

June 14/90

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Agriculture and Food

Ordinary Expenditure -- Vote 1

Item 1 (continued)

Mr. Upshall: -- Thank you, Mr. Chairman. This afternoon we were talking about many of the shortcomings of this Premier, this Minister of Agriculture, with regards to successfully representing Saskatchewan's interests when it came to agriculture programs delivered by Ottawa. We have seen the list grow.

I started with the Farm Credit Corporation. The Farm Credit Corporation takes, because of increased interest rates, \$35 million a year -- more this year than last year -- out of the farmer's pockets. We talked about the two-price wheat system, that the Premier of this province was pushing the free trade agreement. As a result the two-price wheat system in Canada was done away with -- \$127 million per year that farmers of Saskatchewan would have received but will not be receiving.

And I want to continue on the list, Mr. Chairman. But before I do that I want to make mention of the fact that I guess I understand now the importance that the Premier places on his Agriculture estimates. He spent two and a half hours here this afternoon and now, with all due respect I'm sure the associate minister will do a good job but with all due respect to the associate minister, the Premier, I think, shows his colours when he can't stand in this House and . . .

Mr. Chairman: -- Order. Members are not to make reference to other members presence or absence in the House. Order.

Mr. Upshall: -- I guess I've made my point, Mr. Chairman. I was not referring to the presence or absence of the minister directly. But I just think it's . . .

Mr. Chairman: -- Order, order. Members cannot do indirectly what they cannot do directly. So I'd ask the member from Humboldt to refrain from making those kinds of comments.

Mr. Upshall: -- Yes, Mr. Chairman, I accept your ruling. I do not necessarily agree, but I accept your ruling. Anyway, we're dealing with the Associate Minister of Agriculture in Agriculture estimates.

Mr. Chairman: -- Order, order. I'd ask the member for Regina Elphinstone and Regina Centre to allow the member from Humboldt to make his comments.

Mr. Upshall: -- Mr. Chairman, I want to move along now to another area, another area that the Agriculture minister or the associate minister have

not stood up on behalf of Saskatchewan farmers for, and that is the area of the interest-free cash advance.

You may or may not know that the interest-free cash advance has taken about \$14 million out of Saskatchewan farmers' pockets because now they have to pay the interest on that cash advance. So basically we don't have a cash advance program any more.

And last year was a year in which this province suffered a great drought, but there was a few areas that had a good crop. Unfortunately, because of rain the quality was very low. Those are the years, Mr. Chairman, when you need a cash-advance program. After a few years of drought and you do happen to get a good crop . . . and you always know that the lower grades are going to probably move a little slower. And this government was, by its silence, supporting the federal government when they added another \$14 million a year onto the backs of Saskatchewan farmers.

Now when we talk about agricultural policy and representing Saskatchewan farmers in Ottawa, as I said earlier, the Premier of this province is always very quick to take credit for any moneys coming to farmers from Ottawa. In fact he says, I went down there and I got this for you. I can hear his words in my mind ringing out. But whenever it comes to talking about programs that Ottawa cuts, the Premier would stand in his place and say, well I have no influence on Ottawa. You know, you can't have it both ways.

So I'm going to ask the associate minister: Mr. Minister, we have seen this industry cash advance disappear. Can you tell me, Mr. Minister, what you did, what representations you made, or if you have any correspondence to prove that you're making representation? Could you table them? With regards to standing up for Saskatchewan farmers, by telling Ottawa in times of crisis like we have now, poor economy in agriculture and in the province, that you were doing your part on their behalf, by telling Ottawa this was a wrong move to make.

Hon. Mr. Martens: -- Mr. Chairman, the member from Humboldt has raised a number of points and I want to deal with a couple of them. The two-price system of payment for grain that we've had in the province and in western Canada, as it relates to the Canadian Wheat Board -- what was happening, Mr. Chairman, was that we were moving in a focus away from a fixed price. We started with a ceiling of \$4 a bushel on the domestic price. What happened when the price went over and above that on the international market, the difference was paid from the producers to the consumer, so Saskatchewan and Alberta and Manitoba producers paid into the flow of the grain that went in to the millers in Canada and we actually subsidized the millers in relation to that. When the price of wheat went up to a significant amount, that's what happened.

When that turned around, when the price started to climb, then, Mr. Chairman, what happened was that the money started flowing the other way. And when that happened, the whole process in relation to the two-price system of wheat changed its emphasis. Then the Ontario farmers starting producing more grain. And we in the province of Saskatchewan and in

western Canada, we had the volume of grain of 92 per cent in Canada, and the eastern Canadian market had 8 per cent, and yet we had only 76 per cent of the two-price system for grain and they had 24. So the relationship was going the wrong way in western Canada and so it became a matter of concern to the people of Saskatchewan and to western Canada.

As it relates to the cash advance and interest rates, the Premier and I and a number of other ministers have gone to eastern Canada to deal with not only the banks. We went and talked with Mr. Mazankowski; we talked to him about the interest rates as it relates to the Farm Credit Corporation; we talked about interest rates as it related to the banks and our concern in relation to that. We have on many occasions been over to . . . We went to Toronto, we went to Ottawa, we discussed in each one of those areas with the ministers across Canada. We have discussed with them on every occasion the impact of the interest rates on Saskatchewan farmers, and we will continue to do that, Mr. Chairman.

Mr. Upshall: -- I will not prolong the debate on the two-price wheat, Mr. Minister, except to say that you probably weren't listening this afternoon. If your solution to the two-price wheat system is to cut \$127 million a year out of Saskatchewan farmers' pockets, that's not a solution. Your excuses are very, very feeble.

The bottom line is -- and I just repeat once more -- the consumers lost because the price of cereals and bread did not drop. The producers lost \$127 million a year. Where did the money go? I mean you can sit up and stand in your place and rationalize until you're blue in the face. The facts remain clear. You took \$127 million out of farmers' pockets and you didn't help producers, so let's just leave it right there. And you know that.

And the interest-free cash advance is the same, same thing. Because Brian Mulroney was trying to cut his expenses in his budget, he was looking for every little angle that he could. How hypocritical when you're Premier and Minister of Agriculture, and you and the Prime Minister of this country talk about working in the best interests of Saskatchewan farmers and Canadian farmers.

And we're going through the list, one by one, the millions and millions of dollars that you're making them pay every year. And then you bring out the green paper on agriculture saying they should be more more market responsive and more self-reliant. Doesn't work, Mr. Minister.

Now back to the cash advance. You say you were meeting people, talking about the interest rates. Why did you sit by -- I never saw one press release, one statement, where you and your government was standing up to the federal government saying: no, don't cut the interest-free cash advance. If you can provide me with some different information, I'd be welcome to read it.

Mr. Minister, why did you sit idly by and allow the Prime Minister of this country to pull another \$14 million a year out of the pockets of Saskatchewan farmers in a program that was a stabilizing effect? Because

they could get some money up front to pay their bills, they wouldn't have to pay the other interest rates. Fourteen million dollars a year in the realm of the federal budget is not a great amount of money. But I'll tell you, it's significant when it comes to having a bin full of grain that you can't move because the quota's not there. Can you tell me, Mr. Minister, why you did not make an uproar over that industry cash advance to support Saskatchewan farmers?

Hon. Mr. Martens: -- Mr. Chairman, the investment that Ottawa has made in Saskatchewan farmers is evident in the fact that in 1985 and from 1985 till 1990, we have actually . . . the market-place has had a net minus income. And if it hadn't been for the federal government from 1985 till 1990, putting money into the farmer's pocket in Saskatchewan, we wouldn't have the amount of farmers in Saskatchewan we have today. That, Mr. Chairman, is a fact, and that amounts to \$7 billion.

Now you can part that any way you want. You can place it into whatever category you want. That was money given to Saskatchewan agriculture. That was money placed in the hands of farmers. A lot of times it was money that was placed into the hands of farmers without them even taking the combine out. And that, Mr. Speaker, has an impact in Saskatchewan. And the Premier of the province of Saskatchewan was instrumental in providing that, not only to Saskatchewan, but to western Canada.

And the \$277 million that we have put into place in Saskatchewan along with the federal government, is also an indication of their support of the Premier in his speaking out for the province of Saskatchewan. That's why it's important for each one of us to recognize that.

(1915)

I want to point out . . . and you talked about interest rates. You talked about interest rates. The net impact on the reduction of interest that we have had in the province of Saskatchewan for 1990 will amount to \$94 million. That, Mr. Speaker, is important for us all to remember, that we will have in fact a net benefit of \$94 million to the province of Saskatchewan's agriculture producers on the very fact that we save them that amount in interest. And that is very significant. As a matter of fact in the livestock cash advance, it's zero. You can't get much better than that. And when did you ever do that?

When you talk about the interest rate on the production loan: it was at six and we moved it to nine and three-quarters. When did you ever do that? Never. And that, Mr. Speaker, is the point that the Premier was making this afternoon and I'm going to make it today. We have consistently been involved in the costs of the farmers in the province of Saskatchewan and we will continue to do that. And this program that we announced today is typical of all of the solutions that we have given to the farmers of Saskatchewan.

Mr. Upshall: -- Mr. Minister, why did you not oppose the removal of the interest-free cash advance?

Hon. Mr. Martens: -- Mr. Chairman, we have this year provided for a net benefit in interest savings to the farmers in Saskatchewan of \$94 million. That's the net saving to the farmers in Saskatchewan. And that's an actual fact; you have no choice in accepting that. It comes in the interest saving on the livestock cash advance, it comes on the production loan, it comes on the capital loan programs, it comes on the home program, or the mortgage protection program -- all of those items. And then I'm going to add one more thing: interest savings. You're talking about interest savings to the people of Saskatchewan, the farmers in Saskatchewan. From 1985 to 1989 we gave them a net saving of \$262 million.

Now that, plus what we're going to be giving them this year, is in my opinion a very important part of the kinds of things that the farmers of Saskatchewan need to have. You talk about input costs. The savings that we have provided to the farmers of Saskatchewan in interest savings alone amount to 93 million, \$94 million. Now that is a net benefit to the farmers of Saskatchewan.

Now you have talked, you talked all afternoon about all of the things that the federal government has done and you don't even . . . you don't dare talk about the things that the province has done because you know we're right. And you know that we're right because you don't even want to talk about it.

Now we talked about this afternoon about the money that we're paying, the \$5.50 an acre to the farmers. Now that is a net benefit to them too. They don't have to take the combine out to put that money in their pocket. And that, Mr. Speaker, has come about by the organizations in this province supporting the provincial government in dealing with the federal government. And that, Mr. Chairman, is fairly significant, I think.

Mr. Upshall: -- Well, Mr. Minister, again I say when it comes to adding up your numbers about how much money the federal government has come forward with, you're very willing to talk about that. But when it comes to talking about the cuts, you're not willing to talk about that, and you can't have it both ways.

And we're adding up the list. We only got to three items and we already have 127 and 35 and 14 million. That's about \$170 million that they will not receive this year that they would have received last year.

And, Mr. Minister, you can put it in one pocket and take it out the other. The statistics prove themselves -- 10,000 notices of foreclosure, quitclaims, voluntary transfers, people leaving the land, the bankruptcies. I mean you can stand there and tell us how wonderful it is in Saskatchewan because you and the federal government have given them some money. You've provided them no stability, you've provided them no debt restructuring, and you don't have a land transfer program. But every time come election, you're going to give them some money and tell them how great you are. Well it won't work, Mr. Minister. It won't work any more.

And if you would have spent a little bit of time out in rural Saskatchewan instead of your new position in your office, then you may know that, I'll

tell you. But you're so far out of touch. You think by putting it in one pocket, take it out of the other, they're going to think you're a good guy. Well I've got another story for you.

And I guess there's no point proceeding on the interest-free cash advances. Obviously you made no representation to Ottawa. Obviously you are in line with the federal government saying it's okay to take another \$14 million out of their pocket.

Now let's go to another issue: the grain freight rates. The grain freight rates went up last year by 33 per cent and they went up again this year. The way the formula works -- and I hope you know it -- all the information is put into the formula before the crop was even in the ground. And there was two sets of figures: one for the National Transportation Authority and the other from the WGS (Western Grain Stabilization Act). What did the federal government do? It took the numbers that best fitted their plan. Therefore the rate went up 33 per cent. Had they taken the NTA (National Transportation Authority) numbers, the rate would have actually decreased because they had a more accurate projection of the amount of production that was going to come out of Saskatchewan. The whole process itself is really wrong because there's no way that you should be guessing what a crop is -- or we won't get into that.

Increase in the grain freight rates, Mr. Minister, another \$19 million. And now you can get up and tell me how much you've done for farmers by giving them \$7 billion over I don't know how long a period of time.

But I ask you again on this issue: why did you not stand up for Saskatchewan farmers in the press and in the public and in Ottawa and say, we cannot afford another \$19 million out of farmers' pockets by increased grain transportation rates at a time when farmers are in crisis?

Hon. Mr. Martens: -- Mr. Chairman, I can clearly recall a day when the Prime Minister of Canada, in days gone by, stood here in Regina and threw the wheat back at the farmers. And that was not a Tory government. It was a Liberal government, right. And the farmers in the province remember that. I can remember how much you folks did when you were responding to that. You said it was all international markets, 22 per cent interest. That was the federal government's responsibility. I can remember you saying that.

Now, talking about freight rates. The interesting thing about the freight rates . . . and I want to just point out that Garf Stevenson has talked about these as being . . . he's been hesitant to say that they're good; he's hesitant to say that they're bad. But he said we all have to learn to adjust. And that's what he has said. Now that's what the president of the Sask. Wheat Pool has said.

Now if you want to take that one step further, I think that as we go into the trend, the Western Grain Transportation Act, that in itself has some very serious flaws in it. I agree with you. That, Mr. Chairman, is the reason why we were going to have a change in the rate, and it's just going to keep on going until '99.

And we have to make some adjustments in Saskatchewan. We have to talk to the federal government about it. One of the serious problems is the complexity of it. And the complexity of it is . . . these are some of the issues that relate to that: one is the grain companies are involved in setting the volume of grain that is related to the volume of cost to the transportation agency. The elevator companies are the ones that raise the point in relation to that, and they set the volume of grains. Now that determines the volume of cost to agriculture in Saskatchewan. When you turn that around . . . (inaudible interjection) . . . if the member from Quill Lakes would listen, he'd learn something. The whole thing is that they then become involved in setting the rate, and they recommend to the federal government. And they recommended that a certain volume of grain and that was what was necessary to be done. And that is, Mr. Chairman, where the problem comes in.

Now we have made representation to Ottawa on behalf of the farmers of Saskatchewan, asking them not to increase the rate. And that, Mr. Chairman, is what we have done, and the Minister of Highways has done that, and we will continue to do that.

Mr. Upshall: -- Well, Mr. Minister, I guess the point remains: another \$19 million that farmers are going to be paying out of their pockets this year. You're the one that's supposed to have all the influence over the federal government. You're the ones who are supposedly standing up for farmers. And yet, point by point here, we see you, your Premier and the Minister of Agriculture's lack of accomplishment when it comes to standing up for Saskatchewan farmers. Because issue after issue that is raised means more and more of millions of dollars out of the economy of Saskatchewan.

And you wonder why you got this province in an economic mess? I wonder why. The point, Mr. Minister, is this: you say the elevator companies gave you the recommendation of the NTA, but they didn't take the NTA's recommendation. Where were you?

An Hon. Member: -- We were there.

Mr. Upshall: -- You were there you say. Well I'll tell you, you didn't do a very good job. Because if you were there standing up for the people of Saskatchewan being able to negotiate on behalf of Saskatchewan farmers, you would have done a much better job than \$19 million more out of the pockets of Saskatchewan farmers.

And then there's another issue: the fuel rebate that was taken off by the federal government, reduced. Another \$25 million annually. In fact, if you'd add up the increases to the price of diesel fuel, it's about 33 cents a gallon more this year than it was last year -- 33 cents a gallon. Who do you think's making the profit on that? Is it the Saskatchewan farmers? I don't think so. Twenty-five million dollars because of the reduction in the federal farm fuel rebate. And you stand again idly by. In fact you, yourself, in this budget, took \$17 million off the oil royalty rebate, eliminated it.

Mr. Minister, I ask you again: why did you not represent this province in a manner that would allow Saskatchewan farmers to retain some of that income that they so desperately need to maintain their land, that they need to maintain their families on their farms in rural Saskatchewan so that the communities can become communities again that will survive and are vibrant?

Why do you stand in your place and tell me that you're doing everything you can for Saskatchewan farmers, when issue by issue your lack of representation in Ottawa, your holding hands with Brian Mulroney is costing Saskatchewan farmers millions and millions of dollars?

Hon. Mr. Martens: -- Mr. Chairman, we have through the past six to eight months, done something that is unique, I believe, in the province. We have sat down with the farm organizations at least five times in the last three or four months to talk to them about how we should present our case to the federal government, how they would view our presentation, and whether they would stand behind what we were going to do. Now they agreed, and we have letters indicating that from all of the farm organizations, that they were standing behind what we were going to do.

I just want to point out about the gas savings. If we would have placed 10 cents a litre as a cost to the farmers in Saskatchewan, which we placed on all of the rest of the people of Saskatchewan, it would have cost \$109 million more to the people of Saskatchewan, the farmers of Saskatchewan, and we did not do that. We made a conscious decision not to increase the tax.

And so you've talked all afternoon and so far this evening about federal issues. Talk to us about the province and about what we are doing. That's what we're doing estimates on. And when we talk to the federal government, we need to have some support from the federal government, and we went to the farm organizations and they gave us the support that we needed. And that, Mr. Chairman, is what we're going to continue to do.

(1930)

Mr. Upshall: -- Well, Mr. Minister, you can't abdicate the responsibility when it comes to negotiating on behalf of Saskatchewan farmers with Ottawa. I mean, you just can't give me that. Every premier stands up for their province, or supposed to, and what does our Premier and your cabinet do? Allow these horrendous increases. And not just an ad hoc increase -- it's an annual increase. Every year this is the amount of money coming out.

And the next issue is the crop insurance premiums, and I'll spend very little time on this but just to tell you that \$55 million is what your government has taken out of the hands of Ottawa. And when you look at the premium increases of last year and the premium increases of this year -- and I realize, Mr. Chairman, we're not in crop insurance, but it's Department of Agriculture; the Premier went down and made the deal -- you will see who is going to pay for that \$55 million.

And so, Mr. Minister, let's just add them up: the Farm Credit Corporation interest rates, \$35 million; loss of the two-price wheat, \$127 million;

crop insurance, \$55 million; reduction of the fuel rebate, \$25 million; increased grain freight rates, \$19 million; elimination of the cash advance, \$14 million.

Mr. Premier, today you announced delivery of \$277 million from Ottawa and Saskatchewan as an ad hoc payment, a one-time payment. Ironically you add these figures up and it comes up to \$275 million -- virtually the same amount that you paid Saskatchewan farmers -- and announced today you're going to take away from them this year because of your lack of being able to stand up to Ottawa and say, these cuts should stop.

So you can put it in my right pocket and take it out of my left. I'll tell you, it doesn't help. And the numbers prove it doesn't help because there are thousands of farm families leaving the land. There are thousands of farm families fighting court battles to keep their land. You stand up and say, well we've given you all this money. I bet they're really happy to hear that. And then you don't stand on behalf of them and tell Ottawa not to take the same amount of money out of their other pocket.

Mr. Minister, it simply is not good enough, and you know it's not good enough. And I'll get on to provincial issues pretty quick here, but the fact that the federal government delivers programs that affect Saskatchewan agriculture, it is totally incumbent upon you, your Premier, and your government to stand up for these farmers.

And don't give me the song and dance about doing all you can. My Lord, man, look at rural Saskatchewan, the devastation, the loss of population. Sixty-four per cent of the towns and villages lost population last year, and it's going to be the same or greater this year. And you're saying you're doing all you can? You have no possible way that you could manage this province, no possible way you could manage a three-house paper route, as far as I'm concerned.

So, Mr. Minister, can you just tell me: the fact that you took \$275 million -- you and the federal government -- out of the pockets of Saskatchewan farmers and you gave them that same amount today, can you just explain to me how that is going to actually benefit the producers of this province?

Hon. Mr. Martens: -- Mr. Chairman, when we began this discussion about how much money the people like the Sask Wheat Pool wanted us to go for as a cost factor in trade wars and interest rates and all of those kinds of issues, we began approaching the federal government with the idea that 500 million was close to the cost. We came back with a majority of that share of money, Mr. Chairman.

Now Quebec had a little bit; Ontario had a little bit; B.C. has a little bit; Manitoba had a little bit more, and Alberta had a little bit more. But what the total represented is that each of these provinces stood behind the net effect of trade wars, international trade wars, as being more pointed in Saskatchewan than anywhere else. And that estimated value we negotiated together with all of the other ministers of agriculture as to having a benefit or a cost effect to the province of Saskatchewan of 53 per cent of what the total impact in Canada was on agriculture. And that, Mr.

Chairman, comes out to \$239 million. And that is important to remember.

I want to point out something else. In 1982 the volume of agriculture budget was something in the neighbourhood of 72 million. What we're going to be putting into agriculture from the province of Saskatchewan this year is a little over \$410 million. And that, Mr. Chairman, I think, is fairly significant. We are looking at the impact that agriculture has in the province; we understand their problems, and we are responding to that.

I'm going to just add one more thing, and that is from 1972 till 1982, those 10 years, there was a drain of a thousand farmers a year. And you say that that was in good times. You're right, it was good times, but it had nothing to do with the government. It had to do with the price of grain. The price of grain went way up. In 1975, we had a \$1.5 billion net income, and in '75 dollars, that was a fairly significant impact. And in 1985, we had a net minus. And from '85 till 1990, we've had a net minus in income -- not driven by a government policy; it's been driven by international trade wars. And the federal government, along with the province, has adjusted that so that we in each of the years, including 1990, will have a net gain. And that, Mr. Chairman, is what we have fought for for Saskatchewan.

You will also note that in 1985 was the first year of the U.S. farm Bill, and that in itself created a problem. And that is where the benefits to the producers in the province of Saskatchewan began to deteriorate -- deteriorate to the point where we had a net loss as it related to the actual income from realized farm production. And that is what causes us the problem. And the federal government has realized that and they have responded in a favourable fashion, and so has the province.

Mr. Upshall: -- I just might add, Mr. Minister, all those cuts that came from Ottawa were opposed loud and clear by major farm organizations in Saskatchewan. And I find it very amusing how you used the Saskatchewan Wheat Pool. Whenever it's convenient to you, you pull out the Saskatchewan Wheat Pool and say, the Saskatchewan Wheat Pool is on side with us here, the Saskatchewan Wheat Pool is on side with us there. They opposed every one of these cuts, and they're representing the farmers of this province.

It's funny, because now you've got Consensus Saskatchewan going around saying, well we're going to listen to everybody. Where were you listening to the people when they were almost unanimously opposing all these federal cuts? And you were standing idly by. That's why you're not getting anybody at your meetings because they know you won't listen anyway.

You and Brian Mulroney have an agenda and your agenda is to get re-elected. And to get re-elected you know you have to pump some money out. But it won't work any more . . . (inaudible interjection) . . . Well one member says, sure it can. Well I'm sure you'll try. But Saskatchewan farmers realize, they know the net impact of your policies and your ad hoc programs and your lack of stabilization.

Mr. Minister, I had written the Premier in late last year and it was your department, you, who replied. And I was asking questions on the home

quarter financing and guarantees extended by the vendor mortgage guarantee program, and I just want to quote from your letter. I was asking how this program was going. You'll remember that this is to the amendment that you had last year to your legislation. And on I believe it was day 76 last year, you rushed this legislation forward after we embarrassed you into bringing it forward, all the while saying that you were doing everything you can for Saskatchewan farmers. You couldn't have done it on day one when the session opened to get the program running; you did on day 76. The regulations weren't out until late in the fall.

But when I wrote and asked you about these programs, you replied and I quote:

I am advised by my officials at ACS (Agricultural Credit Corporation of Saskatchewan) that as of December 31, 1989 they had received 73 applications for home quarter financing. Of these, 19 had been approved and 53 are in the process with one application being formally declined.

And then it goes on to say, and here's the key, I think:

As you might anticipate a number of other applicants inquired about the program but for a variety of reasons were ineligible and they were advised accordingly.

And then it goes on to talk about the vendor mortgage guarantee program. It says:

To date no guarantees have been extended under the vendor mortgage guarantee program; however, two applications are in the process.

This is after a year in a session where you were doing everything you could through your policy. We had 19 under the home quarter financing, and we had 2 but none accepted under the vendor mortgage guarantee program. Mr. Minister, I was wondering if you can give me an update -- current figures on these programs.

Hon. Mr. Martens: -- Mr. Chairman, we've had 153 home quarter loans approved, and on debt settlements we've had 80, and other capital loan approvals amount to 314, for 547 since the first of September till April 30 and we have four vendor guarantees that we've approved.

You have to understand, Mr. Chairman, as we go through this process, that vendor financing in land has not traditionally been done in Saskatchewan. It has been done on occasion from farmer to farmer, on occasion from father to son.

But in a process like this you have to start somewhere. I want to just bring to the committee's attention that we began the same way with the feeder association program in the province. It started with one, two, three, and as it moved along it gained momentum. Now there's over 60, and there's over 1,600 people involved in the process. And as we go through it and as people begin to understand it, they will begin to feel far more comfortable, and I think, Mr. Chairman, that they're going to be responding

more and more to that. And as we go through the process through this summer, we're going to have more home quarters and more debt settlements brought to our attention, and we'll be dealing with them on a very regular basis.

Mr. Upshall: -- That's a wonderful record, Mr. Minister. I just want to quote to you some of the comments from Hansard last year when we were debating these Bills. And the member from Kelvington-Wadena in talking about the amendments to the ag credit corporation Act said, and I quote:

I think that Acts like this will do a lot to move people of Saskatchewan towards a better future . . .

Well I don't see them speeding very quickly to a better future with the numbers that you have given me, considering the fact that there are significant number of people in crisis -- 30 to 40 per cent in crisis that need immediate help. So your numbers don't go a long way to move them too speedily to a better future.

And then the Premier was talking on The Farm Financial Stability Act. And he says, and I quote:

Now by providing all of this in one place, and the regulations that go with it, any individual in Saskatchewan can go down through this legislation and say, here is the protective safety net for farmers.

That's the kind of rhetoric we were hearing when these Bills were being introduced. And he goes on to say, and I quote. Premier says, and I quote:

So if you're going to an agriculture representative or some of the rural service centres or in your own home and you have the piece of legislation, you can go down through it, plus regulations, which would facilitate the safety net. So it is to provide a concise summary of the legislation to protect farmers in one spot so that they can look at it.

He goes on to say:

But generally we just want the flexibility to provide that safety net to farmers who produce many new products and many new items of agriculture, food and agriculture . . .

(1945)

Now this is the kind of rhetoric: he, last year in this legislature, saying that this legislation was going to provide a safety net. It has done very, very little. And the reason it's done very little, Mr. Minister, is because of the regulations you put on it. And I can remember quite clearly in this House asking where are the regulations last year.

At least two months after the Bill was passed you still didn't have the regulations. You were in a real hurry to provide that safety net for farmers, weren't you? And the numbers prove my point. The regulations on

those Acts, one specific Act, it was such that farmers had to go through a review board process. So they had to basically say that I am a non-viable operation. But the qualifiers, to qualify the program, said that you must be a viable operation. And I'm not sure how that works.

And you had to come up with the security. The regulations dictated -- and we predicted this last year -- the regulations dictated that people were not going to be able to apply in large numbers. There are some who will qualify, sure. But compared to the volume of the problem, this program was a total failure. It didn't provide the safety net that the Premier and Minister of Agriculture said it would.

And it didn't do it because the program was set up so that you had to prove yourself non-viable, then prove that you were viable and come up with 125 per cent for security. Mr. Minister, can you explain to this House -- and you're the one that wanted to get into your programs -- explain to this House, how you could be so insensitive as to provide regulations that dictated that there would be a relatively few number of people able to qualify?

Hon. Mr. Martens: -- Mr. Chairman, I just want to point out a couple places where we have been providing on an ongoing basis a benefit to agriculture as it relates to the things that we've been doing. And I just want to point out, the livestock cash advance, through ag credit corporation is an ongoing program, and we have money out to the producers at zero interest. The production loan program, that Mr. Chairman, has interest at nine and three-quarters. The home quarter financing, that, Mr. Chairman, has provided a benefit to agriculture on 153 instances and debt settlements of another 80. And that, Mr. Chairman, is beginning. It had to start some place.

I never noticed that at any time in those years when you were dealing with a thousand people going out of farming every year that you ever involved yourself at all, except to do the land bank thing. And we were pointed to that this afternoon, that as you went into the land bank, and as they took on more and more debt, you raised the price. The price of land went up. It went up in each of those consecutive years, '78, '79, '80, '81, and '82, \$100 on average every year. That, Mr. Chairman, is what they decided to do as a part of their solution to the problem.

That wasn't the solution at all, and that, Mr. Chairman, is what the members from P.A. have said that they're going to introduce and their leader goes down to Weyburn and says they're going to throw out. Now that's the way you guys come across. Are they going to trust you? No, because you've dealt with them that way for years and years, and they're not going to become a part nor involved with that.

Mr. Upshall: -- Well if you're so sure, Mr. Minister, why don't you encourage your Premier to call an election and just let the farmers and other people decide who they're going to trust? I think if you had any nerve, you would, but your nerve is pretty well gone.

I won't belabour this much, Mr. Minister, but there are at least 20,000

farmers in Saskatchewan who need some type of broad assistance program. For you to stand, and your Premier to stand in this House and say things like, and I've got one more quote here, and it's talking about The Farm Financial Stability Act again:

So you ask me what the objective of this. This has an objective, a safety net for people to encourage them to invest, to provide them with confidence that they can have stability in their own operations.

Now that's why you've got yourself into such difficulty. You give us all the flowery rhetoric. You're always saying how great your programs are. And I notice when I start asking about a program that you're not very proud of, you switch into another program. And like my colleague says, it's the same answer every time, because you can't defend an Act like this. You can't justify the fact that you are trying to give the impression that you are helping farmers in crisis and provide stability when you weren't, and you know that.

I just ask you, Mr. Minister: why don't you just come clean with these people? If you would come clean with them, maybe some more would support you. But I'm afraid it's too late because they don't trust you. They've heard the rhetoric so long.

As I said, there's 20,000 who need help out there and many more who are on the verge. What we need, Mr. Minister, is a long-term stability program that would provide them with some income. We need a debt restructuring program. Look around at some of the other possibilities some of the other provinces are providing. A long-term debt restructuring program -- your government and the federal government hold half of the farm debt in Saskatchewan. And you could do it instantly -- restructure the debt -- you and the federal government. You choose not to. Instead you choose to bring forward Acts like the Acts you brought last year, and the result is that we have more farmers in crisis, more farmers leaving the land. And if you're standing in your place and trying to tell me things are better now than they were in the '70s, which is what I heard, well I just don't agree.

And you can have your opinion, but when it comes to supporting rural Saskatchewan, the farmers' attitude, I think most of them would agree that it's not very much better now; in fact it's a lot worse.

Mr. Minister, you say that you have to wait to get these Acts rolling. Well how much longer do you think some of these farmers can wait? How can you tell a farmer you have an Act to provide stability, which your Premier and Minister of Agriculture did last year, and advise, as it says in your letter, "a number of applicants have inquired about the program, but for a variety of reasons were ineligible." That's why your program's not working because they were ineligible before you put the program in place. You designed it that way. And you know that, and that's why I think it's so hypocritical for you to stand up here and say that you're doing all you can.

Mr. Minister, I will just leave that alone. We could spend a great deal of time on that, but I think I have a number of other things to go through

tonight, so I will move on.

And the next issue that I want to touch on is your infamous spring seeding loan. Now this is another real winner. This is this year's example of your standing up for Saskatchewan farmers, doing all you can as you say. Now the spring seeding program, Mr. Minister, was put together by your government, and you announced \$525 million, and it was rang all over the communication networks of this province: government puts up \$525 million for farmers for spring seeding loan. Well I don't think you excited too many farmers.

Mr. Minister, can you tell me how many applicants have been accepted into your spring seeding program?

Hon. Mr. Martens: -- Mr. Chairman, I want to begin by making an observation about the comments that were made by the member from Humboldt a little earlier. He said we haven't focused on the 20,000 farmers at the most difficult . . . or the ones that are in the most difficult financial position. Well in 1986 we went out on a limb with these producers -- and all of them -- for \$1.1 billion at 6 per cent interest. And we went out with very, very little security. We went out and said, here's \$25 an acre, take and put it into your production and see where that takes you.

Now for four years, we provided that to the people in the province who are in agriculture at 6 per cent interest -- for four years at 6 per cent interest. Now isn't that a benefit? It is on my farm. It is on each one of those peoples who took the interest, that sit in your benches. It's an impact positive to their cash flow.

If you take the livestock cash advance at zero, and there's a \$137 million out there today that is at zero interest -- zero. Now you don't think that that has an impact? Go ask the livestock feeders; go ask the people who have livestock; go ask the pork producers. All of them have had a net benefit at zero cost on interest on that 137 million. That's a net benefit. It is, in my opinion, a very positive opportunity.

Now going back to the last question you raised, the spring seeding program. People are looking at what they have to do when they go to their lender, and they say, do I need this money or don't I need this money? And that, Mr. Chairman, is a logical, well-thought-out attitude on a management basis by the individuals taking the loan. We have had just about 9,300 people go to the banks and the credit unions to get almost \$116 million, and that, Mr. Chairman, is from the end of April to June 12.

And what we're going to probably see is as we hit the end of June when payments become due for the seeding, you're going to have people come and inquire about how they can access more of that. And as we go to the end of July they're going to do the same thing again. And we aren't finished with the program. But what we have to understand and what I think the farmers are doing, they're learning to understand, and it's good. They're understanding on a basis of management that they are going to understand that it's a loan, number one. And they're not going to put themselves into a debt position. They're operating on the basis of a cash flow which is

positive to the people of the province. It's good for the farmers to start to do that; it's good for me to do that, and it's good for you to do that too. And that, Mr. Chairman, is positive. They deal with their banks and the credit unions; they learn to understand it, and they're doing it in a positive way. I think it's right on.

Mr. Upshall: -- Well, Mr. Minister, I guess I'm not talking to the same farmers that you are. I say, I guess I haven't been talking to the same farmers that you've been talking to. Because when I go out in rural Saskatchewan, the immediate response to your spring seeding loan was, they want to give me more debt.

And you talk flowery about your production loan program. Well, Mr. Minister, the production loan program, to start with, about a third of the money went to farmers who other farmers say they did not need it. About a third of the money went to farmers who possibly could use some more debt. And the other third went to farmers who -- because you didn't provide any stability and long-term programs -- was impossible for them to pay back.

The result is, because of your production loan program, 18 per cent of your production loans -- if my figures are right -- are in arrears. Number one, under this program, many do not qualify because if you're in arrears you don't qualify. So you've already written those ones off.

Number two, the people who have taken the production loan program . . . I'll tell you and I've said this before, if I had a dollar for every person that said, I wish I hadn't have taken the production loan program, I could have paid mine off very quickly. Because they understood what the process was. A program that you rammed out before the 1986 election, another attempt at buying them off. And it's one of the debts that they simply now are having difficulty to repay. You could have used the same amount of money, Mr. Minister, to reduce their interest at that time instead of putting more debt on them; therefore, you would have been freeing up some capital for them to operate. But you chose not to do that because you said in order to win this election we have to get some more money out, try to buy them again.

(2000)

That's why your spring seeding loan is not working. A lot of people don't qualify and a lot of people are just had it because the production loan program almost put them under, and some cases did put them under. The solution is not providing them with more debt. So, Mr. Minister, the point I want to make here is the spring seeding loan . . . now get this -- spring seeding loan. Okay, it came . . . announced in May when seeding was well under way and in fact in some areas was completed.

Can you tell me . . . just explain to me, Mr. Minister, how I as a farmer am supposed to plan my operation, make my management decisions on the basis of an announcement that I don't know when it's coming, I don't know if I qualify, I don't know the regulations. How do I go to my chemical and fertilizer dealers and make my management decision in a way that I should be able to make it when you did not provide any detail? Can you explain

that to me please?

Hon. Mr. Martens: -- Mr. Chairman, one of the things that I want to point out in this part of the discussion is that the Premier received a letter towards the last part of February asking for a couple of things. In that letter it stated what we need to have for agriculture in Saskatchewan is a spring seeding, operating loan guarantee from the provincial government to help farm families get their crop in the ground. Right? Okay. Now what were some of the criteria? One of the criteria was that the loan meet the basic spring seeding needs.

Criteria number one. You find any difference what we did? Second, that both the lender and farmer certify to the satisfaction of Ag Credit Corporation that the loan was required and that they give a guarantee on it. Is that what happened?

Now what we have here is a letter that was written by your leader, asking for that. And now you're telling me that that's no good. Okay? So you . . . (inaudible) . . . I still think it's a good thing. It gave a bridge, Mr. Chairman, for the farmers to go from where they were to what they perceived to be necessary for the production on their farm. And that's what it did, and that's what it was supposed to do, and that's what it will continue to do. If they decide not to use it, then -- in your opinion, and from what I hear from you -- it would be better to make a law that they all had to take it. And that's what I hear from you.

I'd let the farmers and the ranchers and the province of Saskatchewan understand that they have an opportunity to use it. If they don't want to use it, fine. If they want to use it, it's there, available to them. And what we do for agriculture -- it just represents the difference between what they would do and what we would do.

We make a window of opportunity and they push everybody through it. And that we do not do, Mr. Chairman. They take and first of all write a letter to the Premier asking for a spring seeding program; we deliver it, and then they criticize it. And in the items that we have in ours are exactly what they asked for. So I don't think it's any different.

And, Mr. Chairman, that letter was signed by the Leader of the Opposition, to our Premier, asking for that. What we did is, we went along with it and I think it's a good thing.

Mr. Upshall: -- Well, Mr. Minister, I expected you to bring forward something like that. But what you failed to tell is the context of the whole program, and that's the problem with your people. I mean, you can rationalize it any way you want. If you want me to explain our whole program I can. We said we wanted a short-term moratorium. We said we wanted a long-term debt restructuring program. We said we wanted a long-term income-stability program. We wanted a land transfer program, and we wanted \$500 million in the hands of Saskatchewan farmers for seeding.

And what did you pick out of it? The loan program was put in that context, and it would have been very, very few people who would have needed it had

you provided the other factors. So don't stand in your place and try to say, well you said we should do it so we did it. I mean you guys don't listen to anybody. Give me a break.

The point remains that was the only thing you offered, and you offered it after the fact. When farmers were beginning to make their seeding plans in February and March, they had no idea what they were going to get if they qualified. You put the announcement out in May. You deliver the program after farmers had to make their decision. Put aside whether it's a good or bad decision or a good or bad program; they made their management decisions before you delivered it to them.

Can you just explain to me in simple terms, Mr. Minister, why you would put forward a program that involved farm management decisions after those decisions were made? Why would you not do it two months early rather than a month late?

Hon. Mr. Martens: -- Mr. Chairman, there are a number of things that we should put into a sequence of events. On March 30 we had a budget, and in that budget we set out that the farmers were going to get 525 million. On April 12, we made the program components available and on the 30th it began to be accessed for the farmers. And what we have is a program that was made available to deal with a bridging between what they were anticipating the federal government to give them and what the province was going to provide.

Now you take the 525 million and we put out \$120 million of that already, then you take to the producers in the province who say to themselves I'm going to make a management decision: do I need to take this now or should I wait and access this money as I go along through the summer? That's what the benefit of deferring the time for application has done, is given a benefit to the agriculture people to make a management decision.

Now they can make another management decision about how they're going to handle the \$277 million. And that, Mr. Chairman, is important. You talked about management in agriculture. You would have taken probably, and said you've got to take this and you've got to take that and you got to do that. And you have said in previous years, you've set down stiff regulations, this is what you have to do and this is what you have to do.

We gave an opportunity for the farmers and the ranchers and hog producers in this province -- we say here's a window, you take and use it and you can develop inside of that window and you can decide not to take it, you can decide to use it, that's your decision. And that's the way we have to be in Saskatchewan to make them have the opportunity to make the management decision.

Mr. Upshall: -- Mr. Minister, I don't buy that for one minute. I mean, the farmers were making those decisions before they had your program, and you know that. And don't give me the fact that March 13, or whatever was your budget -- 19th. I mean, you can implement these programs any time you want to implement them. You know that and you chose not to.

Another reason, Mr. Minister, that farmers are not taking this program are the terms of the program. Now this is repayable by January 15, 1991. I ask you, Mr. Minister: what happens on January 15 if a farmer does not have his loan repaid by that date?

Hon. Mr. Martens: -- In dealing with how we're going to set the program up, we took in to consideration a number of items. One item was that the opportunity for the cash advance was going to be available to most of the producers sometime around the beginning of December, whether you're in the south or in the north. That was one of the things we took into consideration.

The second thing that we took into consideration was that many times people will set down and make a management decision on whether they want to have their income accrue before January 1 or after January 1. So we said somewhere, making the payment at their convenience, sometime between January 1 and January 30 would probably be a good time. So we set down the date of January 15. And what the interest rate will be at that point in time will be prime plus 2, which is what we generally have done in all of ag credit corporation programs where we have a loan that has lapsed and hasn't been paid off.

Mr. Upshall: -- So am I right to assume then, Mr. Minister, that the loan will stay in the institution and that the farmers will be charged prime plus 2 on that loan?

Hon. Mr. Martens: -- Mr. Chairman, on January 15 when the producer has not made his payment to the lender, the lender then will make a claim to ag credit corporation, which is exactly what your leader said we were supposed to do. And it says that we were supposed to guarantee it, and that's our way of guaranteeing that that will be done.

Mr. Upshall: -- So then ag credit corporation is going to buy out the loan from the institution. Is that right?

Hon. Mr. Martens: -- Mr. Chairman, the lender can make a claim to ag credit corporation for that loan, or he can continue to carry it himself. And so therefore it becomes a decision on the part of the lender to say: is it better for my client to make a claim and then deal with the cost of the interest at that rate, or is it better for my client just to leave it and we'll carry it ourself?

Mr. Upshall: -- That's another reason that farmers are not taking this loan, Mr. Minister, is because of the one-year term of the loan and the fact that they know that they'll be put in arrears with ag credit in some way. That's another reason they're not taking it.

Mr. Minister, if a farmer took out a \$10,000 spring seeding loan, can you tell me what the monthly payment would be.

(2015)

Hon. Mr. Martens: -- Mr. Chairman, each borrower will have a different way

of approaching his lender. But just take and assume some general kinds of things. One is that the borrower makes the arrangement. If the lender decides that he wants the interest by the month, they can do that. The borrower pays ten and three-quarters and ACS will rebate to the lender the difference between ten and three-quarters and the total interest that is collected by the lender.

Mr. Upshall: -- Am I not right, Mr. Minister, to assume that on the form it says that there will be a monthly payment? Everyone will make a monthly payment? And it is not optional?

Hon. Mr. Martens: -- The loan is not to be paid off by the month. The interest is generally on a demand basis required by the month, in a general sense, by the lenders. And then we rebate the difference between ten and three-quarters and whatever the lender is charging to the borrower as a total amount.

Mr. Upshall: -- So the interest is paid on a monthly basis. And if a farmer took out a spring seeding loan in May and I ask what would the term of the loan be if he repaid it by January 15?

Hon. Mr. Martens: -- The terms of the loan is that he can pay that loan back at any time he wants up till January 15, and we will rebate the interest down to ten and three-quarters for that period of time. And I'm not sure if you want to enlarge on what you were trying to ask. I'm not sure exactly whether that's the answer because I'm not sure of the question you were asking.

Mr. Upshall: -- Well, Mr. Minister, I'm just trying to clarify how this whole process works. A farmer takes out a \$10,000 spring seeding loan and he's paying monthly interest on the \$10,000. What I'm getting at: is there a possibility that the actual interest rate, because the interest is paid on a monthly basis, the actual interest rate would be more than ten and three-quarters per cent by the maturity date of the loan because the interest is paid monthly on the total amount?

Now you can maybe explain to me that it's not the case. But it would appear on the surface that a farmer, because he's paying the interest monthly, on the total amount monthly, that at the end of the day, the interest that he is paying will be much more than ten and three-quarters per cent. Could you clarify that for me please?

Hon. Mr. Martens: -- Well one of the things you have to remember is that if you had a bill that was due and payable at Sask Wheat Pool or the UGG (United Grain Growers Limited) or the co-op or whoever, you'd be paying interest on that at 20 per cent per month or 25 per cent per month.

What we are saying is, it's ten and three-quarters for the producer to take by the month. And he pays that and when he decides to pay it off -- let's say it's in October, if he decides to pay it off then -- it's ten and three-quarters for the time that he's had it.

Mr. Upshall: -- So then am I right to assume, Mr. Minister, that the

interest, monthly interest, is paid on the unpaid balance?

Hon. Mr. Martens: -- Yes.

Mr. Upshall: -- Well, Mr. Minister, if you work it through, on a \$10,000 loan from May till January 15 of 1991, where the interest is compounding, it works out in my calculations to be about 14 per cent by the end of the term, by the maturity date of the loan. Am I right in my calculations -- that the interest rate is really not ten and three-quarters per cent, but because it's paid monthly on the total balance, that you're looking at about 14 per cent by the time you've repaid that loan?

Hon. Mr. Martens: -- One of the things that I guess needs to be understood is that the interest is not compounded and therefore you can't use that as a way of calculating how you get the 14 per cent that you indicated, so that as it's being paid, it's ten and three-quarters; it's not added to the principal, because the principal is already set.

Mr. Upshall: -- I understand that the principal is already set. But every month you make an interest payment on the total amount of the loan. Now I just want to get this clear, because it appears as though at the end of the loan, the maturity date of the loan, if you total up the principal plus the monthly interest charges for a period -- let's say May till January 15, roughly eight months -- will the interest rate, when that's calculated out come to ten and three-quarters per cent, or will it be some portion greater than ten and three-quarters per cent?

Hon. Mr. Martens: -- Mr. Chairman, generally what we use as a volume on this sort of thing is a quarter of a per cent, that relates to the volume of dollars that would accrue because of interest on the interest if you were not paying the interest. So that's about what we have calculated. We use that as a general policy in ACS to calculate the impact of that. So you'd have ten and three-quarters, and if he wasn't paying any interest till the end of the term, then it probably would be a quarter of a per cent more.

Mr. Upshall: -- Well if you have a \$10,000 loan, let's say, over a year at ten and three-quarters per cent, then you would be paying 10,000 principal plus ten and three-quarters, which would total out to about \$1,175. Right? So then what I'm getting at here, and I just want to make sure that all the farmers understand this, if I'm paying the interest monthly on the total, you say it'll be a quarter per cent greater. But I'm paying ten and three-quarters in month one on \$10,000, so that would be \$10.75. You add up all those months, and you're telling me the interest rate would actually be then 11 per cent on the term of that loan?

Hon. Mr. Martens: -- Mr. Chairman, we have always used that the impact of that kind of a term has a quarter of a per cent impact on this volume of dollars on this percentage rate. And so that's what we calculate to be the impact if that interest is accumulated over the period of time that the loan is in place.

Mr. Upshall: -- Okay, Mr. Minister, just for my own sake -- and I realize

it's taking a little bit of time -- so it's perfectly clear. Could you just give me a run down of a \$10,000 loan, and you have your officials there who are handling the program, what the monthly payment would be for interest, not touching the principal. Add up all those monthly interest payments and tell me what the total amount to be repaid at the end of the term of the loan, January 15, 1990, would be in dollars and in percentage wise.

Hon. Mr. Martens: -- Well, Mr. Chairman, the \$10,000 that the member asked about, if you calculate that on the volume of interest that would accumulate over those months would be \$712. Now if you wanted to divide the . . . to get the actual rate of interest, you'd divide the number of months into the 712 and you'd get the interest rate. Now that has generally been valued at a quarter over. What I suppose that you have perhaps done is you've taken the total volume of interest for a year and not calculated that it's less than that. It's \$712, not 1,025.

Mr. Upshall: -- Mr. Minister, what is the annual effective interest rate on this loan then?

Hon. Mr. Martens: -- Mr. Chairman, if this was collected on an annual rate, not a monthly rate, it would be very close to 11 per cent. Not over, likely, but it likely would be under.

(2030)

Mr. Upshall: -- Well so then the effective rate is 11 per cent and you've advertised it at ten and three-quarters. I realize that's not a great difference, unless you have to repay the loan back and then it would be a few more dollars out of your pocket. But again, Mr. Minister, you've misled them. You've misled the farmers of Saskatchewan again, saying that their interest rate is ten and three-quarters but the effective rate is 11 per cent. Mr. Minister, why do you not just come clean with the farmers of this province, again, in the designing of your program? And that's another reason why they're not taking out the loan. They just don't trust you to deliver an effective program.

Mr. Minister, on this loan can you just tell me why it was necessary to allow the \$50 administration fee? And by the way, if you add in to the interest rate the \$50 administration fee, that would jump it up by about another quarter of a per cent.

Hon. Mr. Martens: -- Well, Mr. Chairman, I'm just going to point something out. Sometimes the banks will operate on a six month basis. Sometimes they'll operate on a twelve month's basis, on an annualized rate of interest. Sometimes they operate on a monthly basis. And each lender has his method of doing it. I can go to my lender and do it probably in each one of those three ways.

Now we said that on a monthly basis it was ten and three-quarters. That's what we said. We never said anything else. We never misled anybody. We said that that's exactly the way it is, and that's the way they accepted it. Just here it is; you can take it or leave it. An operating loan works

that way. Now you talked about the \$50 an application form. That paid for the cost to the lender, and also he had to make a security registration and paid for some of those costs in relation to that administration.

Mr. Upshall: -- Well, Mr. Minister, obviously that is . . . when you take into account the \$50 administration fee, which was my question, and which would be about half a per cent I guess, if you calculated it interest-wise, and the quarter of a per cent -- I mean, this all adds up to the repayment of the loan.

Now, Mr. Minister, you have several qualifiers. Can you tell me why you did not include in your list of products or inputs that could be qualified for this loan, why you did not include wages to hired help?

Hon. Mr. Martens: -- Mr. Chairman, in a general sense, we focused our attention on cash purchases by the individual, and in that we included custom work and fuel, fertilizer, those cash outlays that the farmer had to have.

Mr. Upshall: -- Well then you're saying that hired help would come under the category of custom work?

Hon. Mr. Martens: -- Mr. Chairman, we came to the conclusion that \$12.50 an acre probably would utilize the funds for the fertilizer, the seed, the fuel, the custom operations, and all the things that dealt with a cash purchase, and so we felt that that was within the framework. We, I guess, could have said, you can do buying pick-ups and all that, but we didn't want to get into that part by making it too extensive. And so where we focused it in on these, we felt that we were broad enough in those items that would deliver an opportunity for the farmer to pay those cash things that he had to use in order to get his seed in the ground.

Mr. Upshall: -- So you're saying that custom work does not qualify, or hired help does not qualify? And I understand your reasoning. In fact, the \$12.50 an acre for the most part won't cover my chemical bill, and so I suppose it's eaten up pretty quickly.

Now, Mr. Minister, it's been reported to me that some lending institutions are requiring that . . . like there's a provision that you can, if I wanted, say \$50,000, the maximum, but I only wanted part of it, there's a provision where you can take only part of that total amount out, but you have to apply for the whole amount. It has been reported that some of the lending institutions are charging interest on the total amount regardless of how much is taken out. Are you aware of that?

Hon. Mr. Martens: -- Mr. Chairman, it was our intention to have the lender provide an application for the volume that was required by the farmer or would be given to that farmer at \$12.50 an acre. When that was applied for, it could be drawn down at any rate that the individual wanted. But we have not come across anyone that has put that into a place where he would require that the farmer pay interest on the whole amount that he had borrowed.

Mr. Upshall: -- Well, Mr. Minister, I'm wondering if you would undertake to check with the institutions and see if that is going on, and if you would supply me with the information. Like I say, this has been reported to me, and I have not had any way to substantiate it before the estimates came up. Now would you endeavour to check with all the institutions to see if any of them are doing that? And would you supply me with that information?

Hon. Mr. Martens: -- Mr. Chairman, I'd be interested in the member's supplying us with that information. And if you have some, we'd be prepared to take a look at it, but we're not aware of any of it. And I would say that if you wanted to visit with me afterwards, if you know a specific, I'd be prepared to investigate it.

Mr. Upshall: -- Well, Mr. Minister, this was just reported in telephone conversations. Like I say, I have not had time to check it out before the estimates. So I think if you could . . . and I don't want to be picking on any institutions. So if you could just check with the institutions to make sure that is not happening. Because I don't think that is correct, if it is. And I am not making any accusations but I think we should look out for the best interests of the farmers and make sure that they're not being charged this rate. So would you undertake to do that please?

Hon. Mr. Martens: -- Mr. Chairman, we have 450 credit unions in the province, and we've got about the same amount of banks, offices. And so it would be perhaps easy to say to the head office of each of the banks to do that, but it would be difficult to chase each credit union. So if you have some specifics in detail, I'd be interested in knowing that, and we'd look into that.

Mr. Upshall: -- Mr. Minister, I said: no, I did not have anything to substantiate it except that it was reported to me. And all I asked you is to check with the head offices if that's their policy -- that's all. It wouldn't be very difficult to . . . I don't expect you to check with all the institutions.

Hon. Mr. Martens: -- Well, Mr. Chairman, we will visit with the institutions about that. And again I say, if you've got any information that you have regarding that we'd definitely be interested in knowing about it.

Mr. Koskie: -- Mr. Chairman, Mr. Minister, I want to ask a few questions in respect to your program eligibility. All farmers will be eligible to apply for the spring seeding program. Great statement; wonderful statement -- all will be able to apply. However, applicants may be excluded, include those whose loans are in demand, foreclosure, or judgement status; those who are in bankruptcy proceedings; those who are seriously in arrears with other government programs, or those who have rejected the Saskatchewan counselling and assistance for farmers program.

Mr. Minister, The Western Producer -- and we brought information to the House here last year, which you people downgraded -- and it clearly indicates that there are 10,000 farmers in Saskatchewan today who have either quitclaim and given up their land already, or at least over 7,000

who have foreclosure motions, legal action, to repossess their land.

I want to ask you, Mr. Minister, in light of that criteria: did you do an analysis of the farming community to determine, on the basis of your eligibility, how many farmers who are in the most serious situation are going to be excluded by virtue of your own criteria?

Hon. Mr. Martens: -- Of the 9,300 people that qualified in relation to that, we had 391 that didn't qualify, that were rejected. We have 52 that are appealing the decision. The rejection is at 4 per cent. Of the 57,000 farmers through production loan, we have identified perhaps 3,000 that are at high risk for the taxpayers.

Mr. Koskie: -- You have identified 3,000 at a high risk. And the statistics from the federal Farm Debt Review Board indicates that there are indeed over 7,000 farmers facing legal foreclosure actions against them. How do they get under your eligibility? Because you say if their foreclosure action has been commenced . . . Or are you in fact providing loans to those who are loans are in demand, foreclosure, judgement status, and bankruptcy proceedings? Are you in fact providing loans to those classes of individual farmers?

Hon. Mr. Martens: -- No, we're not.

(2045)

Mr. Koskie: -- Right. Then let's get to the basis of it because you obviously did an analysis. I want to ask you this: how many farmers are in the position of having their loans in demand? Give me their statistics because obviously you would have to go through and determine how many farms there were to seed, the magnitude of how it's going to affect the farmers. How many farmers do you calculate whose loans are in demand? Give me that one first.

Hon. Mr. Martens: -- Mr. Chairman, we have 1,260 that are in demand from ACS.

Mr. Koskie: -- And I want to ask you whether loans in demand from any other institution is also included?

Hon. Mr. Martens: -- Not on those numbers.

Mr. Koskie: -- May I ask you on those numbers? I want to ask you whether if a loan is in demand other than ACS, is there a non-eligibility?

Hon. Mr. Martens: -- Mr. Chairman, we don't exclude those people who are in demand from other institutions. We exclude those people who are in demand from the ag credit corporation.

Mr. Koskie: -- All right. Foreclosure. Will you indicate in respect to foreclosure the number of farmers that would be excluded under the eligibility here.

Hon. Mr. Martens: -- We have, Mr. Chairman, seven foreclosures in process and they're not eligible either.

Mr. Koskie: -- Or in judgement status, have you any in judgement status?

Hon. Mr. Martens: -- Yes, Mr. Chairman, we've got 1,600.

Mr. Koskie: -- All of this is with ACS? All right. And those who are in bankruptcy proceedings.

Hon. Mr. Martens: -- Mr. Chairman, the bankruptcies are not in a class by themselves in a credit corporation. They could be in the demand or judgement status or the foreclosure, which is somewhere around 3,000.

Mr. Koskie: -- All right, let's continue on here. Those who are seriously in arrears with other government programs: are there any farmers in respect to that -- seriously in arrears with other government programs?

Hon. Mr. Martens: -- It was our intention, Mr. Chairman, at the beginning, to include lands branch, but we have not included lands branch as arrears and lands branch as a criteria for not being able to get the \$12.50 an acre.

Mr. Koskie: -- And are there any who are disqualified, ineligible as a result of those who have rejected Saskatchewan counselling assistant to farmers?

Hon. Mr. Martens: -- Mr. Chairman, we don't have that number but those people could be included in those that have been rejected . . .

An Hon. Member: -- Are they or not?

Hon. Mr. Martens: -- Well they could be. And they could also be included in those that we have on demand and in judgement. But we don't have a separate category. And so you can't take and add these all up to give you your total number. That's what I'm telling you. Because some of them may not have applied; some of them may have decided not to apply. But what we have as it relates to what you asked, they can be in the rejected and they can be in the demand and in the judgement areas.

Mr. Koskie: -- And you are indicating that whether a farmer has a foreclosure action commenced against him by Farm Credit Corporation that that is ignored and the spring loan is made in that instance?

Hon. Mr. Martens: -- On a foreclosure, Mr. Chairman, as it relates to the Farm Credit Corporation, if the lender who is making out the application knows that that's in fact the case, then he notifies us and we ask the Farm Land Security Board for their observation about whether in fact they are. If they are, then they would be likely placed into the 391 category.

Mr. Koskie: -- So now it does apply to other institutions other than ACS; that's what you're saying. What about if the farmer goes to the credit union who is taking his application? And he has a demand note by the

credit union? Does the credit union inform ACS in respect to the status of a demand note or a foreclosure action by a credit union?

Hon. Mr. Martens: -- Mr. Chairman, if they notify us that they're in foreclosure . . . or they don't notify us if they're . . . yes they do. They notify us if they're in foreclosure, then we check with the Farm Land Security Board. If they're in demand then they don't notify us.

Mr. Koskie: -- And how many were in fact not allowed or eligible for the loan as a result of a financial institution informing you of that information?

Hon. Mr. Martens: -- They would, Mr. Chairman, be those 390 that were rejected.

Mr. Koskie: -- Do you have any idea, Mr. Minister, how many didn't even bother because of the criteria under this loan wouldn't qualify? Can you indicate how many? How is it possible when you have evidence that there's over 7,000 foreclosure actions against farmers in Saskatchewan, and you say you won't provide it if there's a legal foreclosure action taking place? Because you said you went and checked with farm credit and then you go to the federal debt review board, the Farm Land Security Board then, and the same with financial institutions. Isn't it accurate to say that a large number of farmers didn't even bother to apply because of your criteria and because of their financial condition? They were not even eligible for it. Those who were in the most serious financial position the government turned their backs on. That's exactly what you did in this program because it's ad hoc. And we've been telling you, and the Premier has indicated, that what you needed was a long-term program to address agriculture. And as a consequence what we have is some 10,000 farmers either . . . many of them are already forced off the land, and you've got a slug of farmers that are in serious financial situation.

You have no debt restructuring, as my colleague has indicated. You are not addressing it. There is only one inevitable end and that is that some 10,000 farmers and their families are going to be driven off the land under the ad hoc programs as instituted by yourself and by Ottawa. And that's the inevitable result. There's no other result.

I want to ask you, standing there . . . I'll give you the . . . You're familiar with it. And what the banks are doing to hard-pressed farmers. I'm not going to raise any names, but you know the facts. Bank repossesses land, you went and talked to the banks. I guess it must have been for contributions for the next election because you sure didn't come back fighting any banks.

And the Royal Bank, and I'll tell you the circumstances of what they're doing. There's a farmer, leased back for three years, made all of his commitments, went to them this year, they weren't able to sell it, and they decided to lease it to him again. And they decided that the terms were going to be that he had to put half cash in order to lease it at a given amount per stubble acre and for summer fallow. And you know what the bank did.

He said I need a week or 10 days to get the cash to pay half of that. And in the meantime they rejected him, went to a neighbour to try to lease it -- exactly the same terms as the farmer had offered. And that neighbour was good enough to go back to see the individual farmer and say: you're giving up your land; you don't want it? He said of course I need that land, that's my livelihood. And the neighbour rejected renting that land.

The farmer in the financial situation, through his son, bought one quarter back, had gone into ACS to see whether they could negotiate a buy-out at a reduced rate -- turned away from ACS in Humboldt. And then they goes hires a lawyer -- he can ill afford it but he had to -- goes to the bank and they offer to lease it again, and they upped it. They said you put all the cash in; you've got to pay the total cash up front for the year's rent; won't wait for half.

And you know what happened? He went and he was able to get the money from the credit union and he offered the banks the full cash rent and then they added on yet another term. They said, no, you've got to take the option to purchase all this at this time. And then he arranged to have his son, as I said, purchase at least one quarter, they were able to do it.

And this is what's going on out there, and not one squeak from your government as farmers are being denied the right.

You know what the policy of the banks is? They say that anyone who has lost land and is leasing it back, do you know what our policy has to be is to get you distanced from that land, because that's the only way the neighbours will move in either to lease or to buy. These are farm families in difficult strait, and had you intervened . . . And I'd like to know: are you monitoring what banks are doing in respect to farmers? Because I'll tell you, they're driving them off. And the farmers that are in financial trouble aren't getting help under this seeding program because you disqualify them. But I'll tell you who's doing all right: the banks, because you're guaranteeing. They aren't going to lose a cent. And your Premier talked this afternoon about part of the problem. I'll tell you what's part of the problem, was financial institutions that was pouring money out to farmers to bid at any price. And you know it.

(2100)

That's where you should look, and that's where you should go for part of the solution. Instead of allowing them to drive farmers off the land, you should take a stand against the banks. Their portfolio in Saskatchewan is pretty small. Credit unions are slightly different, because so much of their portfolio is in agriculture here, but when you get a Royal Bank, that is world-wide, driving a family off the land, even after he meets the stringent terms, and this government stands and does nothing -- stands idly by and allows this to happen.

I want to ask you -- you indicated that you were monitoring banks -- have you had many requests from farmers to intervene on their behalf because of the conduct of the financial institutions like the Royal Bank, in this

instance here?

Hon. Mr. Martens: -- Mr. Chairman, we have had the lowest income in Saskatchewan on a net basis since 1933. Now that's a reflection of the market-place. From 1971 to 1981, we lost in Saskatchewan, 9,650 farmers; 9,650 left agriculture, '71 to '81. Now why did they go, Mr. Chairman? Almost a thousand a year, Mr. Chairman. Now you were talking about a 7,500 number on the volume of people in demand, judgement, and before the Farm Land Security Board or the Farm Debt Review Board. Now that is accumulated number, not a . . . that's over five years, that's accumulated from '85 on, and that, Mr. Chairman, is the truth.

Now we have in the province of Saskatchewan had a history of farmers leaving the land. From '71 to '81 we had just about 10,000 and that's been a history. And I say that the market-place has not delivered a net income in Saskatchewan to agriculture since 1985. The only thing that has placed agriculture in a net positive position since 1985 has been the federal government and the provincial government taking the moneys that they've been prepared to give to the farmers of Saskatchewan and put them in a net positive position. And that, Mr. Chairman, is what has been initiated by this Premier and initiated by this government in delivering a reasonable sense of balance to the farmers and agriculture in Saskatchewan.

Mr. Koskie: -- Mr. Minister, there can be no other description in respect to what is happening in agriculture. There is over a million acres of land held by financial institutions. There is.

An Hon. Member: -- That's right.

Mr. Koskie: -- Oh, you bet there is. You bet there is. A million acres held by financial institutions. That's the condition of the agricultural situation today.

Mr. Minister, I want to ask you: how do you expect the farmers of Saskatchewan to compete in the market-place against the countries that are massively subsidizing their farmers? And in the United States . . . now don't tell me that you can't save the farmers; don't tell me that. Because if you got millions of dollars that you can spend as the federal government can in strip joints, or they can pay a couple million dollars for a painting that is three strips of paint, and if they can fly all over the world, and if they could hold a \$24 million conference in Ottawa, for one conference . . .

In the United States, Mr. Minister, there there's a base price, market price, or whatever you want to call it, and what the government is prepared to do is to give them a target price which an increase over what they can get on the market. They're subsidizing. They're giving them a price that is consistent with their cost of production and a little bit for their labours. And then they have an export enhancement to move it.

Just look what you have done here to the farmers of Saskatchewan. You've thrown money around. But farmers don't want hand-outs in that sense. They're competing on a world market and if there's subsidization, then they

have to have some price that is consistent with the cost of production. That's what they want.

And we've advocated that program. We advocate it and I'm telling you, talking to farmers across Saskatchewan, it looks mighty good today: that if you had a base number of bushels and paid say, 8,000 bushels at \$6 a bushel. Farmers are guaranteed a return for that amount of production. And over and above that you have your crop insurance, and you can improve that if you want, you can cut your grain stabilization, but how in earth do you possibly expect the farmers here to continue?

You did a report in 1987, and you saw that report. And that's a couple of years ago when it wasn't as bad as it is today. And there you had almost 40 per cent, that either . . . 11 per cent, I believe, was insolvent at that time - those were your figures. There were 28 per cent that were in serious financial trouble.

And what I'm saying to you, Mr. Minister, is that while you have put out some money, what happens, I ask you, what happens to those farmers -- and you say there's 3,200 that don't qualify -- what happens to them? I think you would know that they have no possible recourse because they're being cut off by banks, many instances by credit unions, can no longer continue.

But what you haven't done is to put together a program which would address it, to some extent, as they do in the United States. And I'm asking you, why have you waited? 1985 is when the Premier said that he would in fact take a look at a long-term program. But '85 has rolled by, '86, '87, '88, '89 and '90, and we're still talking about a long-term program.

So I ask you, Mr. Minister, we have a major crisis, and so I want to ask you: one, to what extent are you monitoring banks; and secondly, I ask you, when are we going . . . why haven't you been working more actively on a long-term rather than a political strategy? You know very well that the '86 1.2 billion was put out for an election ploy because in '85 the farmers were not in the problems that they have today. And then again came '88 and you had a drought program because of the federal election.

And not to say that you haven't poured some money into it, but what I'm saying is that no farmer can possibly plan under the ad hoc programs that you have. Talk to any farmer out there and they say they cannot because they don't know if it's coming or it's not coming. They were led to believe it was \$500 million. And what did they end up with? Half the amount.

A seeding program -- when the crisis is so major, what you've done is put out half the amount of money that you did in '86, you charged them almost twice the interest rate, and you shortened the term -- not to three years -- but to six months. Holy smokes!

I ask you, Mr. Minister, how do you expect the farmers to exist under those ad hoc programs that you have instituted? How are they supposed to be able to compete on the world market where you yourself say other producers are being subsidized in the United States and in the European Common Market? I

ask you: why haven't you addressed it on a long-term basis?

Hon. Mr. Martens: -- Mr. Chairman, there are a couple things that I think I want to point out as we talk about how the impact of international trade has reflected on Saskatchewan.

And I think to put this in perspective we have to understand that Saskatchewan exports 60 per cent of the Canadian grain -- of the Canadian grain. We have 50 per cent of the arable land in Saskatchewan, and we have 4 per cent of the population. Now those are things that we have to deal with. That's why the Premier went and talked to -- not only to the Prime Minister -- but he went and talked to the people in Europe about the impact it was. Mr. Chairman, that's why we took four people along with us from the canola growers, from Sask Wheat Pool. You don't think that they had an impact? The president of the pork producers?

Well, Mr. Chairman, I just want to point some things out. The negotiations are taking place right now in relation to GATT (General Agreement on Tariffs and Trade). Now it's the first time in the history of international trade relations that agriculture has been on the table.

An Hon. Member: -- Not true.

DHon. Mr. Martens: -- It is so true. It's the first time that it's been on GATT negotiation table. That's number one.

Number two, the impact that that has had and the Premier involving first of all our Prime Minister and then dealing with it getting put on the table with the President of the United States moving it forward as an item that needed to be discussed, that is the way it got there.

Now you can say that maybe it was the President of the United States that did it; you can maybe say that the Prime Minister of Canada did it; you could say that the Premier of Saskatchewan probably provided some encouragement to have that happen. Now I believe that it all has had an impact.

Now there are three things that I think we have to keep in mind when we're talking about subsidies and you were talking about them in relation to the Europeans and the Americans and you can add the Japanese on to that yet too because they all are subsidizing their producers. Rice in Japan is subsidized six times more than the world market; that's what the farmer gets in Japan. Now you don't think that that impacts in United States and that doesn't impact into Europe? It does, and it impacts into Saskatchewan because of the component of food in the delivery of subsidies to the consumers.

Mr. Speaker, the producer is subsidized in those cases. And then you have another subsidy that's called the consumer subsidy. And that's all of the subsidies that relate around businesses being paid grants and subsidies in order to deliver a product to the consumer. You have that throughout Canada; you've got it in Europe; you've got it in Japan; you've got it in United States, and those consumers are paying higher prices for the

product. The consumer is paying the subsidy.

Now you got the third thing that impacts here and that's export enhancement. And export enhancement is a serious problem in United States, Japan, and in Europe. They're not only paying the producer a subsidy -- the consumer is paying the producer a subsidy -- the government turns around and passes on an export enhancement program to pay the consumer of another country to buy the product and use it in his food program to enhance the opportunities for his country.

(2115)

Now we in the province of Saskatchewan and in the province of Canada are dealing with two basic components in a safety net program. And they deal with an enhanced crop insurance program and they deal with guaranteed income plan, and those are two things that we're going to be looking at. And ministers have had a preview of this. People who have been working in the farm organizations have been in Ottawa, together with other organizations, working out a safety net program for agriculture in Canada, and they are going to make a presentation in August to the ministers of Agriculture and we're going to talk about it.

So we're moving in that direction. And that is, I believe, a very important feature of what we're going to be doing in the next six months in trying to come to grips with the long-term problems facing agriculture in Canada when all of these other things are happening all over the world. And we have to reflect on all of those things happening at the same time that producers in Saskatchewan are impacted negatively because of that.

Mr. Koskie: -- Mr. Minister, this problem didn't happen overnight. This problem has been here. Your Premier gave the farmers a commitment five years ago that he's going to work towards a long-term agricultural policy. After you lose thousands of farmers, driven them off, foreclosures, quitclaims, now you're talking about a program. Where were you? If you say it's necessary to take a look at it now, to get a safety net program of enhanced crop insurance and a guaranteed income, why haven't you been doing that rather than ad hoc programs? That's the question the farmers are asking.

You're not going to fool them now. You've wasted away your time. You don't have any credibility because if you had credibility you would have had it put in place. I mean let's face it. I mean we've got a Tory government in Ottawa; we've got a Tory government here. You're supposed to be the great friendship there. And we have no long-term program, and out there, there are thousands of farmers in your own report saying 11 per cent were insolvent in '87, 28 per cent in serious financial problems, and still no long-term program.

Mr. Minister, I want to ask you: the Premier has also indicated that he was getting 500 million -- he came up short there, leave that where it is, that's out there -- and obviously it will be of some assistance, that's what the farmers say. But every organization says it's not enough to impact on the problem. What I want to ask you, Mr. Minister: does your

government have a commitment for any further money this fall at this time? Mr. Minister, I ask you a straight question. The Premier has indicated that he's negotiated and is asking for \$400 million. I want to ask you: at what stage is that at?

Hon. Mr. Martens: -- Mr. Chairman, I want to point out some numbers that relate to what the farmers in Saskatchewan have realized as net income for the years from 1985 to 1990. If we had to take out the program payments, the program payments that the Government of Saskatchewan, not only in the payments made by the regular kind of program like crop insurance, western grain stabilization, those accounted to: in 1985, \$686 million; in '86, 957 million; in '87, \$1.3 billion; in 1988, \$1.19 billion; in '89, it's about \$1.2 billion; and in 1990 we've got about 370 million.

Now those are the numbers when we had program payments made to producers in Saskatchewan. Now that money came, some of it came from the producers in crop insurance, some of it came in western grain stabilization -- I realize that. But the payments were made in program payments that the farmers had invested in, but also in what the taxpayers paid to Saskatchewan in the last five years -- it's actually six years if you include 1990. That's the number of dollars that have accumulated to the province. It comes out to something like \$7 billion. Now that is a value to Saskatchewan. And we have looked at safety nets along the way.

And if I look at my place where I live, I had a drought in 1984; I had a drought in 1985; I had a drought in 1988. In the six years from 1984 till 1989, I had three out of the six years were drought. Now that's the impact that Saskatchewan agriculture has had. In 1988 and 1989 we had drought in other parts of the province, and we still have areas of drought in the province of Saskatchewan.

Now those are the kinds of things that impacted so that the federal government and the provincial government decided to put some money in. And those are things that were basically extraordinary. And I think that the federal government did an excellent job in translating that into a net benefit for the province of Saskatchewan and the farmers of Saskatchewan. And we walked alongside and initiated a lot of the response.

And that started from 1984 on. That's when we started getting these payments. And you say, well it was in 1986 when we had an election. Well if you take 1986, it was less than we had in 1987; it was less than we had in 1988. Now that's the kind of thing that we have done and participated with the federal government in delivering to agriculture in Saskatchewan. And I don't apologize for that at all because it's an investment in the province of Saskatchewan.

And I think that the impact of the kinds of things we do on an international basis, as it relates to trade, the effect that we have on the balance of payments in the province of Saskatchewan and for the country of Canada, I think it's a positive, net benefit to the country. And that's why I don't apologize for asking the federal government to help us. And we have, and we have consistently, and we will continue to do that.

Mr. Koskie: -- One final comment, Mr. Minister. In your own Premier's word, he has indicated when he went down -- and he was negotiating for yet another subsidy from the federal government, the recent one -- he indicated what we were doing in the past was not working. He said we have to get out of the ad hoc programs. That's what he said. And you're standing here defending it, when the Premier himself has indicated that ad hoc programs have not worked. And certainly, any money poured into the province helps, but ad hoc programs will not address the problem.

And that's the admission of your Premier, and I think that is exactly where the farmers of Saskatchewan are. They can't be bought any longer by your political gamesmanship with their future and their lives. And they're sick and tired of your addressing it at on ad hoc basis. That's the problem, Mr. Minister, and your own Premier has indicated that these ad hoc programs have failed. That's what he announced, and I can get you the quote that indicated that. And he knew this five years ago, and nothing has happened.

Now, in a final desperation after thousands of good farmers and young farmers have lost their land, now you're starting to talk about a safety net. Well big deal. And you know, you talked about your production loan. Do you know what? You poured out the production loan in 1985, and farmers across farmers indicated they took it and put it in the bank because they didn't need it. It was open to everybody. And you know what you said then? We're going to give it to everybody because we're going to reward success. That was your slogan.

You had no intention nor did you analyse what was looming on the horizon in respect to agriculture. You have made absolutely no effort in restructuring of debt and you had no intentions of doing it. And it was many of our young farmers particularly, and I'll tell you, some of them got into the problem through your farm purchase program too, mister.

You start talking about land bank driving up prices of land. Land was at its highest level, and you came into this legislature, and the first thing you put into place was a farm purchase program of \$350,000 with subsidized interest, and out they went and they were bidding on land, and it did increase land. And I'll tell you what: it got a lot of farmers into trouble. That's what went down when you put in the farm purchase program. Don't tell me when you put in a subsidized program in the heat of the price of land at that time that it didn't put many farmers into considerable difficulty. That's what happened.

I just want to say, Mr. Minister, that your ad hoc programs haven't worked. The farmers of Saskatchewan know it. We know that those that are in very serious trouble are gone because you won't answer the question. I asked you a couple of times whether you're monitoring financial institutions. You ignore that. And I asked you why the delay in putting in a long-term program when ad hoc programs don't work, and you don't address that. So I guess what you're doing is, those that can swim on their own, they'll survive, and those that are in difficulty, they have to go under. And then that's the clear message out there in Saskatchewan. Don't tell me that the agricultural community is healthy because you left the farmers to fight the market far more than other competing countries. You deserted them. You

had no long-term program, and that's the truth of the matter.

Hon. Mr. Martens: -- Mr. Chairman, I just want to point out a number of inequities that were raised by the member opposite. In pointing out to people in the province, I just want to say that if we would have had no government programs as it related to income in 1985, we would have had \$138 million net shortfall, a minus. In 1986 it was almost 300 million; in 1987 it was almost 400 million; in 1988 it was almost 175 million. That, Mr. Chairman, was what happened when the U.S. farm Bill came.

You want to talk about the impact of the market-place in agriculture. What we had throughout the world -- in Europe, in United States, and in Japan -- is we had a food policy that became a social policy, and those countries just said, we're going to have exclusive rights to the production of food. Europe, which bought 15 million metric tons of grain from Canada at one time, now exports 15 million metric tons, and that's cost Saskatchewan producers -- because that's where our markets were -- to look elsewhere for those.

You want to make the observation that it was our farm purchase program that drove up the price of land. Well I'll just tell you this: 1982 was the highest average price of land in Saskatchewan that we have had in the history of Saskatchewan -- \$400 an acre. Our farm purchase program came in in December of 1982. It never had an impact on that and from '82 to '83 it went down; '83 to '84 it went down again; '84 to '85 it went down again. That, Mr. Chairman, is a fact and so I will just say that through the years from '71 to '81 you lost almost 10,000 farmers yourselves. And that, Mr. Chairman, was when you thought it was in the good years and, Mr. Chairman, 1984 was the highest volume of income ever recorded in the history of Saskatchewan.

And so, Mr. Chairman, what we have had is high income but we've had high input costs, and the other parts of the world are driving down the price of grain on a regular basis and it's causing us a whole lot of problems in the province of Saskatchewan. We are today . . . there have been three times in the history of Saskatchewan and of world wheat production where we have had production, consumption, and volume on hand at a place where the volume stock on hand is today. Three times in the history. One was '71 or '72, pardon me, and one was in 1980, and one is in 1990.

And that, Mr. Speaker, should reflect on price changes. And what did it do in those two other times in '72 and in 1980? The price went up. And what did it do in 1990? It went down. When the same volume stock on hand ratio was the same as in 1980 and 1972.

(2130)

That, Mr. Chairman, is the reason why our Premier went to the federal government and said we need more money for farmers in Saskatchewan. The market isn't responding. The farmers in Saskatchewan would say I'd be glad to have the market respond on an international basis so that we could have our quality products being sold in the market-place for a high price. We'd be happy for that. As a matter of fact, if you'd take a look at the

livestock sales, in the last six or seven years we've continually moved our net cash income, or our gross income into livestock. It's moved up. And what has happened on the grain side, it's gone down. And that is reflected on the fact that the international trade scene is not reflecting the kinds of things that it ought to in a free market-place. And you have consumer subsidies. You have export subsidies, and you've got producer subsidies all over the world, and our farmers have to compete on it. And that's why the Premier was in Ottawa talking to the federal Minister of Agriculture because of those very items, and that's why they decided to pay us some money this year.

Mr. Calvert: -- Thank you very much, Mr. Chairman. Mr. Minister, I have some questions regarding your department, your government's funding of the matching grants program. And if I may say by way of preface to my questions, it seems to me that when the Minister of Finance stood in his place on budget night in this House back in March, the cruelest cut in this entire budget was the cut from your department to the funding of the matching grants program.

Mr. Minister, this program as you know was started in the 1970's, 1974 I believe, when a number of churches in this province and volunteer organizations and helping agencies came together, united under the umbrella of the Saskatchewan Council for International Co-operation, approached government, and struck a partnership with the provincial government to extend the generosity of Saskatchewan people to the poorest peoples of our world.

By 1980-81, the provincial government contribution to the matching grants program was \$2.1 million, almost 80 cents for every dollar raised by the charities. And then you people got elected, and the first thing you did in government in regard to this program was to cut it in half. You took it from \$2 million down to a million dollars in your first year of office. You cut the program in half the first year that you people were in office. And then it hovered; you lowered it to 800,000, then you added 50,000 emergency relief. We came out to \$850,000 in the last budget year -- \$800,000 to aid, \$50,000 for emergency aid.

Mr. Minister, you and other members of your cabinet gave every indication, I would say gave a commitment to the member agencies -- to the churches, the volunteer organizations, the helping agencies of Saskatchewan -- you gave a commitment before the end of last year that that grant would remain intact. They were told, they were told, sir . . . You can sit there and shake your head, but this is not the reports I received from those who were there.

They were told not to expect an increase, but that the grant would remain intact, that the money would be there, sir. They asked for a meeting. They asked for another meeting with you and your cabinet prior to the budget process, and they were turned down on that meeting.

They listened to the budget -- these are churches and the helping agencies, the volunteer organizations of Saskatchewan -- they listened to the budget as we all did the night the Finance minister stood in his place, and they

were as decimated as I was to hear that you people had cut that grant again by 50 per cent, down to \$425,000.

That's your commitment, sir. That's your commitment to the partnership -- an almost two-decade partnership -- with the churches and the volunteer organizations and the helping agencies who are reaching out to help the poorest of the poor in this world.

Mr. Minister, can you explain why your Premier, the Minister of Agriculture in this province, chose to betray these Saskatchewan groups and therefore to betray the poorest of the poor in our world? Can you explain that tonight?

Hon. Mr. Martens: -- I want to first indicate to the committee, Mr. Chairman, that the people of Saskatchewan are generous people. And what has happened over the years as we've gone through the Saskatchewan Council for International Co-operation projects, the generosity of the people of Saskatchewan has been exemplified. We had some significant movement upwards in the volumes of dollars that people in the province were supposed to . . . that willingly donated. And I think that reflects the kind of people we have in Saskatchewan. I want to compliment them.

I also want to compliment the agencies for their role in going to the people that are their constituents, various church organizations, and university clubs, all of those kinds of agencies, to ask them for funding for special projects as it related to their specific organization. And I think that that was well done, and I want to compliment them for it.

The program and the volume of dollars that were being contributed somehow from the opposition, say that the whole benefit and the volume of the dollars that it increased with has something to do with the volume of dollars that the province provided. Now I think it has more to do with them seeing the need, relating to their generosity, and providing a benefit to those people who are less fortunate. And that, Mr. Chairman, is a compliment to them.

We had other things that we had to think about in relation to this, and one of those was that we have, in the province of Saskatchewan, some serious needs, and we've discussed them. The minister of families has talked about them as it relates to hunger in various parts of the province; we've been dealing with that.

I noted that the other day he dealt with a problem and a concern from North Battleford. The various agencies there asked for help in relation to two workers to go in there and help them organize in the town for some people who would work in the streets. I think those are good things.

And we had to take a look at that part of the province of Saskatchewan as a part of solving some of our own problems. And then we had to take a look at the impact in agriculture. We have, in the province of Saskatchewan, some serious problems, as we've just heard, and we've outlined as we've discussed them, some serious problems in agriculture in Saskatchewan. And I believe that we have to take a serious look at those in the province who

are having a problem. And I think that our budget reflected some of those concerns in not only in this matching program, but also in what we did to help and alleviate some of the distresses that were being caused by financial crisis in the province in agriculture.

Mr. Calvert: -- Mr. Minister, I want to comment on a number of the things that you have just said. You indicate that the generosity of Saskatchewan people is shown in that even in these years which can only be described as tough times, even in these years, their givings, their charitable donations to the poorest of the poor in our world, have steadily risen. You recognized that just now. Mr. Minister, that's the kind of people Saskatchewan people are. And that's the kind of government Saskatchewan people want. That's the kind of government they want. That's the kind of government they deserve -- a government that will show that same kind of compassion and caring and generosity, and they've just got the opposite with you folks.

You compliment the work of the agencies. I join with you in complimenting the work of those agencies. But, Mr. Minister, they don't want your compliments, they want your commitment. They want your commitment to the work they're doing. They want your commitment to the partnership that was established, sir. And then, sir, you brought to the floor of this House tonight the worst kind of argument that can be made in this regard. What you have said tonight in this House is that when you went about setting your budget priorities, you recognized there is poverty in this province, and there are difficult situations for families and others in this province.

So what did you do? Well what you did was therefore to take money from the poorest of the poor in this world so that we could deal with the poor in Saskatchewan. That's the argument that you just brought to the floor of this House -
_ that your solution to helping the families of Saskatchewan who are suffering was to take from the poorest of the poor in this world and give to the families here.

Mr. Minister, I ask you: why didn't you take something from those family of corporate friends of yours, that you are so ready to subsidize at every occasion? Why didn't you take a little from the hand-outs to them to help the poor in our province and continue to support the poor in the world, even at this more or less meagre level of last year's funding of \$850,000? Why don't you just get your priorities straight?

Hon. Mr. Martens: -- Well, Mr. Chairman, I had anticipated that this question would be raised. And I thought about what I should talk about in relation to this. I'm just going to outline for you just a little bit of my personal history so you understand a little bit of what I'm talking about.

My mother's family had missionaries in India, Africa, Brazil -- all over the world. And we supported them as a family and other members of the family. My dad's family had the same thing, and we've considered that as a part of our responsibility. Not a legislated responsibility, a

responsibility that deals with what you do because of who you are and what you are. And so the generosity that we have in the province of Saskatchewan relates to that.

Now you can say tax dollars should go to do this and tax dollars should go to do that, but where does it change the focus in the delivery of a program when you say you're going to legislate this kind of thing. I think what we have seen in the last four or five years in the hearts of people in the province of Saskatchewan is a willingness to participate in a program that has some merit in their opinion. It didn't have to be legislated; it was a willingness for them to participate. And I want to compliment the agencies for going to those people to ask for that.

Now I'm going to go one step further. My father was a minister, and subsequently we have been a part of that . . . I've grown up in the church and I understand it. There's one thing that I want -- and I know you have too and that's why I'm telling you this -- is that missionary work begins at home, and then it goes a little further, and then it goes a little further, and goes a little further. And that, Mr. Chairman, we have to fundamentally believe that we have to begin at home in providing some of the benefits to the people of Saskatchewan that normally would be provided in circumstances like this. And I think that we have responded in a favourable fashion in that light.

(2145)

Mr. Calvert: -- Mr. Minister, I think there is no debate that charity begins at home, but the fact of the matter is, sir, we are at home on this globe -- we are at home on this globe. And whether a child is hungry in downtown Regina or whether a child is hungry or starving in the Horn of Africa matters not. It's a child who is hungry or starving. We are at home in this world, sir.

You did not answer my question about the priorities of your government. You seem to have lots of money -- lots of money -- sir, for your American corporate friends. You've got lots of money for worn out cabinet ministers who are now well positioned in jobs. Mr. Minister, you've got lots of money for people like Chuck Childers. Mr. Minister, we're talking here about \$425,000.

Mr. Minister, you've received representation after representation since the night of the budget announcement. I have one here in my hand; I could bring many more into the House. This is a letter that you received a copy of, sir, a letter that was addressed to Mr. Devine, the Premier, the Minister of Agriculture, the minister responsible for this cut, from the Mennonite Central Committee; the Mennonite Central Committee that speaks highly of the work being done through SCIC (Saskatchewan Council for International Co-operation) and the matching grants program, pleading with your government to review this decision, pleading with you, sir, and your government to restore the funding.

Given the representations that you've received from the churches of Saskatchewan, from volunteer organizations, from organizations like CUSO,

from individuals across the province -- given all of those representations that you and your cabinet have received since the night of the budget cut, will you commit tonight that before this budget is finally passed, you will find in this budget a \$425,000 increase to bring the funding back at least to last year's level? Will you do that, Mr. Minister?

Some Hon. Members: mHear, hear!

Hon. Mr. Martens: -- At the delegation that came to see cabinet a short while ago, we made the commitment and I made the commitment that I would visit with the organizations as we go through the summer, outlining for us what we should be perhaps doing for next year, and that's the indication that I made to them.

And the other thing that I committed myself to do is to see whether we could encourage them to be . . . help them in their fund raising to deliver more money into the focus of what they're doing, and in those two areas I suggested that we would help them.

Mr. Calvert: -- Mr. Minister, I am well aware of what you committed at that time to the representatives of SCIC who met with you. I'm well aware of those commitments. But I recall, sir, the commitments were made a year ago to SCIC that they could anticipate the same level of funding this year as they received last year. Your commitment, sir, to that particular group -- and I'm not saying you individually, sir -- but commitments made by your cabinet last year certainly didn't hold true this year.

Mr. Minister, I'm not asking you for those commitments. I'm aware that you've made those commitments. I'm asking you tonight: will you find in your budget of some \$4 billion dollars, will you find in your budget \$425,000 that will go directly from the people of Saskatchewan to areas of this world in the greatest need, sir? And you know that; you know that. This money will go to those in greatest need. Will you find in your budget, before it's passed, another \$425,000 to bring the funding up to last year's level?

Hon. Mr. Martens: -- Mr. Chairman, I made the commitment to the Saskatchewan Council for International Co-operation that I would be looking at finding an opportunity for them to raise funds in the province, and I would be prepared to discuss budget with them as a process for 1991.

Mr. Upshall: -- Thank you, Mr. Chairman. Mr. Minister, I want to go back for a minute to the \$5 an acre payment that was announced today. But I want to just go back a little further than that to preface my question. You will recall that in 1988 there was a drought payment. And you will also recall that the Premier of this province was going around to all corners saying that farmers were going to get \$40 an acre, leading them to believe that they were going to get \$40 an acre. And you will also know that when the payment was made that the majority of farmers got about half that or about \$20 an acre.

And I have with me a letter, one of the many, many letters and calls that I've received from people telling me that how unfair this whole process

was. And I just want to read for you the first part of this letter and it's a very long letter and it's very eloquently written. And it says and I quote:

We are farmers in Saskatchewan. We have just received our final cheque for drought aid. We are so terribly disappointed that we can't find words to use to explain how devastated we are. We were banking on a maximum payment of \$40 plus, per seeded acre. We got a shot before the belt where it really hurts to receive \$21 an acre.

We haven't had a decent crop for at least five years. The past three years have been unbelievably poor. We averaged three bushels an acre in 1988. That is severe drought.

To receive that three bushels an acre we went through as much expense as we do in a good year. We ran our swather and combine into the dirt trying to get all we could, sprayed chemicals for weed control, and farmed with 100 per cent effort and expense as trying to take a crop in that costs extra on repairs and is so hard on machinery.

That just indicates . . . capsulizes what a majority of those people were saying when they were misled by the Premier saying they were going to get \$40 an acre and then they got \$20. The same process was repeated this year where we went along listening to the Premier saying, yes, we needed \$500 million and he agreed with the Saskatchewan Wheat Pool, and he agreed with the opposition, and other farm groups. And when all was said and done we came up with \$5.50 an acre or about 80 cents an acre from your government -- 80 cents an acre for Saskatchewan farmers or \$39 million; \$64 million for Cargill and a \$305 million loan guarantee.

And, Mr. Minister, this is the reason farmers do not believe you when you talk about anything in agriculture any more because you deceive them. And that's why you're not getting the support out there. You put out 80 cents an acre and you go through all the fanfare. You say they were to pass the motion; you say there was going to be \$400 million this fall and a billion dollar contingency fund. Well you know, they're just laughing at you in rural Saskatchewan because they don't believe a word of it. And when my colleague asked you about the \$400 million that you were supposedly going for earlier, you didn't answer him.

And, Mr. Minister, I want to ask you -- we went through many parts of the program earlier on in the day -- but I want to know who will pay for the administration of this program. Will the administration come out of the \$277 million; will it be financed by your government from other funds, or will the federal government be paying any of that administration?

Hon. Mr. Martens: -- Mr. Chairman, the province of Saskatchewan will be paying 50 per cent of the administration and the federal government will be paying 50 per cent.

Mr. Upshall: -- Mr. Minister, will that come out of the total amount of \$277 million?

Hon. Mr. Martens: -- It's not our intention to do that.

Mr. Upshall: -- Okay, Mr. Minister, another point that I want to ask you, and we started to get on it this afternoon. Farmers who were farming August 1, 1989 are qualifying for the program. When I listened to the minister give his remarks on the radio, he alluded to the fact that also 1990 farmers could be included, and I wasn't sure what he meant by that. Will there be any farmers who were not farming land in 1989, August 1, who will be paid whether they're a new farmer or they're a farmer who has acquired land after August 1, 1989? Will any of these people also be receiving a payment under this program?

Hon. Mr. Martens: -- Mr. Chairman, August 1, 1989 was chosen as the date to begin the assessment, and that was the date that was registered in that individual's permit book for 1989-90, and that individual who's the operator in that permit book for '89-90 will be paid on the basis of cultivated acre, and every cultivated acre in the province will be paid.

Mr. Upshall: -- Yes, Mr. Minister. Let me give you an example. If I was a farmer, had a permit book August 1, 1989, and I was farming 800 acres. In January, 1990, I acquired another, for easy figuring let's say, 200 acres. So now I am farming 1,000 acres. Will I be paid on the 800 acres, or will I be paid on the 1,000 acres because I will be putting on my form the amount of acres that I farm. The amount of acres that I am currently farming are 1,000 acres. The amount of acres that I had August 1, 1989 was 800. Which amount will I be paid on?

Hon. Mr. Martens: -- Mr. Chairman, the farm organizations that I met with them yesterday to confirm that position, I met with them about two weeks before that to see what their idea was. It was August 1, 1989, and you used the example of 800 acres that you had in your permit book on August 1, 1989. It will be 800 acres. Those 200 acres that you bought or leased or whatever, will appear on August 1 in 1990, will appear on the permit book for that year, and they do not qualify. It's only the 800 that were on there on August 1, 1989.

Mr. Upshall: -- And that also applies to somebody that, let's say, started farming this year?

Hon. Mr. Martens: -- Yes.

Mr. Upshall: -- Okay, Mr. Minister. I will leave that program for now although I think that just in summing it up that many farmers are very, very disappointed again with your government because you had promised them a substantially amount more or at least that's what you lead them to believe. Then you came up with a \$5 an acre payment very late, after seeding, and it's simply, as many farm leaders . . . as one particular farm leader said today, fell far short of what was needed to provide Saskatchewan farmers with some stability.

Just one quick question, Mr. Minister, with regards to ACS. Under the ACS rules right now, a person is entitled to \$500,000 per unit. Now if there's a partnership then it doubles. What I want to ask you, Mr. Minister: in

the case of a husband and wife farming, if they are farming in two separate operations, using the same machinery as any other partnership would but having land in their own names, do they also qualify for the double the amount?

Hon. Mr. Martens: -- Two points that you made to the member from Humboldt, Mr. Chairman, that I want to speak about. We asked the farm organizations on two separate occasions to make sure that they understood the impact of making a decision about 1989 versus 1990 for seeded acres in 1990, for seeded acres in 1989, and permit book in those two years. And they were without hesitation, strongly in favour, overwhelmingly in favour, of exactly what we did.

And we felt that their support, the volume of information, and the people that they were in contact with, gave us a tremendous amount of consensus from all over the province about where we should be going on this date. And that was a concern to us as a government because we were not sure. Some people would be impacted one way in 1990; some people would be impacted differently in 1989. So we decided that with the support of the farm organizations that we've been meeting with for the last three months that we would go with their recommendation.

(2200)

And I will say that I believe that they are right. We have about 97 per cent of the people in the province of Saskatchewan who will have absolutely no impact whether it was 1989 or 1990. So we're dealing with roughly 3 per cent of the land base that has an impact. And we felt with them that it was dealing with the shortfall in grain prices, because of export enhancement all over the world, interest rates, all of the items that we've talked about in the last four or five hours, all of those impacted in their telling us that the decision should be 1989.

The question you raised about the 500,000 per unit in ag credit corporation: we are taking a look at whether in fact we should be doing that on a per unit basis or whether we should be in fact looking at it as whether viability and security are the reasons why we should be giving a loan that would be maybe in excess of \$500,000, whether there's one person or two people or three people farming that unit. And so we've determined that we're going to take a serious look and consider that and see where we have to go on that. And I know that we've had some concerns raised to our office about that, and we're looking at how we can address that.

Mr. Upshall: -- When do you expect you'll make a decision on that, Mr. Minister?

Hon. Mr. Martens: -- We're looking at maybe a month or two. I'm not just sure. We have a number of things that have to be done in relation to that, the items that we have to look at, the regulation changes and the time it takes and the impact that it has -- we have to look at that a little bit more. We're outlining that for ourselves, and we likely will be moving in that direction in a couple of months.

Mr. Upshall: -- Just so I'm clear, that includes a husband-wife operation? Because as it stands now, if a man and his son are in partnership, they're entitled for double the amount, but if a man and his wife are in partnership, they're not entitled to double the amount. So am I clear that you are going to be looking at being able to double the amount for husband and wives who are in partnership in farming operations, provided the land, of course, is in separate names?

Hon. Mr. Martens: -- There are two things that we will be looking at as it relates to any kind of a farming unit that comes in at over 500,000. Those two things are security and viability. And sometimes there is enough security but there isn't enough cash flow to deliver the volume of dollars required, and so we're going to have to take a look at those two things.

The other thing that I'm pointing out is that we are working together with SARM (Saskatchewan Association of Rural Municipalities) in dealing with setting up the viability criteria as they relate to this, and we might as well do it all at one time if we're going to make any changes at all.

Mr. Upshall: -- Okay, Mr. Minister, I would ask you if you would provide me with the decision you make after a month or two, whenever you make that decision.

I want to turn now, Mr. Minister, to the goods and services tax, which of course is another popular instrument that your federal counterparts -- and you'll receive some benefit from it -- are going to be placing upon the people of Saskatchewan and Canada next year. What I want to do, Mr. Minister, is determine in some of the areas how this goods and services tax will operate.

For example, I have received a preliminary list of tax-free items for farmers and fishermen, and on that list there's a number of things that are . . . this is a tax-free list.

I just want to make reference to . . . it says . . . number one is large farm tractors. Now that's a little vague. Could you explain to me what is meant by a large farm tractor? Is it certain horsepower, the requirement that they're going to be looking at in order to . . . before it's exempt? And could you tell me what that horsepower range would be?

Hon. Mr. Martens: -- Mr. Chairman, if you wouldn't mind, we're having one of our officials come in who has been on site with this whole thing. If you've got some other questions, if you wouldn't mind, when he comes we will address them all.

Mr. Upshall: -- On his way from where . . . (inaudible interjection) . . . Oh, well if he's just going to be a couple minutes I can just . . . maybe just to speed up the process a little bit. This list lists a number of things, as I said: large farm tractors; combines, headers, and pick-ups; field and fruit and vegetable harvesters; cultivators; ploughs; farm bulk milk-coolers and tanks; rock pickers; discers and rod weeders; air seeders; drills; roll-crop and tool-bar seeders; swathers; wind rowers; mowers and hay conditioners; and discers.

Now, Mr. Minister, what I would ask you to do is tell me if this is a complete list of tax-free items under the goods and services tax? Do you have a complete list of tax-free items? And if you do have, could you supply me with that list?

Hon. Mr. Martens: -- What we have had indicated to us is that all equipment that in any way could be used for . . . in each and every way could be used for agriculture would be zero rated, and therefore would not be taxable or would not have the GST (goods and services tax) placed against it.

Mr. Upshall: -- Does that mean equipment and accessories? What I'm trying to establish is how far does it go? For example, it says bulk milk-coolers and tanks; well what about the milking equipment? It says tractors; well what about the front-end loaders or attachments to a tractor? And also, Mr. Minister, could you indicate to me whether this is included in new and used or simply new equipment?

Hon. Mr. Martens: -- Mr. Chairman, I suspect that all of the items that you have mentioned would be tax free. The only thing that might happen is if you went and bought a radio for your tractor and put it into your tractor, you'd probably have to pay the tax on that. But when you're talking about front-end loaders and you're talking about three-point hitches and cultivators and that sort of thing, that's basically general farm use.

Mr. Upshall: -- Is that new and used tax-free?

Hon. Mr. Martens: -- As far as we've been given to Dunderstand, Mr. Chairman, that's right.

Mr. Upshall: -- Would that also . . . I guess there's a number of items and I can just run through some of them: fencing equipment, spraying equipment, chemicals, steel repairs, irrigation equipment, ventilation equipment, feeders and feeding equipment, silos, corrals, livestock medication, livestock purchases. Could you give me some indication for this broad range of items?

Hon. Mr. Martens: -- Mr. Chairman, the tax paid or payable on purchases on taxed goods, you'll get an input tax credit on those. They are not applied to bagged seed or bagged feed or fertilizer if it's over 25 kilograms; if it's under that, it will be. Chemicals, prescription drugs, supplies and services will be taxed on . . . the chemicals and prescription drugs, I believe, you will be able to apply for a rebate, although I'm not . . . for this input tax credit. But the services supplied by veterinarians -- and I know I've met with them -- they are still not exempt from that services being taxed. So we have written a letter to the minister of . . . I believe it's Minister of Agriculture in Ottawa asking him to review that. And so far nothing has been done but we will pursue that.

Mr. Upshall: -- Mr. Minister, do you have any direct representation in formulating what goods are tax free, tax exempt, or tax rebated? Do you have any direct representation in the negotiations of what items will be tax free or tax rebated in Ottawa? Does your government have a

representative down there involved in the discussions and making . . . putting your points of view forward on this goods and services tax?

Hon. Mr. Martens: -- Well, Mr. Chairman, what we have asked the federal Minister of Finance to do is to take our list of exemptions as it relates to E&H tax (education and health tax) and allow that those criteria and those items to be allowed to be . . . go on a non-tax basis with the GST. And as they relate to agriculture, then we would be looking at items like these services that are provided by veterinarians as being exempt. And we have made that known to the Finance minister, and our Minister of Finance is our negotiator in relation to that.

Mr. Upshall: -- Mr. Minister, you seem to be quoting from some type of document. Is that a publication of the federal government informing you of what is available? And I was wondering if you could send that across or table it for my information, just to help me on this side understand exactly what's going on with the goods and services tax.

Hon. Mr. Martens: -- Mr. Chairman, it's important to realize that the process here is one of negotiating the best opportunity we can for agriculture in relation to the GST. I guess that in view of that we have to consistently keep on going after them. That's what the Minister of Finance is doing. The list hasn't been completed yet and therefore they're all subject to review, and we're working on that.

Mr. Upshall: -- Will there be any possibility, Mr. Minister, that the public will be able to review what's happening with the goods and services tax at some point in time so they can make a response to you, your government and the federal government? Or is this going to be another closed-door meeting as we have so often seen with your governments, that the public will be totally uninvolved with any of the decisions or any input on how this goods and services tax should function?

(2215)

Hon. Mr. Martens: -- Mr. Chairman, we are making representation together with organizations. The Western Canadian Wheat Growers have made representation. As I said before, we've initiated response on behalf of the veterinarians; talking to the Minister of Finance, we supported their initiative. And this representation is made to them as the Government of Canada and in relation to that and their tax base. So various farm organizations are making those representations, and we are supporting them when they come to us and ask us.

And in a general sense, when we talk about the volume of goods that are dealt with in relation to the E&H tax, and agriculture's exemption there, I'd say that that was a fairly substantive list in relation to agriculture.

Mr. Upshall: -- So what you're saying is that after everything is put together the public will have no chance to voice their opinions or have anything changed. And I understand that's how you operate, although I don't agree with it.

What about things like cash rent or share rent, Mr. Minister? Will they be subject to this tax?

Hon. Mr. Martens: -- It's our understanding that crop share is not subject to tax; cash rent is.

Mr. Upshall: -- I guess we know how people will be renting then, won't we. What about land sales, Mr. Minister? At one time I was lead to believe that if land was sold as a unit, if the farm was sold as a unit, it would be exempt from the tax, but if it was parcelled out and sold to more than one person that it would be subject to the tax. Is that accurate?

Hon. Mr. Martens: -- Mr. Chairman, the sale of a portion of a property if it was farm land that was sold to a developer, that portion would be subject to the GST. Land sales made to another farmer for farming purposes would not be.

Mr. Upshall: -- It doesn't matter if the land, then, was sold as a one-block unit or it was parcelled out to several different people?

Hon. Mr. Martens: -- Mr. Chairman, as we've been given to understand that portions of property or outright sales or amalgamating or wind-up of a farm or a corporate farm or a partnership will not be taxed if both the vendor and the purchaser agree.

Mr. Upshall: -- If both the vendor and the purchaser agree -- now maybe I missed something there, but the question was: does it make a difference if you sell your farm as a unit to another farmer? You have four quarters of land. You're farming four quarters, and you sell that four quarters to your neighbour. Or if you sell two quarters to one neighbour and two quarters to another neighbour, you're saying it makes absolutely no difference with regards to the tax.

Hon. Mr. Martens: -- It's our understanding that as long as the land is going to be used in an agricultural purpose, it is not taxable.

Mr. Upshall: -- I'm a bit amazed, I guess, at your uncertainty at all these answers because this is a very important issue with most Saskatchewan people. And I would say that a large, large overwhelming majority oppose this tax. And I would think that you'd be a little more on top of it, Mr. Minister, because the result is going to be obviously more dollars out of the pockets of farmers again.

I wanted to ask you now about auction sales. As you will know, in an auction sale, using rough figures, they will charge about 14 per cent on small items -- the auctioneer -- and about 7 per cent on large-ticket items like tractors and combines and that sort of thing. Now will the goods and services tax apply to . . . you said any farm machinery will be exempt, but let's say the smaller items like the tools and other equipment on the farm, whereby the auctioneer is taking 14 per cent for his fee. Will there be another 7 per cent on top of that from the goods and services tax that the farmer will be affected by?

Hon. Mr. Martens: -- Mr. Chairman, we've been given to understand that that auction sale will be treated the same way as a retail purchase of hardware goods in a hardware store, which will be giving the individual an opportunity for an input tax credit. You have to understand that none of the things that we have talked about -- we can talk about it in a general sense but the federal government hasn't outlined what they're going to do yet. They put a bid out here, and they put a bid out here, and they put another piece out there, and we haven't got the overall package as to how they're going to deliver it. So our hesitancy is not on the information we have, it's on whether or not the federal government is committed to doing it this way or that way or another way, and that makes it difficult. And in a system as complex as this is, I think we're fortunate to have as much information as we do have, although I wish we could have it all too.

Mr. Upshall: -- Well on one hand, Mr. Minister, a few minutes ago when I asked about input, you said there was input from farm organizations, and now you're saying that the federal government isn't telling you what to do. So really there is no input then from anybody, including yourselves. And if I were you, I'd be down there knocking on their door. Maybe some of the time the Premier's been spending in Ottawa, he could be asking them exactly what's happening.

We have six months to go before the implementation of this tax, Mr. Minister. Surely to goodness, you have some responsibility, some obligation to let the farmers and taxpayers of Saskatchewan know exactly what it's going to cost them. So I ask you, Mr. Minister: have you done an analysis on the basis of the information that you have, or has the federal government done any analysis of exactly what this goods and services tax will cost Saskatchewan agriculture?

Hon. Mr. Martens: -- Mr. Chairman, one of the things that the federal government has not done is it has not given us an absolute list. And because we don't have an absolute list, we are not able to give you an absolute cost in relation to that. And you say we should be down there. Well our Minister of Finance who has been a Minister of Agriculture, who is involved in agriculture, is a veterinarian, understands exactly what's going on as it relates to agriculture. And that, Mr. Chairman, I think is a plus for the province of Saskatchewan in relation to the discussion he's having with the Minister of Finance in Ottawa.

I cannot provide that answer for you because we haven't had an absolute list. We can estimate at \$20 million or \$40 million or \$60 million, or we can say it's 10 or 3, but we would be guessing in terms of the kinds of conditions and as it relates to the input tax credits and the zero ratings. They're all variables that we haven't got any answers from the federal government on, on their exact component. We know what we do with E&H tax and what the value of that is, but we do not know what it would be in relation to this because we haven't had all of the things described to us.

Mr. Upshall: -- Well, Mr. Minister, that's pretty sad that we've got six months to go before the implementation of this tax. What you're telling me is that we're going to have this tax dropped on us. You and nobody else is going to do an analysis of what it's going to cost. You're just going to

stand idly by and let the federal government give you the information when they feel like giving it to you.

And you say that the Finance minister is down there. Well I don't think he's doing a very good job if he's not standing up for Saskatchewan farmers and saying, look we want to know exactly what this goods and services tax is going to cost us. And actually, instead of being down there asking that question, why aren't you standing up and say, scrap the goods and services tax. It's a wrong tax. It's going to cost farmers and taxpayers of this country and this province a lot of money -- money they don't have to spend.

You know, instead of taking a firm stance against the goods and services tax, you're sitting back on your laurels saying, well we don't have that information yet. We should have a complete analysis of the exact costs. We should have a breakdown of what goods are taxable, tax exempt, or tax credit. Farmers are going to be having to send in their applications for rebates. It's going to be a bookkeeping nightmare.

And when you're attempting to answer questions tonight, you're just saying, well we don't know yet. Well, Mr. Minister, it's incumbent upon you to know and to find out and to do the analysis, because you're the guy representing Saskatchewan farmers with regards to this goods and services tax.

I see no indication tonight that you have even made an effort to find out what the cost of this tax would be, and I think that's disgraceful, Mr. Minister.

I want to read for you another effect this is having on Saskatchewan, and this is from the insurance brokers association news-letter of April-May, 1990, and it says and I quote:

GST Issue -- The anticipated effect of the GST on brokerage profitability is a reduction of between 3 and 4 per cent. Please watch for further details on this issue.

(2230)

And as a result of that, as we brought up in this House a while ago, a few days ago, the letter from Saskatchewan Mutual Insurance Company to all Saskatchewan brokers. And it says and I quote:

To recap, all property rates have been increased by 4 per cent to compensate for the forthcoming goods and services tax.

So we are already seeing the effects: companies getting ready, the costs going up by 4 per cent in this case. That's the kind of analysis that you should be doing -- getting all these people together and saying what is this going to cost you and providing them with the information so they can give you an answer.

But what you're saying is, well we're going to sit back and wait to see what the federal government tells us on an issue that directly affects

every person in this province. I just think that is totally unsatisfactory. I think it's abdicating your responsibility as a leader in this province, as a minister of the Crown here. And I find that totally unsatisfactory.

So, Mr. Minister, can you tell me if there will be an analysis of the costs done, when you think that analysis will be done, when you think you'll be receiving all the information from the federal government, and have you told the federal government that you want them also to do an analysis?

Hon. Mr. Martens: -- Mr. Chairman, in order to do an assessment and a review of all of it, if we started with the premise that tractors with under 15 horsepower would have GST to be paid on them and then we found out later on that, because every farmer in the province has one of those, that well it's a tractor for farm use so it comes off, or it might have an input tax credit placed on it instead. So then you say, where should I put that in relation to this review? Then you say you've got a drill set that you buy and that is going to have an input tax credit here and it may not over there.

So when you set all of this together, with all of these hypothetical cases, you could have, as I said before, a \$3 million cost; you could have a \$40 million cost. How are we supposed to know? The federal government haven't given us a list. But what you've got over there is their understanding of where it's going to be, and when they get there it may not even have some of those things on it.

So, Mr. Chairman, we are asking our Minister of Finance to do a review of the impact it has in the economy in Saskatchewan and how it's going to reflect on agriculture. We are going to do that, and as soon as we have some of these items finalized then we'll be putting them into the component for the impact it's going to be on us. And when that's done, we'll let you know and so will the Minister of Finance. But until the federal government have decided, how are we supposed to deliver it?

We spent something like three months talking about getting a payment to producers and finalizing that when we had one item to talk about. And if you want to talk about 3,500 or 4,000 of them that we deal with with the federal government on GST as it relates to agriculture, you're going to have a fairly significant problem and that's what I'm trying to tell you. If we get these items finalized we'll be able to give you a definitive answer of what it's going to cost in Saskatchewan.

Mr. Upshall: -- Well it's pretty late in the day, Mr. Minister. We got six months till the implementation of the tax. What you're saying is you're just sitting back and waiting for the federal government to tell you what's going to happen. There'll be no analysis done; you'll have no recourse; all the gears will be set in motion. Why aren't you down there telling them to scrap the GST instead of sitting back and waiting for them to drop it on Saskatchewan taxpayers? Where were you six months ago when this issue first came out? You made no representation now and you're abdicating your responsibilities. I find that totally unacceptable.

And here we go again, really standing up for the taxpayers and the farmers of this province, aren't we -- saying, well we can't tell you because we don't know; the federal government hasn't told us yet. You're a minister of the Crown here. You represent farmers. It's totally unacceptable for you to stand in this House and say that, Mr. Minister.

Mr. Minister, I want to indicate to you how your government operates, and this is just one example. I have here what's called the AgNews, produced by Saskatchewan Agriculture, and I have several issues. Now this neat little publication comes out monthly from the Department of Agriculture, paid for by taxpayers, and I want to say at the outset, Mr. Minister, that it's quite a little publication.

This is March 1989. Right on the front page, guess whose picture? The Premier of the province. And it goes in many articles talking about the Premier of the province, and all the great and wonderful things he's doing. And you flip through it, go to the next one and you open it up.

Oh, here's one talking about the \$17 million commitment to the rat eradication program. And if you open it up you see another nice little picture of the Premier of the province, and it says here the \$17 million provincial rat eradication program was a major announcement, made by Premier Grant Devine at the Saskatchewan Association of Rural Municipalities convention in Saskatoon. And it goes on to talk about the crop insurance enhancements.

And you flip over to the next one. And when you look at this one, another propaganda paper. And you look around and oh, and there's another picture of the Premier. He's giving somebody some money, handing a cheque out, and it talks about ACS enhanced loan eligibility. We went through that and how great it was. If you read the article, it tells how great this program's going to be for Saskatchewan farmers. Well I guess we found out how great it's going to be.

And it talks about assistance for producers in drought-affected areas. And it goes on to talk about that magic figure of \$40 an acre again. Nice little propaganda page there. Farmers didn't get quite \$40 an acre.

And you pick up the July issue. And you look at the July issue, and you turn to the back page. Well there he is again. It says: "Premier opens gates." And you open it up to the inside and you look at more propaganda. And you go through.

Oh, here's another one. This is the August 1989 issue. We've got the Premier and the federal minister Don Mazankowski on the front page of this one. And it says, another headline, "Provincial government broadens ACS mandate again." More propaganda. And you flip through it and back page: "Legislation ensures farmers' stability." And it talks about The Farm Financial Stability Act -- more propaganda, because we went through and found out exactly how that was working.

And you go through paper after paper after paper. Here's another one, and there's a picture of the Premier with the ministers at the P.A. meeting.

And you look around it on the back page . . . RAP (regional assistance program) program set for April. Well we're getting closer to this RAP program. Remember the big announcement that he made to the SARM? Funny thing, the RAP program seemed to be scrapped somewhere along the line. But it's good propaganda for the farmers of Saskatchewan to read published by the Department of Agriculture and Food.

Well look at this: another paper, another picture of the Premier. Agriculture Credit Corporation implements new mandate. We're still talking in October '89 about the new mandate, that great legislation you had last year that we found out that wasn't worth the paper it was written on.

You open it up, and there's another picture of a minister of your government. Going on with more propaganda: oh and here's a picture of yourself, Mr. Minister, and another picture of the Premier talking about the ADF (Agriculture Development Fund), talking about the new Associate Minister of Agriculture and Food, nice little write-up about you.

Turn it over to the back page. Well look at that. There's the Premier's picture again on the back page, talking about caravans touring our province. Paper after paper after paper -- you know, and I think there's one in here where it doesn't have a picture of any ministers on it. No, I'm wrong, there is one too. It's your picture again, talking about soil conservation.

But what this is, Mr. Minister, is a total blatant advertising of your government using taxpayers' money. And this is exactly how you operate. You operate in rhetoric, announcements, flowery speeches and slogans. And you do a good job at it, I give you that. You do well at spending taxpayers' money to sell propaganda to them about your government. Look at that; there's a picture of the Premier on this one too . . . (inaudible interjection) . . . No the rat program, I think, has since been cancelled. Funny how they didn't make the announcement in the paper that they cancelled the rat program. Can't understand that.

And here's March of '89, another picture of the Premier. I thought there was one paper here that I went through that there wasn't a picture of the Premier or one of his ministers on, but maybe I was wrong. I guess maybe . . . There he is again.

No, this is the one. Finally found one in the 12-month period that didn't have a picture of the Premier or one of his ministers on it telling how great they were doing. Oh, this is one, this is the one announcing the \$525 million spring seeding loan program. Remember that great program that we talked about earlier and how successful it is? That's the type of government that you run.

An Hon. Member: -- You're just jealous.

Mr. Upshall: -- Well one member says I'm just jealous. No I'm not jealous; I'm totally disappointed that you've reduced agriculture in this province to slogans and propaganda and trying to brainwash and sell a product that is not worth anything as your government to the people of Saskatchewan with

its own money. Totally disgusting.

This is the one with the picture of yourself and the Premier again talking about the 558 . . . the multi-year disaster program. And it was a disaster all right because it was so ill conceived.

And here's the pay-off: this is a letter sent to all producers in September 1989, a letter from the Premier. And it sets . . . I would take the time to read this, Mr. Chairman, but it doesn't say anything. It's another blatant piece of propaganda sent to every farmer in this province, and this is the one that I received. And you flip over to the back page and here's a great, long list of accomplishments of this federal government . . . or this provincial government, saying how much money they've given to farmers.

That's what we're saddled with here. We see no concrete programs to tackle debt, to provide income stability, to provide land transfer programs. All we see from this government is propaganda, rhetoric, and slogans. And as I said earlier, it is a disgrace to have a government run that way. What they lack in programs, they sure make up for in taxpayers' money trying to sell themselves. That's the problem that we have in this province. We're so concerned about selling a worthless product -- being the Tory government -- that they're caught up in it and they can't provide a program that helps Saskatchewan farmers. And I think that's disgusting, Mr. Minister.

So I'd ask the minister: you have a responsibility; you've abdicated that responsibility when standing up to the federal government, and as we've seen, hundreds of millions of dollars coming out of taxpayers' pockets. Oh yes, they get some grants from the federal government, but as fast as it goes in one pocket, it comes out the other, and you know that.

You've abdicated that responsibility just like the Premier
Dabdicated his responsibility by not even sitting in on his own estimates tonight. I find that totally disgusting. He could move over to that chair and take his estimates, but it's not much good news these days so he's laying a little low, and I don't blame him. And he saddles you with the responsibility. But a Premier of this province who's touted himself as being the Agriculture minister, who won't even sit in his chair and take the Agriculture estimates, I find that to be quite a statement.

I find that to be quite a statement about the pride he has in the job that he is doing. And I think there is a definite reason he isn't there, is because he wants to stay as far away from all the areas that I've brought up tonight and my colleagues have brought up tonight that are marks against your government, that prove that you have no other plan than trying to buy off farmers, election after election. And that is why he's not in his chair.

So, Mr. Minister, like I say, we've gone through this for three years now. Many of the questions are the same, but the results are the same. We're seeing more debt, more farmers leaving the land, lack of predictable income stability programs, and lack of any farm land transfer program. And I say, Mr. Minister, your ad hoc-ery is going to result in the defeat of your government if you ever, ever get the courage up to call an election.

Some Hon. Members: mHear, hear!

(2245)

Hon. Mr. Martens: -- Mr. Chairman, I just want to respond briefly to the items that were mentioned, and one is to the report that you've got there, the AgNews. And I want to say that I think the Department of Agriculture is doing a worthwhile thing there in sending this out as a part of an insert in The Western Producer. One of the concerns that I have as an MLA and as a farmer and a rancher is the right way to provide information to the public so that they have something to see and read that describes the programs and the description of the programs -- where to apply, what's the value to the producer.

Sometimes I get a little frustrated and annoyed with the way you make these presentations. On the one hand you say that not enough people get to know what's going on. On the other hand you say you can't spend any money to do it. You have to, Mr. Chairman, provide to the people in the province an indication of how it is . . . how a program is to be used, how it is to be delivered, who is able to qualify.

And if I could just use as an example, today on the announcement of the payment by the federal government and the provincial government. You could say, well we wouldn't put out an 800 number. And ag credit corporation: we had 15 phones lined up on a 1-800 number to deal with the concerns that people would have in the spring seeding program. Was that money worthwhile spent so that they could understand what it was that they were getting for this spring seeding program? It was.

And here you go saying it's not money worth spending. And I would say you're wrong because it's providing information to the people of Saskatchewan about programs that can be delivered and that are being delivered. And I think they are of value. You raise some very interesting things.

I had a brother-in-law who was involved in the program that you used to have for demonstration projects. And on the bottom -- in fact it was the largest print in that whole sign -- Mr. MacMurchy, Minister of Agriculture. That was the biggest part of that sign in that demonstration project. And my brother-in-law, who was not necessarily voting for him, was fairly uncomfortable with it, and the people driving by his place on the grid road thought it was a sign that he was supporting his kind of agriculture policy.

Well he wasn't. He just happened to have a demonstration project that he was a part of. And he didn't want to have the Minister of Agriculture's name. And if you want to take a look at whose name is written on there now, it's very, very small, and it's not the major part of that program. Now if you want to be criticizing, that's the kind of thing you could start to criticize.

The other thing I want to point out: ten years you were in government,

never did a thing for the university in Saskatoon as it related to an ag college. And you say, yes. Well I'll tell you, the people in the province of Saskatchewan who have the highest quality of regard for agriculture, are doing the research of that. I was out there yesterday presenting \$50,000 to the POS plant in Saskatoon, a worthwhile project.

As we go through the list of them, you'll see that we have worthwhile projects, almost \$30 million of worthwhile projects that the people of Saskatchewan need to know about, and what do we do if we sit on them and do nothing? We have to have a vehicle to convey the message to the people of Saskatchewan in a real and a sensitive way. And, Mr. Chairman, I believe in it and we will continue to do it and I want to compliment my staff in the Department of Agriculture for being innovative and doing it and doing it well.

Item 1 agreed to.

Items 2 to 12 inclusive agreed to.

Item 13 -- Statutory.

Items 14 to 25 inclusive agreed to.

Item 26 -- Statutory.

Vote 1 agreed to.

Consolidated Fund Budgetary Expenditure
Agriculture and Food
Agriculture Development Fund -- Vote 60

Items 1 to 10 inclusive agreed to.

Vote 60 agreed to.

Consolidated Fund Loans, Advances and Investments
Agriculture and Food

Statutory.

Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Agriculture and Food
Ordinary Expenditure -- Vote 1

Items 1 to 5 inclusive agreed to.

Vote 1 agreed to.

Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Agriculture and Food
Agriculture Development Fund -- Vote 60

Items 1 to 7 inclusive agreed to.

Vote 60 agreed to.

Saskatchewan Heritage Fund Budgetary Expenditure
Agricultural Division
Agriculture and Food
Ordinary Expenditure -- Vote 50

Item 1 agreed to.

Item 2

Mr. Upshall: -- On item number 2 under the refund pursuant to The Farmers Oil Royalty Refund Act 1989-90, there was \$16.5 million, and this year there's nothing budgeted. That means, I presume, that the farmers oil royalty refund has been discontinued?

Hon. Mr. Martens: -- Yes, Mr. Chairman.

Mr. Upshall: -- Well I guess then, Mr. Minister, that's another \$16.5 million that farmers won't be getting.

Hon. Mr. Martens: -- No, Mr. Chairman, it was anticipated that the volume of oil royalty refund volume was less than \$7 million as it related to the item, and therefore a decision was made that rather than put it into there, we'd put it into something else that would reflect a better benefit to the people of agriculture.

Item 2 agreed to.

Vote 50 agreed to.

Consolidated Fund Loans, Advances and Investments
Agricultural Credit Corporation of Saskatchewan
Vote 147

Items 1 and 2 -- Statutory.

Vote 147 -- Statutory.

Mr. Chairman: -- That completes the estimates on Agriculture and Food. I'd like to thank the minister and his officials.

Mr. Upshall: -- Yes, Mr. Chairman, I would also like to thank the minister and his officials for the information they've provided tonight.

Hon. Mr. Martens: -- Mr. Chairman, I want to thank my officials and their work through the past year. And I know that this summer is going to be exciting. We had a conference earlier this week and I thought it was rather well done, and from the reports that I've heard, they had a good time in planning the agenda for the next year. And I'm going to be pleased

to work with them for the next year and I want to thank them for preparing me in deliberation here tonight.

Some Hon. Members: mHear, hear!

The committee reported progress.

The Assembly adjourned at 10:59 p.m.