time,” and it did. Everyone knew it was alone. Besides, where else could we borrow money at that low of an interest rate? The Saskatchewan Stock Growers Association strongly urges all sectors of agriculture to direct their energy into working towards solving the real problems in agriculture and refrain from the petty scare tactics that waste a great deal of everyone's time and energy.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Well, Mr. Speaker, I want to tell you something. Members opposite, members of the NDP in this legislature, travel around the province — and I know that, Mr. Speaker, because they've been in my riding — trying to get, trying to get farmers to, for some strange reason or another, trying to get them mad at government. Well for what reason, Mr. Speaker? Well I'll tell you.

They say, well you should go and tell government that you shouldn't have to pay that loan back, you see. Now they say this on the kitchen table. They tell their NDP friends that this is what they should do, you see, and well, Mr. Speaker, I want you . . . I want to assure you of one thing, that when I hear this on the coffee rows and stuff like that — and they shake their heads; they just can't believe where these people are coming from. And, Mr. Speaker, when I talk about production loan and about the sincerity the NDP have for helping farmers, well . . .

Mr. Speaker, I just want to read to you a letter that our Premier, my leader, the Minister of Agriculture of this province, had received from an individual. I will not read his name. But I would gladly, I would gladly show the letter to the Leader of the Opposition to remind him that he did receive this letter.

And, Mr. Speaker, if you give me a time . . . This is how the note was to my leader, the Premier. It was saying:

I am sending you a copy of my letter to the member from Riversdale. (I won't mention his name; we all know who he is.) I can't listen to his statements on TV, how he is going to help the farmers. I had to tell him how I feel about his remarks. Signed (the farmer).

Now this is the letter that he sent to the member from Riversdale, the Leader of the Opposition:

Dear Mr. Leader of the Opposition: Recently I have heard on TV a statement which apparently you had made, that Devine and Mulronev are not doing enough to help the farmer. What are you doing to help the farmer, especially . . .

. . . (inaudible interjection) . . . Well, Mr. Speaker, they don't want to listen to this letter, I guess, and rightfully. I don't think they really do, because of what it's going to be saying. But it says:

Mr. Leader of the Opposition: What are you going to do to help the farmers, especially when you are planning to win the next election, handling farm foreclosures and advising the banks to take away the lands from the farmers and their livelihood.

(1930)

Well, Mr. Speaker, it goes on to say:

It must be a very good paying business for you because you handle some very petty foreclosures. (And it goes on to say) My foreclosure, which you are handling, is for approximately \$100,000 when I am worth about \$600,000. I paid about \$60,000 in five years. This fall I paid the bank \$8,000 and about three days after I received a notice of foreclosure from your office.

The bank stated that you had advised them to serve this notice on me.

The bank stated that the Leader of the Opposition had advised them to serve notice on this individual.

Should you win the next election, (he goes on to say, this farmer goes on to say) God forbid, there would not be any farmers left in Saskatchewan.

And he signed it with a "you hypocrite," underlined.

Mr. Speaker, and that is just exactly the way the members opposite are when they speak on, when they speak on agriculture, their leader having to stand in this House and try and defend farmers when he's closed, foreclosing on farmers. That is hypocritical, hypocritical and, Mr. Speaker, it should be unforgivable.

Mr. Speaker, I want to say one thing, that if there is anything that the NDP have succeeded in it has been to split this province . . . it has been to split this province from urban to rural. And, Mr. Speaker, when it comes to, when it comes to the fact of instead of going out and explaining to the larger, to the larger sectors in larger urban centres, the dilemma that the farmer has got, what they do is they run to the urban centres and they say, well, the farmers are getting everything in the province from this government.

Well, Mr. Speaker, it's backfiring because the people in the larger urban centres realize that this government had to give out a program such as a production loan program. People in the larger urban centres realize today, as they might have forgot a little bit, but they are totally reminded today that the larger urban centres in this province do rely on agriculture.

Mr. Speaker, my farmers tell me they want to repay that money. My farmers thank me and my Premier for the gut tactics that we've taken to back agriculture in this province.

Some Hon. Members: Hear, hear!

Mr. Hopfner: — Mr. Speaker, when we've had grasshoppers and when we've had years of droughts and when we've had high interest rates, this government has never, ever turned its back on the farming community in this province. Production loan programs will continue to be here, similar to your programs to help our agricultural society.

Mr. Speaker, when the members opposite this afternoon and this evening were talking, you didn't have to listen too hard as they were trying to stumble and mumble around their little motion, trying to get onto the side of the agriculture in some sort of way.

Mr. Speaker, it's fairly difficult for those members ever to think that they're going to ever be able to pick up on an agricultural support in this province, because those farmers out there — even the farmers that went bankrupt, Mr. Speaker — they will never forgive the NDP, because it was their fault when the interest rates went sky-rocketing and their payments doubled and when they needed the help because of the commodity prices lowering, and stuff like that.

And the NDP, the old faces of the NDP which I see along this front bench over here, the member from Riversdale as well as all the other old faces, they're back . . . There's a whole line-up in the front bench of the old faces. All the new guys are in the back, Mr. Speaker, and I hope they stay there because they're even more radical than the front.

And I would say to you, Mr. Speaker, is that we will . . . They cannot and do not have that ability to be able to fool the farmer and rancher out there in saying that I care for you, I really feel for you, because, Mr. Speaker, they haven't got any idea of what it takes to operate a farm or a ranch out there.

Mr. Speaker, I heard accusations of what the farmers need is hassle-free cash. Well I totally agree. And what better way in format do we have to put this \$1.2 billion out — hassle-free. The farmers knew, the farmers knew that when they took this cash out, what the rules were. And they took it out in good faith. And there they are, they're trying to say, well heck, they shouldn't have to pay it back now. Well they want to pay it back.

And they've talked about erosion of farm families and, you know, how terrible we are. Well, Mr. Speaker, along with that production loan program we brought in countless other programs for agriculture — countless. And each farmer across this province knows about those programs because they've all gotten a pamphlet.

And, Mr. Speaker, what I am trying to say to you is that we should not, we should not allow the NDP the opportunity to have those freedoms. As an individual elected member, I should not allow the NDP to have those freedoms in going around my riding spreading the untruths.

So what I'm trying to get at is that with a motion . . . A member that could put a motion, a member from the NDP that could put a motion on the floor of this legislature and get up without feeling the least bit of remorse and try to tear and attack our Premier and this government for doing nothing for agriculture — Mr. Speaker, I think that is the lowest and the sleaziest thing of any individual that I've ever seen. And, Mr. Speaker, when I see the member from Humboldt, as the critic of Agriculture for the NDP, I shake my head when that member puts forth such a motion.

Mr. Speaker, I know my colleagues really want to get in on this debate, as members from the NDP opposition have so invited, and I definitely want to take this opportunity to say to you that I thank you for recognizing me and I thank this Assembly for allowing me to speak on behalf of my constituents.

And I'd just like to say, before closing off, that my constituents have indicated to me on several occasions, Mr. Speaker, that they do not wish our government to avoid the agricultural problems that they themselves are kind of foreseeing. And I'm talking about in the climatic area right now because, Mr. Speaker, right across this province, the way the moisture conditions are now, we could be into another severity.

And we need a leader and a Premier and an agricultural minister that is at the top — and is at the top and can talk to the Prime Minister of this country, because, Mr. Speaker, as you and I well know, that it has shown in the past, and I know that it's going to show in the future, that as long as we have a Progressive Conservative government here in Saskatchewan and one in Ottawa, that we are going to be looked after, our farm sector will be helped. It may not be the total answer, Mr. Speaker, because we all know that there's moneys not just there in abundance, but at least we have tried to help, and I think that appreciation is being shown.

And I would just like to say to the farming community out there and to the urban part of Saskatchewan, is that we have to work together to survive. We have to work together to bring this province to a strength that it's never had for maybe many years since the Depression years. And I think, Mr. Speaker, that the young people here in this province, and everybody from seniors to the young people, they are prepared to dig in and help out.

And, Mr. Speaker, with that I want to thank you, and I will not be supporting the motion.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — Thank you, Mr. Speaker. I don't want to do all of what I want to say in this debate at the present time because we have already had three speakers on this very important motion. I simply want to begin — and then I will adjourn — by saying that what has been talked about here this afternoon and this

evening is an example of one of those very many betrayals that this government has perpetrated on the Saskatchewan public.

In this case, Mr. Speaker, it has done so on the farm families of Saskatchewan by first of all saying to them one thing, what they called, the Premier called, a hassle-free loan at 6 per cent for three years. And then when the farm situation became grimmer and Saskatchewan farm families began to hurt even more and when the foreclosures by the agricultural credit corporation and the Farm Credit Corporation and the banks began to grow in numbers so that now we have foreclosures every day throughout Saskatchewan, this government backtracked. This government surprised them without even talking to them and said, their interest rate will now increase from 6 per cent to 9 and three-quarters per cent.

That is a betrayal, Mr. Speaker, of farm families when they have been at their very lowest economically and are barely able to survive. That is not the action of a responsible government; that is an action of a government who thinks that in mid term between elections, it can get away with everything, and then hopefully somehow recoup all of that as they get nearer to an election, and people will forget.

People will not forget, Mr. Speaker. The people of this province have been burnt once too often by this government with the kind of irresponsible attitude that it takes in the position of the government benches.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — And so, Mr. Speaker, because I have a lot more to say on another day when we debate private members' motions again, I want at this time to adjourn the debate so that we can go to some of the other motions which other members of this House want to speak on.

Debate adjourned.

Hon. Mr. Berntson: — Mr. Speaker, I move this House do now adjourn.

The division bells having rung from 7:45 p.m. until 10 p.m.

Mr. Speaker: — It now being 10 o'clock p.m., and in accordance with Rule 3(3) and a precedent dated July 22, 1987, this House now stands adjourned until tomorrow at 2 o'clock p.m.

The Assembly adjourned at 10 p.m.