

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

December 13 1984

EVENING SITTING

COMMITTEE OF THE WHOLE (continued)

Bill No. 4 — An Act to amend The Saskatchewan Assessment Act

MR. CHAIRMAN: — Would the minister introduce his officials.

HON. MR. EMBURY: — Mr. Chairman, Don Bennett, the executive director of the assessment authority.

Clause 1

MR. SHILLINGTON: — I have only a very few questions, Mr. Minister. And really, I think, the only question I have is what plans your department has to do any reassessment in northern Saskatchewan. Do you have something in mind such as the cities in the South were treated to over the last few years with reassessments being done? Is there any particular reason why this is coming forward now? Are you going to be doing a major reassessment, or is it just a tidying up kind of an effort?

HON. MR. EMBURY: — Mr. Chairman, there is no major new thrusts in assessments in the North. It's an ongoing process. This is simply so that this Bill lines up with The Northern Municipalities Act. it's simply housekeeping.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

Clause 9

MR. SHILLINGTON: — Mr. Minister, why is this being made retroactive for 13 months?

HON. MR. EMBURY: — Mr. Chairman, so that those assessments that were done in the past 13 months have some legal basis. The solicitors tell us that we have to backtrack it to when The Northern municipalities Act came into force, so that any assessments that were done in that space would have legal status.

Clause 9 agreed to.

The committee agreed to report the Bill.

Bill No. 5 — An Act to amend The Department of Urban Affairs Act

Clause 1

MR. SHILLINGTON: — I have no major quarrel with clause 1. I'm curious, however, about clause 4. I can understand what you're doing with 12(1). I do not, however, understand why, in addition, you need 12.1, and I'm wondering if you'll explain to me what kind of mischief you intend to work under 12.1.

HON. MR. EMBURY: — Mr. Chairman, as I pointed out in my second reading remarks, the Act, unrevised, had a little quirk in it, that any grant over \$10,000 had to be approved by the Lieutenant Governor in Council, and that included programming, revenue sharing, or ongoing programs which had regulations, so that cabinet, in effect, had to approve the same program twice. So 12(1) simply separates the programming from the outright grants — the grants that we

give to community planners, associations, those types of one-time annual grants — and separates the programming out of those ongoing types of programs, such as property improvement grants, revenue sharing, and those types of things, that are governed by regulations.

MR. SHILLINGTON: — So is the Minister saying that the only moneys to be expended under 12(1) will be third-party grants for which money is budgeted under subvotes in the estimates, i.e. municipalities?

HON. MR. EMBURY: — That's correct, Mr. Chairman. They would show up in the subvotes in those grant categories.

MR. SHILLINGTON: — Will there be anything other than grants to municipalities, or the Saskatchewan Housing Corporation? Is that all that you will be making grants under, that you will be making payments under 12(1) to?

HON. MR. EMBURY: — Yes, Mr. Chairman. Those types of grants that would be . . . And I'm not sure the grants to the housing corporation is a good example, because I think that's just a transfer. But grants of an ongoing nature, like revenue sharing, where the grants go out to all the municipalities on an ongoing basis, or property improvement grants, that have their own regulations and rules, they would be under 12(1). The other, of course, the grants through the community planners' association, or the grant that I announced this morning for the premier design awards, would be under the other section.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 3 — An Act to amend The Wascana Centre Act

HON. MR. CURRIE: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 4 — An Act to amend The Saskatchewan Assessment Act

HON. MR. EMBURY: — Mr. Speaker, I move the Bill be read a third time and passed under its title.

Motion agreed to and Bill read a third time.

(1915)

Bill No. 5 — An Act to amend The Department of Urban Affairs Act

HON. MR. EMBURY: — Mr. Speaker, I move the Bill be read a third time and passed under its title.

Motion agreed to and Bill read a third time.

Bill No. 2 — An Act to establish the Employment Development Agency

The committee reported progress.

SECOND READINGS

Bill No. 20 — An Act to amend The critical Wildlife Habitat Protection Act

HON. MR. PICKERING: — Thank you, Mr. Speaker. Mr. Speaker, this Bill is intended to refine The Critical Wildlife Habitat Protection Act, a very important piece of wildlife conservation legislation our government put forward in this House which was passed last spring.

Mr. Speaker, The Critical Wildlife Habitat Protection Act was enacted to protect critically important wildlife habitat on agricultural Crown land. These Crown land holdings provide fully one-third of the critical wildlife habitat remaining in the settled portion of the province.

MR. SPEAKER: — Order, please. order, please. order, please. I'm sorry I missed that. That Bill was just introduced today. We need leave to proceed with second reading. Is leave granted?

All right. Proceed.

HON. MR. PICKERING: — Well, Mr. Speaker, I don't know whether to start over or give you the whole load, or what.

Well, Mr. Speaker, I don't know whether to start over or give you the whole load, or what.

As I was saying when I was interrupted, the importance of this Crown habitat is increasing as economic pressures force continued clearing and breaking of habitat on private land. The government recognizes that the critical Crown wildlife habitat must be exempted from sale and harmful development. This action is essential to the maintenance of game stocks, rare and endangered species, and other forms of wildlife.

Mr. Speaker, the original Act is intended to achieve these wildlife objectives with a minimum of disruption to existing and future users of agricultural Crown land. The majority of these lands do not constitute critically important wildlife habitat, and continue to be available for sale and development. Lands designated critically important for wildlife may be used for other purposes, providing such use is compatible with the preservation of wildlife habitat.

Grazing leaseholders, for instance, may continue to pasture cattle on these leases without interference. Minor land alterations required by land users which do not significantly impact on wildlife are to be permitted.

The amendments we now propose are consistent with the original intent of this legislation. The Critical Wildlife Habitat Protection Act should better reflect our intention to accommodate users of these strategic Crown lands which do not jeopardize the wildlife dependent upon them.

The Act will also be made more comprehensive with regard to prohibiting the sale of critical wildlife habitat lands and controlling their disposition.

Mr. Speaker, my government is committed to this new and effective wildlife conservation legislation, and seeks only to make it work better. In the days ahead, we will continue to implement for the benefit of the wildlife and the people of Saskatchewan.

I therefore urge each member to support this Bill, as I now move second reading of An Act to amend The Critical Wildlife Habitat Protection Act.

SOME HON. MEMBERS: Hear, hear!

MR. THOMPSON: — Thank you, Mr. Speaker. I want to concur with what the minister is saying,

that we most certainly have to take a serious look at protecting our wildlife habitat. However, we do want to take a further look at this and check in with the wildlife federation. And for them reasons, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 21 — An Act to amend The Snowmobile Act

HON. MR. GARNER: — Mr. Speaker, this Bill is just a very small Bill and it makes an amendment to The Snowmobile Act. The amendment is a consequential to The Automobile Accident Insurance Amendment Act, 1984, that is before this Assembly. This Bill repeals a section of The Snowmobile Act that is made unnecessary by The Automobile Accident Insurance Amendment Act, 1984.

Mr. Speaker, I would ask all members to join and support this Bill through its entirety and, Mr. Speaker, with that, I move second reading of An Act to amend The Snowmobile Act.

MR. LINGENFELTER: — Mr. Speaker, I want . . . (inaudible) . . . the words spoken by the minister outline very clearly, but I think we would want a day to look at it, so I would beg leave to adjourn the debate.

Debate adjourned.

Bill No. 22 — An Act to amend The Vehicles Act, 1983

HON. MR. GARNER: — Mr. Speaker, this is another very small Bill and will not take us very long. This Bill, Mr. Speaker, makes four amendments to The Vehicles Act, 1983. Each amendment in consequential to The Automobile Accident Insurance Amendment Act, 1984, that is before this Assembly. This Bill repeals a section of The Vehicles Act, 1983, that is made unnecessary by The Automobile Accident Insurance Amendment Act, 1984. This Bill also amends the levels of minimum financial responsibility to reflect the increases contained in The Automobile Accident Insurance Amendment Act, 1984.

Mr. Speaker, once again I would urge all members of this Assembly, my hon. colleagues across the way, to join with me and totally and unanimously support this very fine piece of legislation. And with that, Mr. Speaker, I move second reading of Bill No. 8.

MR. LUSNEY: — When the minister tries to down play a Bill, I think it would require further looking into, and I think, Mr. Speaker, for those reasons I would therefore like to have a little more time to look at the Bill and therefore beg leave to adjourn debate.

Debate adjourned.

Bill No. 23 — An Act to amend The Urban Municipality Act, 1984

HON MR. EMBURY: — Mr. Speaker, I am pleased to move second reading of a Bill to amend The Urban Municipality Act, 1984.

Members of this Assembly will recall that the new Urban Municipality Act was passed during the spring of 1984 and, following that, my department organized a number of seminars for urban municipalities in order that they might ask questions and make comments on the new legislation.

The new Urban Municipality Act was proclaimed on November 1st of this year. After its distribution to groups most affected by the Act, a number of amendments were requested. Requests of this nature are not unusual when a major Act becomes law.

Mr. Speaker, the Urban Law Review Committee spent a number of years drafting proposals for the new Act. As well, a year and a half of close consultations with SUMA and urban administrators preceded proclamation of the statute. However, The Urban Municipality Act contains 336 sections affecting every aspect of municipal administration. therefore, requests for amendments are to be expected and they should be welcomed, Mr. Speaker, as they are largely constructive suggestions for improvements and clarification in the law. These amendments will ensure that the intentions and points of this legislation are made clear to all concerned. I will not mention every amendment, Mr. Speaker, as there are some 20 sections in this Bill, some of which are of a housekeeping variety.

Of the most substantive amendments, I would first like to address the series of amendments that clarify the functions of boards and commissions within the municipal system. in our consultations with SUMA, we received a clear message. SUMA wanted the duly elected urban local boards and commissions appointed by local councils would exercise some of the powers the law rightly assigned the elected urban council. Therefore, Mr. Speaker, we attempted to reword the Act in order to make it clear that the elected councils are in the driver's seat in local affairs, not the appointed boards they established.

But in firming up this principle in the Act, there remains some ambiguity as to the power of municipal boards and commissions to maintain their own staff. To clarify this point, we are proposing to amend the Act to give urban municipal councils the choice of designating the staff of municipal boards and commissions, either as employees of the municipal corporation or as employees of the local board or commission itself. This amendment will permit municipalities to designate in the by-law establishing a board or other agency whether the employees will be employees of the municipality or the board. The amendment will maximize local autonomy and at the same time permit municipalities the option of keeping the board at an arm's length if it so wishes. The result will be a mix of independence and control of local boards, commissions, associations, and the like.

Mr. Speaker, the second amendment I would like to mention concerns store hours. This Bill contains two amendments requested by urban municipalities. one of these reforms removes the requirement that convenience stores, like confectioneries and drug stores, submit a certificate annually setting out their principal trade for that year. This principal trade certificate is a feature of Ontario legislation and has been in Saskatchewan legislation for a number of years. Consultation with legal experts confirmed our belief that this certificate is largely red tape. It doesn't help the municipality in determining which stores are truly convenience stores, for there are no grounds for refusing the certificate. nor does it help in terms of prosecuting a store which in fact is not primarily selling convenience items.

Another store hour hours amendment in the Bill is the deletion of the term "lease," and the definition of the term "store." The term "lease" was added in the new Act. It had the unintended effect of including car rental agencies, home movie rentals, and the like, in the category of stores that must remain closed six evenings per week. Clearly these stores should be open during evenings and weekends for the convenience of consumers, who use their products chiefly after business hours.

A third substantive area we're amending in this Bill is the procedure for collecting unpaid utility rates. The present wording of the Act is too restrictive. It requires that the municipality collect unpaid utility rates by adding them to the taxes on the property as of December 31st in the year in which they are payable. in the Bill we are returning to the former method of giving municipalities the option of adding these utility rates to the tax bill when they fall into arrears, but at the same time permitting councils to collect these rates in the usual fashion. In the case of utility rates owed by someone who rents the property, the municipalities will be given every opportunity to collect from the renter, including the method of placing a lien on his goods under the terms of The Distress Act.

(1930)

A fourth amendment of substance, Mr. Speaker, will restore to urban municipalities the authority to issue tax certificates. In land transactions it is important for the buyer to obtain a tax certificate from the municipality. This has always been a feature of the Act. However, this section was inadvertently excluded from the new Act. We're putting it back in and making it retroactive to the date of proclamation of the new Act. In fact, Mr. Speaker, we're making all the provisions of this Bill retroactive. This will ensure that municipalities will face no legal complications with respect to the reasonable procedures they may have followed in the absence or the amendments contained in this Bill.

And finally, Mr. Speaker, we've included an amendment which benefits the owners of farm land in urban municipalities. This amendment is similar to the fixed assessment provision contained in the former urban Act. It permits bona fide farmers to enter into agreements with the urban council for up to five years to fix the assessment or taxation at a low rate. It encourages people who own urban land not yet needed for development to keep this land in productive use as long as possible. It also introduces a greater degree of equity in the assessment of land used for farming as between rural and urban municipalities.

Mr. Speaker, there are some additional provisions of a housekeeping nature in this Bill, but I have tried to describe the major amendments with substance. I believe the reforms I have mentioned will streamline the new urban Act. It will make the Act more responsive to municipalities, and local residents, and local business people. I would like to urge all members of the Assembly to support the Bill.

HON. MR. BLAKENEY: — Mr. Speaker, it's certainly going to keep us busy with legislation if we pass legislation in June which comes effective in November and commence amending it in September retroactive to the previous June. as I recall looking at today's list, there are about five bills which are to have retroactive legislation, which seems a rather poor batting average for a government which has had two years to catch up on the things which they said were so egregiously faulty. In this particular case, they had two years to consult, and duly consulted for two years, and came up with a Bill which they are now patching up after having it come into effect on November 1st.

There are a number of other provisions, as the minister said, which may well merit some discussion, and accordingly I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 16 — An Act respecting Court Officials

HON. MR. BERNTSON: — Mr. Speaker, on behalf of the Hon. Minister of Justice, I rise to move second reading of The Court Officials Act, 1984. The present Court Officials Act is very old and contains language and provisions which are confusing and seriously out of date. It does not reflect the changes to the courts in recent years and this had led to problems when applying the Act to present circumstances. For example, the existing Act speaks of "appointing court officials," but does not say who does the appointing or the manner of the appointment to be used.

The Bill now presented brings the provisions dealing with court officials up to date. Besides updating obsolete and archaic provisions, the Bill clarifies and simplifies the law by consolidating the various statutory provisions dealing with court officials into one Act.

Mr. Speaker, this Bill removes the existing provisions referring to bonding of sheriffs which, of course, is no longer required in light of the fact that sheriffs are public servants. The Bill also deals

with all court officials in one Act; it clarifies what is meant by the term "court official"; it specifies what the procedure is for appointment of a court official; and clarifies the jurisdiction, duties and responsibilities of these officials.

In addition there will be a procedure for documentary proof of appointment as a court official, which is presently lacking in the existing legislation. This Bill will permit the appointment of persons who are not members of the public service as court officials.

Specifically, the Act enable the privatization of court reporting services in the province of Saskatchewan. The position of the Registrar of Courts is specifically created in this Bill. Although the position has actually existed for some time, it has never been recognized or provided for by statute. Also provided for specifically in this Bill are examiners and special examiners under the rules of court.

Another change is subsection 13(3) of the Bill, which provides a means of getting back into court moneys that have been turned over to the Minister of Finance under subsection (1) of section 13. There will be no need to obtain a court order, which is presently required before such moneys can be paid back into court. This will save time and costs to claimants.

The Bill provides for regulations to deal with administrative matters such as forms, contents of returns, fees for court reporters, additional duties, etc. The provisions of this Bill come into force by proclamation. Mr. Speaker, I move second reading of The Court Officials Act, 1984.

MR. KOSKIE: — I appreciate, and all members will appreciate we have not had a very long time to review this basic Bill, and I want to carefully peruse the comments of the Deputy Premier, and accordingly I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 17 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Court Officials Act, 1984

HON. MR. BERNTSON: — Mr. Speaker, on behalf of the Minister of Justice I rise to move second reading of The Court Officials Consequential Amendment Act.

Sections 2 and 3 of this Bill change references in The Creditors' Relief Act and The Executions Act to The Court Officials Act, 1984.

Section 4, repealed.

Sections 13 and 18 of The Provincial Court Act which relate to the operation of that court by a municipality: as the responsibility for operation of the provincial court was assumed by the province some time ago, these sections are now effete. What is that? E-f-f-e-t-e. Okay? The Court Officials Act, 1984 provides for appointment of the court officials for the provincial court.

Section 5 of the Bill specifically deals with the necessary consequential changes to The Queen's Bench Act by changing a reference to The Court Officials Act and by repealing sections pertaining to court officials and offices — might have been a typo, eh? — which have been replaced by sections in The Court Officials Act, 1984. I thought it was one of those high priced lawyer words.

Section 11 of The Surrogate Court Act, which is repealed by section 6 of the Bill, relates to oaths of court officials of that court, and this matter is now covered in The Court Officials Act, 1984. The provisions of this Bill come into force on the date that The Court Officials Act, 1984 is proclaimed into force.

Mr. Speaker, I move second reading of The Court Officials Consequential Amendment Act.

MR. KOSKIE: — Yes. Again, Mr. Speaker, we will be asking leave to adjourn this. Certainly in view of the difficulty of the Deputy Premier in reading his notes, and interpreting the Latin or the phraseology, we will have to have some time in order to look this — the comments — up, to make sure that we have an appreciation of them, so I beg leave to adjourn debate.

Debate adjourned.

Bill No. 24 — An Act to amend the Statute Law

HON. MR. BERNTSON: — Mr. Speaker, I rise to move second reading on behalf of the Hon. Minister of Justice of The Statute Law Amendment Act, 1984, No. 2. The Statute Law Amendment Act is prepared each year by the Office of the Legislative Counsel in order to systematically eliminate errors in provincial statutes. Mr. Speaker, this Bill deals with spelling, typographical and grammatical errors, internal inconsistencies and anomalies, and incorrect citations in provincial legislation. There are no substantive change. Mr. Speaker, I move second reading of The Statute Law Amendment Act, 1984, (No. 2).

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Mr. Speaker, we would want to take a look at this Bill also, and accordingly, I beg leave to adjourn the debate.

Debate adjourned.

COMMITTEE OF THE WHOLE

Bill No. 7 — An Act to amend The Forest Act

HON. MR. PICKERING: — Thank you, Mr. Chairman. On my immediate left here is the assistant deputy minister, Doug Cressman, and behind me is Walter Bailey, director of forest management, from P.A.

Clause 1

MR. THOMPSON: — As I indicated before, we didn't see anything controversial with this Bill. I'd just like a few explanations here, and I see most of them are transferring sections of lands out of certain areas. Can I assume that that is to straighten out boundary lines, or what is the purpose of this?

HON. MR. PICKERING: — Yes. It is to straighten out the boundary lines. It was last amended back in 1978, and this is a similar amendment, as the one in 1978 didn't have realistic boundary lines along the forest fringe where the agricultural designated land is.

MR. THOMPSON: — I see where you're taking these sections out, that they would be for sale, would they, to farmers or cattle ranchers?

HON. MR. PICKERING: — Are you talking about the Crown lease land? Yes, they would.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

(1945)

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 7 – An Act to amend The Forest Act

HON. MR. PICKERING: — Mr. Speaker, I move that this Bill be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that Bill no. 1 — **An Act respecting the Security of Farm Land in Saskatchewan** be now read a second time.

MR. GERICH: — Mr. Speaker, it gives me great pleasure to stand this evening to speak on Bill No. 1. We have to move in a responsible manner with legislation to help the farmers. And Bill No. 1, The Farm Land Security Act, is a move in that direction.

This Bill protects the farmers from losing their farm land through a foreclosure action. Protection starts on December the 4th, 1984, and continues to January the 1st, 1986. This Bill applies to farm land mortgages held by chartered banks, credit unions, trust companies, the Farm Credit Corporation, the Agricultural Credit Corporation of Saskatchewan, and as well, private mortgages and agreements for sale, and land subject to sale under writs of execution.

The farmer's land is very important. it is his character, well-being, and livelihood, and Bill No. 1 will protect this. There is no sure cure for the problems we are facing in agriculture today. people have to cope with the bad times as well as with the good times. But the farmers are quick to adjust and make do. They will work together to get their crops in. They have the Saskatchewan spirit. They understand how this province was built.

This province was built on the Saskatchewan spirit that started in the late 1900s when the country was opened up. It was done by the pioneers working together, and getting along and working in a co-operative spirit. In the First World War, when they lost many family relatives such as sons, daughters, and fathers through the war, they worked together in groups of neighbours to put their crop in and get the planting done.

In the depression years when things were really bad and the sand was piling up along the fence lines, again they pulled together in a true Saskatchewan spirit to pull this province ahead. The Second World War was a recourse of what happened in the First World War — in the second.

The fifth thing where the Saskatchewan people really showed their spirit was under 44 years of communist — or socialism — ruling. The farmers fought socialism and the socialist attitude and that doom and gloom cloud that I spoke about last week.

They started the land bank which is a really true socialist method in a province of competing with an attitude — I'll get back here on track — with the land bank. It was truly a socialist attitude in taking over the country.

Now these gentlemen across the way, the opposition, they talk about they are out to help

the farmer and get things done in Saskatchewan. I have a clipping here from the Prince Albert *Herald* which is dated December 6, 1984, from the federal MP who calls the moratorium a cheap political move.

Well, this same MP belongs to the opposition across that was involved in a dairy strike. These fellows actually went out of the road, not to help the farmers save their gallons and gallons of milk, but instead they stood by and watched the milk and money lost through their inactivity. This federal MP is the same or part of the same party which refused to back the farmers in a grain handlers' strike a while back. Instead, they chose the union bosses. And they tell us that they're helping the farmers.

Back to farmers. The farmers are victims of hard times with high interest costs, low returns on farm products, and high input costs for chemicals, fertilizers, and other essentials to farming. And they also had to compete with the NDP government from 1971 till 1982 in the purchase of land.

There are many other problems arising from recession times that are upon us today. Many people, not only the farmers, are facing financial difficulties. Small businesses to large businesses are victims of the hard times. They either expanded or did not expand at the opportune time to make their business viable. Their bad luck is tied directly to the agricultural sector in Saskatchewan.

A Bill had to be structured as not to harm these small businesses and large businesses. It is a known fact that when farmers suffer in Saskatchewan, so does the economy in the province. And this problem will occur until the world markets change and change by increasing the price and demand. When more money is generated through the agricultural sector, everyone will benefit. One dollar generated on the farm has a turn-around effect of generating seven more dollars into immediate areas. For example, in grocery stores they hire more staff; machine shops need more men. A common sense approach has to be encouraged in this agricultural sector.

People have to be encouraged to pay more for their food because they are, the farmers are in trouble due to a more or less cheap food policy. If one were to sit back and look at the problem seriously, the farmers are not paid enough for their products, and eventually, one by one, will fall by the wayside having a domino effect, leaving the power to the bigger and stronger corporate farms.

But the corporate farm, somewhere in the future, will be able to dictate to the consumer what they will pay for their food products. And the world of agriculture has to change before this happens. Farmers will have to be paid a fair price for their product.

And a good indication of this is what has happened to the cattle industry. In 1974 we had 1.8 million brood cows; and in 1984, we're down to 800,000. The cattle industry has virtually gone downhill for the last 10 years because of pricing, and it strictly doesn't pay to have cattle.

The people on the street, in the coffee shops, in the stores, have to be encouraged to pay that little extra to keep our farmers in business. Something needs adjusting, but until then we'll have to make a short-term plan.

And it's important for the farmer to keep his land because of his pride and integrity. I started farming in 1972 with the idea that if I worked hard enough, I could make a decent living and get along in life fairly well. But over the years, in the last 12 years since I was farming, the costs and the price of the products has gone down, and we are suffering badly out there.

There is nothing more satisfying to farmers then growing good crops. it cannot be explained to people in general. They just don't understand the feeling of the farmer. Only a farmer or rancher with country background can understand this sentiment.

This Bill will help support the farmers for a year or two, if the case may need be. it is a sensible Bill. It's fair to everyone, and I think it will help us out in Saskatchewan. Thank you, Mr. Speaker.

HON. MR. BLAKENEY: — Mr. Speaker, I am speaking to Bill No. 1, and to the amendment moved by my colleague, the member for Assiniboia-Gravelbourg. And I want to, unlike some other speakers in this debate, refer to the Bill and to the amendment. I think that the public of Saskatchewan have had the benefit or otherwise of this government that's in office for 30 months or more. And I believe that they are now expecting the government of the day to address the problems and not try to blame them on past provincial governments, past federal governments, or whatever policy the members opposite feel they would like to criticize. They are the government of the day, and it is their job to come forward with policies which will address the problems. They have attempted to do so in Bill 1; we are attempting to point out what we feel are shortcomings in that policy, and I propose to address that particular issue.

I first want to refer to a few of the remarks by the member for Moosomin. And I . . . (inaudible interjection) . . . Well, I first want to refer to the remark of the member for Moosomin saying that this Bill was a first step to solving farm problems. If the Minister of Agriculture had put forward this Bill as a first step, and had outlined three or four additional steps that he had in mind, we would then be in a position to assess the policies which he is putting forward. However, he said, in effect, this is my only policy now. I am going to await pay-outs by various agencies to see how farmers get along, and then I'm going to tell you whether or not I have anything further in store. And it is that position by the Minister of Agriculture which is belied by the comment of the member for Moosomin, who says this is a first step. You can hardly say that something is a first step unless you assume that there is a second step, and we know nothing about the second step. Mr. Speaker, I am not asking that you tell me what your policies are. I am asking that you tell the farmers of Saskatchewan what your policies are, and there is no point in holding back simply to confound the opposition. I think you're holding back in giving information to farmers who badly need some indication of what your policy is.

(2000)

One other comment by the member for Moosomin . . . I won't deal with many of the others. But one other was a matter of interest. And he was saying that the resolution, that the amendment moved by my colleague, the member for Assiniboia-Gravelbourg, involved putting something on hold for six months or longer. I would remind him and all members of the House that the proposal is that our ideas that we put forward as alternatives be worked in, in a period of seven days and we, for our part, would be very happy to be back here seven days from now dealing with a revised Bill. And I think it would not take long to go through if it had the provisions which we suggest would deal with the problem that is there.

One other comment by the member for Moosomin is that, and he was referring to the Saskatchewan Wheat Pool and saying, what the pool are asking for is exactly what this Bill does. I hope to indicate that that is far from the truth, and that the pool, in fact, was asking for some very different things. The members opposite may not be aware of a policy statement by the pool that purports to indicate what the pool would like.

The pool, as I understand it, adopted a policy statement, Saskatchewan Wheat Pool's policy statement on farm financing crisis. This, I believe, was adopted at their recent convention, and it is a very, very far from what the member for Moosomin indicated it was.

I will now turn, Mr. Speaker, to what the origins of this Bill, and I'll touch briefly on the problem. The problem is the crisis in which a goodly number of farmers find themselves in. I will not take the time of the House to review all the circumstances surrounding it. The inadequate prices, and the high input costs, the familiar cost-price squeeze: we are, I think, familiar with that.

The result — and this didn't happen over night, it has been growing — the result has been that

about 17 per cent of Canadian farmers are experiencing severe financial distress, according to a survey conducted by the federal Farm Credit Corporation. The Saskatchewan Wheat Pool has looked at this material and looked at the Farm Credit Corporation study, and has reached the conclusion that the comparable percentages for Saskatchewan are 16 and 7. That is severe financial stress, 16 per cent; moderate financial stress, 7 per cent. So basically, the situation in Saskatchewan is the same as for farmers all across Canada. Sixteen or 17 per cent under severe financial stress; 6 or 7 additional per cent under moderate financial stress, if you accept the Farm Credit Corporation and the pool's assessment.

Now that is the problem. The Minister of Agriculture has said on many occasions that there are no quick fixes or no simple solutions. He also indicates that, as he phrases it, "The sky is not falling in out there." And in one sense of the word, of course, that's accurate. There is not a wholesale sell-off of farm land. But none the less, for some farmers the sky is beginning to fall in, and while I'm not trying to put any additional emphasis on the minister's remarks, I know he would accept the proposition that for a number of farmers, and the per cent grows practically by the week, the vise is getting tighter and tighter.

Mr. Ed Braun, who prepared a report for the B.C. Federation of Agriculture, reached the conclusion that as many as 20 per cent of farmers are in severe difficulties. I don't want to carry this point farther, Mr. Speaker, other than to say that there seems to be a very considerable consensus that 16, 17, 20 per cent of farmers are in severe difficulties. That is the problem. What was the promise? Because, as I say, this was not something that has occurred in the last three months. It is something that has been coming on; it has been rendered more difficult by the fact that the crops this year were shorter; and it has been rendered more difficult by the fact that there has been no let-up at all in the cost-price squeeze, or little let-up in the sense that perhaps inputs aren't rising in cost as fast as they did before, but they're still rising, and there's no evidence of any significant increase — I don't think there's any evidence of any increase at all — in grain prices, in international grain prices.

A look at those Chicago futures does not encourage one to believe that there's going to be any increase in grain prices in the next short number of months. No one is trying to predict what's going to happen two years hence, and here I agree with those who say that predicting grain prices over periods of two or three years is hazardous at best. But at least we can say that this problem has been coming on, and it's not getting any better, and for many it's getting worse.

That was the situation which the cabinet addressed last September, and have made comments on through the summer, and right up until the present time. The Premier is quoted as saying in September that the government is drawing up proposals for the new . . . The government along with the Premier, along with agriculture minister Lorne Hepworth, will be co-ordinating the government's efforts to ease the problems of rural drought and farm debt. And the Premier goes on to say that he is drawing up proposals for the new PC federal government to help financially hard-pressed farmers.

That's one statement. That was the promise to that extent. Going on, the Minister of Finance said that some changes to help farmers struggling with huge debts and poor crops would be introduced at this fall session.

That's the Minister of Finance. The Premier again, and this time in October:

The agricultural debt program, as a result of drought, high interest rates, lower prices, and high input costs, is significant, and we're looking at every possibility to address that.

That's the premier again. And again in October:

A program to help farmers and small businesses cope with rising costs and higher

debt loads may be ready for the fall session of the 's legislature, Premier Devine said Friday.

A further promise . . . And I am not using that term in a pejorative sense. I'm just saying, what was held out to farmers as what the government was going to do. And here again, in his speech to the Progressive Conservative convention and on other occasions, and this is a fair quote of what he said on several occasions:

We won't allow the family farm to be lost because of short-term economic difficulties that are out of his control, that is the farmer's control. We won't allow that.

Now that's a fair quote of what the Premier has said on several occasions and what, I suspect the Minister of Agriculture has said on other occasions. That, then, is the problem and that is the promise.

Now, what is delivered by Bill 1? What is delivered is a moratorium on the seizure of farm land, on the foreclosure of farm land. Note that it is not a moratorium on payments. It's not a moratorium on the payments on land mortgages. As I read the Bill, all it does is stop the seizure. The payments still accrue.

Suppose the Bill lasts for 12 months. On the 13th month, the farmer is going to owe not one payment but 13, because nothing has been changed with respect to payments. If members doubt that, I recommend that you . . . (inaudible interjection) . . .

All right. If the payments are, in fact, periodic other than monthly, and I am not quarrelling with the member on that, then everything that would have been payable during the period of the freeze, of the moratorium, is payable the day the moratorium ends. There has been no hold-back of payments. There has been no moratorium on payments, unlike some other legislation, unlike, as I read it, the 1971 legislation. And I want to bring that point to the attention of hon. members.

But that, perhaps, is not a major point. I think it is, but it is not the main burden of my remarks. What I want to say is that moratorium, be it on foreclosures or payments or both, doesn't address the real problem that farmers feel they're facing. The problem that farmers feel they're facing is that they do not see that they have enough money to meet their payments, and they feel that the interest rates that they're being faced with are too high.

I will not at this time deal with all of the proposals we have made for putting more money in a farmer's hands — the farm fuel rebates, the proposal of a \$30 payment, up to \$30 for those farmers who have been most severely hit by the drought, those grain farmers . . . (inaudible interjection) . . . No, I do not because the member opposite asks whether those are in the amendment. And the answer is no, we did not try to put in this amendment the entire agricultural policy of the New Democratic Party. We wish to deal with one issue here, and that is the payments that farmers owe on land, machinery, and equipment and livestock. And we wish to put to the government this simple proposition: if you're going to have a moratorium, do you think it's enough to have a moratorium only on seizures on land? Do you not think that a seizure of farm machinery and cattle will wipe the farmer out as a practising farmer as effectively as the seizure of his land? Now, that's point number one.

I will come back to that one in a moment. Point number two that I want to make, Mr. Speaker, is that we believe that the farmers who are under most stress, (and we acknowledge the problem that nay provincial government in Saskatchewan would have of relieving all the problems out there when a lot of farmers get under stress) so we are trying to say: who are under most stress out there? And we are saying that it is those farmers who have relatively high debt. And we can look at the figures and they will be known to many members.

(2015)

There was an interesting analysis of farm debt in a recent issue of the *Leader-Post*, prepared by the wheat pool and an economist, and it attempted to say this, Mr. Speaker. And it dealt with the question of a farmer who had, was using about \$625,000 worth of assets, of farm assets I believe, of land assets, and another \$125,000 worth of machinery. And he had an equity of about \$250,000, and therefore he owed 3 or \$400,000 in all. And it illustrated the fact that that farmer with that kind of an equity of a quarter of a million dollars, having six quarter sections, simply couldn't survive at \$4.50 wheat, simply couldn't survive unless interest rates were down around 8 per cent. Even then he would have the greatest difficulty. he would get no depreciation. he'd be spending his depreciation.

But an analysis of the problems faced by individual farmers will, I think, indicate that the ones who are in most trouble are the ones who had debt, and the ones who had debt at relatively high interest rates.

Now, I hope that that's not controversial. I hope that people will believe that that's the situation. We therefore believe that if we're to save a good number of those farmers, the things that need to be addressed are to see that his land is not seized; and the Bill does that — I will come to deal with some of its shortcomings, but its basic intent is to do that; to see that his livestock is not seized, and I don't know why you wouldn't have provided for that since it is unlikely that anyone would have, very many people would have lent on livestock other than financial institutions — not very many machinery dealers, for example, have lent money on livestock; and thirdly, that you would have provided somehow that his machinery would not be seized. I don't share your belief that such a provision would necessarily be so bad for machinery dealers, although I understand some of the problems which it would create.

In the short run, it wouldn't do them much harm, because it would keep contracts, purchase contracts, from falling in default, contracts which are almost all with financing companies, and therefore they would have no recourse against the dealer. So in the short run, the dealers are not in bad shape.

However, it is possible that later on, when the financial agency would have recourse against the dealer, the value of the machinery would be significantly reduced, and the dealer would be in difficulty. That's a possibility.

Then I suggest to you, Mr. Minister, that it is your job to come up with some provision which will see that machinery dealers are not pushed to the wall, because it is not very, it doesn't make a great deal of sense to say that you're going to protect the farmer's land, but you're not going to protect his machinery.

I understand your argument which says that he will probably have money to pay for his machinery if he doesn't make his land payments, but I suspect he knows that already. I suspect he knows that already.

And in any case, your argument presupposes that land is covered by one security and machinery is by another. That is true in some instances, but not true in others.

All of us know, all of us know that many of the banks have taken umbrella security on both land and machinery. For that type of a farmer, this Bill offers nothing. He either pays his land payments or gets his machinery seized, because the payment is applicable to both. And you don't protect his machinery. you don't protect his machinery. So I say to you that we need something that will prevent seizures on land, and you have addressed that with some shortcomings as I will indicate, but you've addressed it. you need something to protect him from having his cattle seized. And you haven't addressed that. You need something to keep him from getting his machinery seized and you haven't addressed that. And on a somewhat longer term, you need something to write

down his interest costs. We would all like to think that we could write down the capital of the loans but that's perhaps not possible.

But I agree with the Saskatchewan Wheat Pool and others who say that farms are not going to be viable with interest rates of over 7 or 8 per cent . . . (inaudible interjection) . . . If members feel otherwise they will have an opportunity to illustrate that with the figures. I sat down and did some calculations of the kind which the wheat pool had prepared and were published in the *Leader-Post*, and by my calculations the farmer was making less than 2 per cent on his invested capital. now if he was making 2 — and some people will be making 3 and 4 and 5 per cent on their invested capital, but not many of them are making more — there is no way that a farmer can continue to operate if he's borrowed half of that capital at interest rates of 12, 14 or 15 per cent. He is doomed! He is doomed!

Mr. Speaker, if others feel that these calculations are wrong, I know they will get up and explain where I have gone wrong. But if my calculations are right, it is not possible for a farmer with any significant debt to stay around for long if he owes half of his capital and is paying 12, 14, 15, 16 per cent. And members at my left are calling that "doom and gloom." And I think that they are overly optimistic if they don't think that farmers with heavy debt out there are in trouble. I think they're overly optimistic.

The solution is as we have attempted to put it, Mr. Minister. Mr. Speaker, I will go over again what we have provided. We have provided that we say that we think that the simple moratorium on farm land is inadequate. And we ask that Bills be presented to this legislature which will do the following: provide for a moratorium on the seizure of land. I would also recommend a moratorium on payments on land mortgages, but that point I do not wish to pursue further. Members opposite chuckle. I'd like them to stand up on their feet and say what's wrong with that point. What's wrong with that point? It's just that it is just one point too many for the intellectual capacity of a couple of the people over there.

Now, this second thing I say is that your program should guard against and protect against seizures of livestock, and don't you agree with that, or not? If you don't agree with that, you will support this Bill. If you do agree with that, you will support our amendment.

And I say the same for machinery. I say that something must be done to protect farmers from having their machinery seized. If you say that it creates a problem for machinery dealers, fine; solve that problem. But don't solve it on the back of the farmer who is going to be out of business if his machinery is seized.

Now, the further point I want to make is that we believe that something has got to be done about these interest rates. In an earlier debate I recommended that you get the Farm Credit Corporation to lower their interest rates to a reasonable level and that . . . (inaudible interjection) . . . 1 per cent, as I recall it.

AN HON. MEMBER: — Are you against it?

HON. MR. BLAKENEY: — I am against them saying that 14 per cent is a rate which farmers can live with, yes, I'm against that. Are you for it? Are you for it? . . . (inaudible interjection) . . . I think that 14 per cent is a rate which is too high for grain farmers to stay in business if they have a substantial debt, that's what I think . . . (inaudible interjection) . . . You feel otherwise, you feel otherwise. You may know better than I, but I am saying that my analysis of the farm problem is that farmers who have any significant debt can't afford to pay 14 per cent, not for long.

SOME HON. MEMBERS: Agreed.

HON. MR. BLAKENEY: — All right. Then why aren't we doing something about it?

AN HON. MEMBER: — What should we do?

HON. MR. BLAKENEY: — We should be attempting to write down interest. As I said in an earlier debate, I said that we ought to go to the financial institutions and say to them, you have a mortgage out there at 14 per cent. How about (a) we'll put up 3 and you put up 3 — you meaning the financial institution. If you persist in attempting to collect 14 per cent, you're going to lose some of that, and aren't you better to have a more secure loan at 11 per cent: the farmer paying 8; we, the Government of Saskatchewan, guaranteeing 3? Now, those figures — those figures, you can argue that those 3 and 3 is not the right figure. The idea is clear that the provincial government, the federal government, — if you have any persuasive powers with the federal government — and the financial institutions should get together and at least for a period of time, at least for two or three years, agree that you will cover that interest rate.

AN HON. MEMBER: — Who is going to pay?

HON. MR. BLAKENEY: — It is asked: who is going to pay? The same people who are paying to have 8 per cent money for young farmers, which you've suggested, and we supported. And I think that you have decided that 8 per cent money for young farmers was a good idea, and we supported the Bill.

Now I just suggest that 8 per cent money for some farmers who are about to go down the tubes is a good idea. And you bring in that Bill, and we'll support it.

AN HON. MEMBER: — Who's going to pay?

HON. MR. BLAKENEY: — The question was asked: who's going to pay? And I say the same people who pay with respect to the earlier Bill that you brought in, and we supported.

Mr. Speaker, I am suggesting that that, for a period of perhaps three years, perhaps longer, would be a very realistic attack on this problem, a much more realistic attack than the one we have.

Yet we are hearing nothing from members opposite. We are hearing again and again that they cannot afford it. They are phrasing it: who is going to pay? Who is going to pay, they say.

Well, I know where money could be had. I know where money could be had.

AN HON. MEMBER: — Okay. Let's hear it.

HON. MR. BLAKENEY: — Well, here we go. You people have decided that the oil industry in this province shall make absolutely record profits, absolutely record profits. And you people have decided that it is better to allow the oil companies to make greater profits than ever in the history of Saskatchewan, rather than to take even 20 per cent of that profit and apply it to farm problems. That's what you've decided.

No one, I think, can deny that the oil industry not only is making a good profit, but greater profits than at any time in the history of Saskatchewan. Is that denied?

And that is true. And if it is denied, then we can simply take the figures issued by the Minister of Energy and Mines, and we will know that that's true.

And I say to you, Mr. Speaker, and to others, that if they think it is conscionable, if they think it is conscionable to allow that to happen, to allow the oil companies to be making the greatest profits in the history of Saskatchewan, and you say you haven't got a thin dime to help farmers who got interest rate problems, then your conscience is different than mine. Your conscience is different than mine.

SOME HON. MEMBERS: Hear, hear!

HON. MR. BLAKENEY: — I say that there are many sources from which you could find money. You are saying that the oil industry is booming. You are saying that the potash industry is booming. And the Minister of Finance is saying that resource revenues are lagging. That was his statement yesterday.

If resource revenues were booming the same way that the oil industry is booming, as you say it is, and the same way that the potash industry is booming, as you say it is, then we would have money to pay some of the interest of farmers. And that is what you should do.

(2030)

However, I am not here to tell you how to finance your programs. I am saying very, very simply that you ought to find a way — and I could give you my suggestions, but you can take your own — of where you can get revenue to assist farmers. But did you say that every expenditure of this government is more important than any money to write down interest rates in farmers? And that's what you're saying. Every single expenditure of this government is more important than any money to write down interest rates for farmers. And that's what you're saying. Then that's a view which you can attempt to defend, but I will not. I will not. And, if you cannot find any money, anyone who looks over the Government of Saskatchewan that spends \$8 million a day could find some money for farmers if that was their intention.

Mr. Speaker, I want now to pursue a little bit just how farmers are going to manage under this Bill because we are told that there's going to be a board appointed by the government, which is going to, in effect, assess whether or not farmers are viable. And the Bill, Mr. Speaker, is far from clear as to any criteria for any assessment of viability. Whether or not he can meet his commitments, I think, are the words used.

AN HON. MEMBER: — There's nobody listening.

HON. MR. BLAKENEY: — Mr. Speaker, the member opposite is suggesting that nobody is listening. I wish they would not listen in silence, then. I say to you that under this Bill, a board is going to attempt to assess whether or not a farmer can succeed. That is what is here. You can put your own interpretation on it, but there is no other reasonable interpretation.

Members opposite are suggesting that it's going to be on the basis of sincere effort. Not so, not so. The farmer undoubtedly will have to show that he's making a sincere effort, but he has to show more than that. He has to show that he has some reasonable chance to succeed. And sincerity will not be enough. He will have to show that he is, in some sense, viable. And he will have to show it, not to a board of fellow farmers, but to somebody appointed by the government opposite.

Mr. Deputy Speaker, I will not take the time of the committee to review the specific provisions of the Act, but I say to you, and if anyone doubts it, I've got loyal friends on my left who are following the discussion with care, and I know that they will wish to rebut my legal interpretation if they found it to be wrong. My learned friend from Melville will wish to enter the debate and rebut this. But I say the effect of the Bill is this: that the farmer has to show first that he's sincere, and secondly, that he has some reasonable possibility of meeting his commitments.

The member for Melville points out that the onus is on the lender to show that there is some difficulty that the farmer has in meeting his commitments. But of course that will be no difficulty at all because by definition they will not be before that board unless there's arrears. By definition, the board will not be considering anything unless there are overdue payments. So, while the Bill purports to give a reverse onus, the facts will be that the farmer will have to show, in effect, that he will be able to put himself in a position where his payments will be, at some time, met. And

that, I think, is going to be very, very difficult.

I want to talk a little bit about this aspect of it because it is pointless, Mr. Minister, to provide that you're going to have a moratorium on seizures except for farmers who can't meet their commitments. On one interpretation that would be a totally hollow guarantee.

We'll have to see just exactly what that comes down the chute on this, but certainly if the board takes a view, the view that failure in the past to meet commitments indicates that there will be likely failure in the future, then almost every case that goes before that board will be one whereby the farmer will lose.

Mr. Deputy Speaker, I'm puzzled by those who are suggesting that there won't be a very grave difficulty on the part of the farmers if he goes before that board and is already a year behind in his payments. If he will not be behind the eight ball, I want someone to tell me why. He obviously cannot meet his commitments, interpreting that one way, because he hasn't; and he obviously has not meant to default; he just hasn't had the cash. And it is — the question, the key question is: over what period of time is it though that this farmer must be viable, and at what interest rate? And if you people would step up and do something about interest rates, then a vast number of farmers who are now on the brink of . . .

Mr. Deputy Speaker, we're having questions as to how much I would suggest. The, I will suggest that the — I will suggest that the Saskatchewan Wheat Pool proposal is one which I find acceptable . . . (inaudible interjection) . . . The member who is suggesting \$30 an acre is not being aware, I think, of what the Saskatchewan Wheat Pool has been suggesting. They have been suggesting a write down of interest rates to 7 per cent.

I wish to advise you, Mr. Deputy Speaker, that that proposal seems to be a reasonable proposal.

THE DEPUTY SPEAKER: — Order! Order! Allow the member to make his comments.

HON. MR. BLAKENEY: — Mr. Deputy Speaker, Mr. Deputy Speaker, members opposite are revealing some very interesting things. They are assuming, first, that the Government of Canada will not put in a nickel, otherwise they wouldn't be saying: calculate all this and where's the money coming from, from the provincial treasury. Otherwise they would, otherwise they would acknowledge that if they had the clout with the federal government that they assert they have, they could get some sharing.

Secondly, they are suggesting that the financial institutions will not put up a dime, that they will not voluntarily write down their interest by 1 per cent. Well that may be their position, but I don't think it is. I think the financial institutions could be talked to. They know that they are at risk. They know their money is at risk out there, and they know a secure payment of interest, 10 or 11 per cent, that they might get from the farmer and the combined governments is a whole lot better then having a claim against a farmers for 14 per cent that they're not getting.

And that, that strikes me as a pretty sensible arrangement. Members opposite are having nothing to do with it because they believe that a simple moratorium on seizures of farm land will solve the problems. I don't believe them.

Now I want to talk a little bit about viability. I think it's fair to ask whether or not farms are viable. And there's a good deal of confusion out there as to who's in trouble. I have here an article from the *Leader-Post* which says that, "Indeed it may well be beyond the capacity of this or any other provincial government to prevent many small farming operations from disappearing." There's an assumption in the editorial writer that the people who are in trouble are the small farmers. That is by and large not true. That is by and large not true. I thought we had established in this House before that it was not the small farmers who were in trouble, but it was the medium-sized farmers, who have been in business for 6, 8, 10, 12 years, who are among the most productive

farmers, who are younger farmers on the average, who are the very core of our most productive farmers, but who are farmers who happen to have substantial debts. Those are the people who are in trouble. We're not talking about younger farmers, we're not talking about smaller farmers, we're talking about . . .

Now I think we are interested in knowing who is going to be on this farm board because you will have seen some bankers' views of who is viable — your associate, John Murphy, of the Royal Bank of Canada, who has been perhaps the warmest corporate supporter of this government in Saskatchewan. I can't imagine any corporation that has made so many public statements endorsing the policies of this government as the Royal Bank of Canada. Right down to guaranteeing 32 million profit. Right down to going to New York on escapades to see whether or not rinks could be built for \$32 million of public money, or publicly guaranteed money. That is the Royal Bank of Canada. and here is what they're saying. This is December 4, 1984. December 4, not exactly prehistoric. John Murphy, manager of the Agricultural Services of the Royal Bank of Saskatchewan said, "2,000 acres of land are now required for a viable full-time grain farm." Now that's the Royal Bank's view. That's their idea of viability. That's their idea of viability, and my bet is that somebody of their ilk will be on that board. somebody of their ilk will be on that board.

I think this is essentially the same story. This quotes it in hectares. But 800 hectares of land are necessary in order to have a viable grain farm. I wonder . . . That is 2,000 acres, that's 2,000 acres. members opposite are busy converting acres to hectares, and I know the Minister of Agriculture will assist you with that endeavour.

I want to say very, very clearly, that there is a widely held view among financial institutions that farms of a thousand acres are not viable. I reject that view. I very much believe that that view should not be, in any way, reflected on your board. And I — we will be watching with a good deal of interest who shows up on that board.

I wonder if the minister is aware of the Saskatchewan Wheat Pool policy statement on farm financing crisis? Now members opposite are suggesting that proposals that I am putting forward are, somehow, purely visionary and couldn't possibly be realized . . . (inaudible interjection) . . . Well, this one is the Saskatchewan Wheat Pool, and if you're saying that the Saskatchewan Wheat Pool policies are purely visionary and can't possibly be enacted, then say so.

But I believe the Saskatchewan Wheat Pool is a pretty responsible organization. Their policies in the past have been reasonable. Admittedly, admittedly, they represent farmers, but I don't think they apologize for that. And they are saying that, in view of the severe financial crisis, interest rates have got to be dealt with.

The Pool's policy position is, that when these loans are in place, governments should provide subsidies to provide interest rates on existing debts, to roll them back to 7 per cent. And these rates should be offered for operating loans for the critical seeding season.

(2045)

Mr. Deputy Speaker, that view is a sensible view. That view is one which, if we cannot make 7 per cent, would you think 8? Again, I suggest that it should not be entirely at the expense of the Government of Saskatchewan but should include the Government of Canada and the financial agencies concerned. I commend that to you.

Mr. Deputy Speaker, I want to review again, before I take my seat, what our amendment says. We say the Bill is inadequate. A simple moratorium on seizures of farmland is inadequate to meet the problem. We say it will not meet the problems faced by farm families. We say that a new Bill ought to be drafted which includes the moratorium, but also includes a moratorium on livestock, the seizure of livestock. A moratorium on the seizure of equipment.

We are saying that your board, under your Act, should consist of people who truly represent family farmers and farm organizations . . . (inaudible interjection) . . . Well, the Saskatchewan Wheat pool, Mr. Avery Sahl would be a suitable one. And I would suggest that the other organizations, the Canadian agricultural movement, who are . . . (inaudible interjection) . . . and that's the Farmers' Union. Those people are out there dealing with farmers under stress.

We are not here to complete your board, but we are here to say that recognized farm organizations, particularly those who have been dealing with farmers under stress, have some interest, and, I suggest, some contribution to make to your board.

We acknowledge that you might well wish others to be represented, but those, I suggest, should be represented. Those being . . . I'm not being specific here other than the pool, but I say the pool and other farm organizations who have been dealing with farmers under stress.

My final point, Mr. Deputy Speaker, is to do with this issue of interest rates. And we say again that your Bill should provide for a reduction of effective interest rates on farms loans to 7 per cent. If you feel that 7 is the wrong figure, you might suggest 8. But the idea is clear; that issue has to be addressed. And until you address that issue, you leave farmers, particularly young farmers with heavy debt loads, exposed with scant ability to meet their obligations now, or one year from now, when your Bill may well expire.

It is for those reasons that I suggest that our proposal put out in our amendment is a reasonable one, a reasonable one to deal with the farm problem that's out there. And I invite all hon. members to consider it, and to consider whether or not it isn't a better solution for farmers than the simple moratorium on seizures of land. I think when you consider it, you'll find that it is a better deal for farmers, and I suggest what this House ought to be doing is passing a Bill which deals with the problems of farmers.

Your Bill will be very inadequate in its addressing the problems of farmers. The amendment we put forward would produce a Bill which would do a great deal to assist farmers. I, accordingly, invite you to support the amendment so that we can get on with the job of addressing the real problems that farmers are facing.

SOME HON. MEMBERS: Hear, hear!

MR. TUSA: — Mr. Speaker, I'm very pleased to rise this evening in the legislature to comment on Bill 1 which is before the House.

Before I do so, I would like to congratulate the hon. member from Regina-Elphinstone for the speech he has just delivered. I always admire the quality of his speaking ability. Unfortunately, Mr. Deputy Speaker, I cannot say the same about the content of his speech. It reveals the lack of understanding of the problems in the farm community and reveals very clearly, Mr. Deputy Speaker, why the farm community so resoundingly rejected them in April of '82.

SOME HON. MEMBERS: Hear, hear!

MR. TUSA: — Mr. Speaker, before I begin, I should also like to say that this government is very much in tune with agriculture in this province. We have the benefit in this House of approximately 20 sitting members with an agricultural background. And let me list only a few of them. My hon. friend from Kinistino; my hon. friend from Redberry; the member from Humboldt, the Minister of Rural Development; my friend, the hon. member, the minister in charge of crop insurance from Arm River; the Minister of Agriculture; and the Minister of Finance. And I could go on, the list could go on, Mr. Deputy Speaker, but I would like to also mention the Premier of this province.

The Premier of this province who is an active farmer, a man with a wheat board permit book, the

only Premier in Canada, Mr. Deputy Speaker, who has a wheat board permit book. And some time ago the Premier made this commitment to farmers in Saskatchewan. He said, "I'm not going to allow any farmer to lose his land because of one bad crop."

And, what helped, what helped to make certain that the premier makes this commitment? Well, I'm going to tell you, Mr. Deputy Speaker, that one of the reasons was that he is an active farmer. And this fall he was out on his combine kicking off his crop, and he experienced what many farmers experienced in this province, one of the worst crops in recent memory. So, Mr. Speaker, the province having the benefit of a Premier who's firsthand experienced the ups and downs of agriculture, immediately gets a commitment from this government to make certain that no farmer loses his land because of a bad crop. And that is why, Mr. Deputy Speaker, we stand here at the legislature tonight to debate the merits of Bill 1. It is the fulfilment of that commitment.

Well, when they look at why is this Bill required? Why do we need to provide the special protection for the farmers of this province at this time? And they are many reasons for it. We all know the cost price squeeze that has taken place in Saskatchewan over the past number of years. Chemical, fertilizer, interest rates, fuel costs, etc., etc. All those things that contribute towards farming have all risen dramatically. At the same time the increase in the price of the product they received has not kept pace with the increase in the cost of production. That's one of the reasons.

What was the result of this? We saw in 1984 a decline in net farm income in western Canada — about 30 per cent below the previous five-year average after taking inflation into consideration. we also say the decline in grain production, a decline of 13 per cent over the previous five-year average, and 20 per cent over last year's production.

Farm Credit Corporation, in fact, has estimated that 16 per cent of Saskatchewan farmers are facing severe financial difficulties. Sixteen per cent represents approximately 11,000, or one out of six farmers in Saskatchewan, Mr. Deputy Speaker, are facing severe financial difficulties.

What has been the result? What is the result of this cost price squeeze over a period of years? The result, Mr. Speaker, has been that in the past three and a half years, approximately 1,000 notices for foreclosure have been served. Clearly an indication that there's a hurt out there in the agricultural community.

Now, Mr. Speaker, earlier on in the debate, the member from Pelly stood in this House and said that this situation did not occur overnight. And I am the first one to agree with the member from Pelly, that it did not occur overnight. Just previously, we just heard the former premier of this province, the former premier of this province say that this did not occur overnight. He said it occurred over a period of time, and the minister from Regina Elphinstone is an honourable man, and he's right. I agree with him 100 per cent.

Therefore, Mr. Speaker, I would like to just bring some figures to the attention of the people just to show what happened over a period of time, because I agree with the hon. member from Pelly and the hon. member from Regina Elphinstone. We are going to use the year 1971 as the base year, and the index, the base index will be 100, and let me show you what happened in terms of inflation to various input costs in agriculture in the 10-year period from 1971 to 1981.

Well, Mr. Speaker, very interesting. If we look at the increase in petroleum products, we saw that going from a base of 100 in 1971 to 1981, we went from 100 to 327. An increase of 327 per cent. If we look at machinery and motor vehicle operation, the same 10-year period, we went from a base of 100 to a base of 273, another dramatic increase. If we look at property taxes — let's look at property taxes. And we saw that from 1971 to 1981 and the 10 prosperous years in Saskatchewan when property taxes should have been going down in Saskatchewan . . . Down, not up.

Because we stand in the House here, everyday we hear the hon. members of the opposition telling us how much money there was in Saskatchewan under their term of administration. They said, we had all this surplus, they said. Well, if they had all this surplus, it's instructive to note that property taxes didn't go down. They kept going up. But in question period today, the Minister of Finance indicated that we can't expect taxes to go down under NDP administrations, because they like to raise taxes. you see? They call it redistribution of wealth; that's what they call it. But they do it to the point where they've redistributed so much that they only have an elite left who have any money at all, and everybody else is equally poor. And it's instructive to note that under all socialist administrations, under all pure socialist administrations, among the elite are always the government members.

Let me quote a few other statistics here, Mr. Deputy Speaker. Property taxes, as I was saying, went from 100 to 194 at a time when the opposition tells us we lived through the most prosperous years in Saskatchewan. That's what they tell us.

Now, Mr. Speaker, a few minutes ago I also heard from the former premier of this province say that farmers can't live for any extended period of time paying a rate of 14 per cent interest. And, you know, he has a good point. He has a very good point. He said we should do something about it. What are you going to do about it, he said. Are you a heartless government? Don't you care? If we were only there . . .

Well, Mr. Speaker, the last figure I want to quote, the last figure . . . I want to show what happened to interest rates while he was the premier of this province. Interest rates between 1971 to 1981 went from a base of 100 to 720. That's what interest rates did. To put it into real terms, interest rates around 1971 were approximately 6 or 7 per cent, and they moved to a high of about 25 per cent in 1981. As a matter of fact, yesterday my friend, the hon. member from Kinistino, told me that in 1981 — he has the documentation to prove it — he paid 25 per cent interest rates.

(2100)

Now, I only tell you this as a little background information, because the hon. members are telling us we should be doing something about it. Let me quote to you, Mr. Deputy Speaker, what the hon. members did when they were government. And here's a quote from the former premier of this province, dated April 2nd, 1980, at a time where interest rates were escalating dramatically. And he had this to say about interest rates. he said, "Our position with respect to interest rates is that the first steps ought to be taken by the federal government." In other words, he had no money. There was no provincial money to do something about interest rates in Saskatchewan, and it was up to the federal government.

Now let's look at the record. What were they doing with the money at that time? When the farmers were suffering from exorbitant interest rates, where were they spending the money? Well, they were buying land, of course. That was the way to save the farmer. Buy all his land, make him a serf, make him subservient to the state. That's the way we'll help the farmer, which they did.

They said we have to build uranium mines. The trouble with agriculture is there aren't enough uranium mines. So they spent \$600 million in northern Saskatchewan on uranium mines, which at their convention this fall, they said we're going to shut down. Very interesting economics.

Potash mines. They had \$500 million to spend on potash mines.

AN HON. MEMBER: — Seven hundred.

MR. TUSA: — The hon. Liberal member says it's \$700. Maybe it was \$700; I've got \$500. Either way, it's a large amount of money at a time when they said they had no money for farmers.

What else did they do? They put money in — they invested money into the Cornwall Centre. All these things, Mr. Speaker, were done by the previous administration at a time when farmers were suffering. At a time when we all agree here in the House, you've all agreed in the House, Mr. Deputy Speaker, that this problem evolved over a period of years. This is the background to today's Bill.

Now, Mr. Speaker, I would just like to say that this Bill is a Bill which will provide a window of relief to farmers in Saskatchewan. As a matter of fact, I received a phone call today from one of my constituents inquiring about the Bill. And he said, "Does this Bill apply to me or only those who are absolutely bankrupt." I says, "No, it doesn't. It applies to everybody, it applies to everybody." Well, he says, "I'm really, rally pleased tat you're caring about us farmers, because that's really going to be able to help me." He says, "Now I don't have to make that land payment, and I'll have money to make my implement payment and to put in my crop next spring." He says, "I congratulate your foresight in bringing in a Bill of this nature." That was one of my constituents.

Now, Mr. Speaker, we're also told, Mr. Speaker, that all farmers, the farmers who go before this board, you know, are virtually all going to be cast aside. Well, I want to inform the hon. members opposite that that board will bend over backwards to make certain that no farmer, no farmer is put out of business. They'll be given every benefit of the doubt. And no farmer, the farmers need not fear going before a board which will do what they can to keep that farmer in business.

Mr. Speaker, I have reviewed very briefly some of the background leading up to the passage, to the introduction of this Bill. And we all agree that this problem that farmers find themselves in today developed over a period of time. Here we've brought in a Bill, Mr. Speaker, that will provide 13 months of relief, and, if necessary, another year of relief to give those farmers an opportunity to restructure to their financing, to give those farmers an opportunity to once more get their feet on the ground, to once more move forward in their farming industry in a progressive manner, and with hope in the future.

Therefore, this Bill not only provides a window of relief, but provides hope. It provides hope for those farmers who find themselves in a bind and don't know which way to turn. This bill provides them with an opportunity not to have to worry about land payments for at least 13 months, at lest 13 months and possibly two years, depending on the situation at the end of 1985.

Mr. Speaker, I could go on at great length about the merits of this Bill. However, I think it's clear, to all members here, that this Bill represents the introduction of a Bill of a caring and compassionate government. We had promised farmers that we would be caring and compassionate. And that's what this Bill represents, a caring and compassionate government, Mr. Speaker, who has the best interests of the agricultural community at heart at all times.

And with that, Mr. Speaker, I would like to conclude my remarks just by saying that I'm proud to support this Bill. And I will, definitely, be voting on the passage of this Bill.

SOME HON. MEMBERS: Hear, hear!

MR. KOSKIE: — Thank you, Mr. Speaker. I want to say that I welcome the opportunity to enter the debate on a piece of legislation, which I think so many members where have not taken the time to actually review. They have taken the word from the front benches. They have been instructed by the Minister of Finance. And they are like a bunch of trained seals going, I submit, to the slaughter in the next election. There is no doubt.

I want to deal here with the basic problem that is confronting agriculture. And members that enter this debate, and in this House, are laughing at the magnitude of the problem. Laughing at the magnitude of the farmer's problem out there and absolutely refusing to give them any

assistance.

Well, let's just take a look at the degree of the problem that has been indicated in the House before. In a recent survey by the Farm Credit Corporation concludes that 17 per cent of Canadian farmers are under severe, severe stress and an additional 7 per cent under a moderate financial stress. Seventeen severe, 7 per cent under moderate financial stress. The comparable percentages of Saskatchewan here indicates that there are 16 per cent in severe financial stress in Saskatchewan, and 7 per cent with moderate financial problems. Well, Mr. Speaker, that indicates to some extent the overall magnitude of the problem that we're looking at here.

I want to say that the farmers of this province are a proud group of individuals. The farmers of this province are very efficient, and can compete in the world market inefficiency and the manner in which they're committed to the land. Agriculture is undoubtedly one of the very major segments of our economy. And here today this government, I submit, by bringing in this meagre legislation, is deserting those farmers, the Saskatchewan farmers throughout the province.

As I said, the magnitude of the problem is further indicated in the viewpoints. It indicates, of the \$5 billion total farm debt in this province, there is divided up somewhat like the following: about 1.6 billion is owing to Farm Credit Corporation; there's 240 million to private lenders; there's 3.2 billion to lending institutions. So we have about \$5 billion of debt. We have 23 per cent of the farmers in severe or moderate financial stress.

And what does this government introduce? They have brought in a piece of legislation here which they indicate will put a moratorium on the foreclosure, the seizure of land. But, as has been indicated by the leader of our caucus and our party, putting a moratorium on the foreclosure is not going to address the problems out there.

And I want to say to members opposite: what we do here is vitally important, and I think all of us should deal with it in a very, very serious manner. And I think before we leave here we should, in fact, not just go with this skeleton Bill, but I think that it's incumbent upon us to bring in further financial assistance to those farmers.

I have talked to farmers throughout this province on this issue, on this Bill, and whether they feel it is going to help them. And I will tell you, to every farmer that I have talked to, Mr. Speaker, they indicate that this is not a solution to their problem. they indicate that it will not, in fact, address the crisis and the financial strain that they're under.

I want to say that back, you know, in 1971, we had legislation which was much broader than the present legislation and was brought in, in 1971, as was alluded to by the Minister of Agriculture. But when I talk to farmers they say, yes, that was of some assistance in 1971. First, that Bill was broader in its scope of protection because it did include protection of equipment and cattle. But the other thing that they point out to me, the farmers that I have discussed the nature of the problem with, they say that back in 1971, Mr. Speaker, that the magnitude of the debt was not as high as it is today. It has reached a very high proportion.

And secondly, they say while the debt was not as large in 1971, the other major factor of giving the farmers a breathing space in 1971 as opposed to '84 is that in 1971 they had a huge surplus. Every bin was filled. And it was a matter of moving that grain to put the farmers back into financial position.

Today I want to say when I talk to farmers, and I want to indicate, Mr. Speaker, that in my constituency of Quill Lakes we were blessed with a reasonably good crop, in fact, in some areas, a bumper crop. But I want to say to you that what they are saying the situation is, is that farmers are strapped. They do not have sufficient cash at this time. Most of their produce has been sold. Most of the bins are empty. And right now putting in a Bill with a moratorium if, in fact, there was in the horizons that the prices were going to be increased; if, in fact, all of the bins were filled and

they were going to be able to sell them as the market became available, then there may be some purpose in this legislation. But single-handedly they indicate to me that this will not, in fact, solve any of the problems that are confronting the Saskatchewan farmers.

(2115)

I want to say that . . . Who are the farmers that are primarily in greatest financial problems — or who have the greatest financial problems? And those are many of the young farmers of Saskatchewan who got started in the '70s, and certainly there's two groups of them. prior to 1975, as you will know, Mr. Speaker, the Farm Credit Corporation provided loans at reasonable interest rates. Farmers were, in fact, getting very good interest rates to purchase land. in the latter part of the '70s the land prices went up, and the interest rate went up also. And so many of the young farmers who are indeed in trouble, I want to stress, it is not because they are not producing. It's not a question of them not being good managers; they are indeed.

The question is that the price of their produce has gone down, the costs of input has increased substantially, and the amount that they get for their sale of their produce does not give them a large enough margin in order to cover off their costs. And so, when we look at this Bill, and as we talk to farmers throughout Saskatchewan, they say this Bill will not, in fact, serve their purpose.

I'm very surprised with this government. I'm surprised that initially, when they came in, they said to the farming community, if you want to — they got rid of the land bank — and they said, well let's have a Farm purchase Program, and immediately what they did is said, well, let's subsidize the interest rate; let's subsidize the interest rate so young farmers can buy land. Well, here we have 23 per cent of the young farmers, or the farmers of Saskatchewan on the verge of bankruptcy, and they say, we won't give you any money.

I want to ask you if it's consistent that you can give subsidized interest rates to young farmers or starting-up farmers at 8 per cent? Would it not be justifiable to give to the farmers that are in financial difficulty a write-down on their interest rate? That is the question, and that is the solution to the problem that is confronted by the farmers throughout Saskatchewan.

You know, the party opposite, when they came in, they said: well, we will help the homeowners, and we agreed that their program did help on the mortgage write-down, down to 13 and one-half per cent.

AN HON. MEMBER: — Quarter, quarter.

MR. KOSKIE: — Thirteen and one-quarter per cent. And what I want to say is that I didn't agree totally with the criteria they used with that because they had write-downs on the mortgage on all homes, regardless of the income.

It could even be the Premier of Saskatchewan getting 70 or \$80,000 and if he was buying a home, would get subsidy on the mortgage. And there was others who, husband and wife were working and having \$100,000 of salary take home, and we were giving subsidies on mortgages, on interest on mortgages.

Now I think if you want to go that route on the mortgage on homes — now when we have here — that was to get elected, Mr. Speaker. Remember the members opposite, they had to come up with some way of getting elected. no responsibility, just throw out a program and say: we'll give it to everybody.

Now when we're in a dangerous economic crisis, when the farmers are on the verge of bankruptcy, this government throws up its hands and it says: well, we've squandered the resources, we've got a billion dollar deficit. Where are we going to get the money? We got elected. Why should we worry now?

And that's exactly what they've done. \$1 billion of debt by the Minister of Finance, the member from Kindersley. That's what he has placed on the backs of the people of this province, and now — to get elected, to get elected, that's exactly what it was for — and now, when the farmers, the very backbone of our economy, the farmers of this province, this government says: well we used all our money on election gimmicks, and we can't help you now. That's what's our problem is, we're a billion dollars in debt.

And that's the situation, and I'll tell you, that's precisely what the farmers out in rural Saskatchewan understand — is that this government is not prepared to lend financial assistance. And that, coupled with the moratorium, is the only way in which you can, indeed, assist the farmers.

I'm rather surprised you know. Recently, on September the 4th we elected a federal Tory government, and I, I thought that they would get together now, the buddies from Saskatchewan and Ottawa, and they would work out a commitment to help the farmers. Well, it's rather interesting because the Minister of Agriculture, the federal minister, he had typical Tory news for the farmers. Wise, Wise tells farmers to bite the bullet.

These Tories are always playing around with bullets. Here we have farmers who bite the bullet again. And I would have thought, I would have thought that the federal government and the provincial government would have sat down and they would have indeed taken two steps.

One is in respect to the interest rates. Certainly the — in the federal campaign one of the items that was addressed by the now premier, Prime Minister of Canada, was indicating that they would, in fact, help to reduce the interest rates. Well obviously you can't have reduced interest rates when you have Tory governments around, because as you increase the deficits, and we have a deficit here of a billion dollars — Liberal government in Ottawa where they had 34, 35, 36 billion dollars of deficit, drive up the interest rate. The mismanagement of the federal Liberals, the mismanagement of the provincial, has contributed to driving up the interest rate, and that is the primary problem that the farmers of Saskatchewan have.

I want to indicate in respect to this Bill, Mr. Speaker, that it will not, in fact, do the job as has been alluded to by the member from Elphinstone. We have come forward here, and we have added an amendment to the motion. And we do this in a hope of working out a solution which will, in fact, be meaningful to Saskatchewan farmers. And I think that it would be possible for the opposition and the government, particularly when a major part of our economy is in such danger, to seriously work together to try to introduce that which would help during this crisis.

And we have asked for:

a moratorium on foreclosure on farm land; a moratorium on the seizure of farm equipment but preserving the rights of the repairers; a moratorium on the seizure of livestock; a moratorium on the seizures of other assets and inventories necessary for farm operations; a guarantee that any administrative boards or bodies established with respect to subject matter of the Bill be truly representative of the family farmers and farm organizations; and a reduction of effective interest rates on farm loans to 7 per cent, and further that the Standing Committee of Agriculture report back within seven days.

I want to say to every member here that we have taken the problem facing the farmer very, very serious in our caucus. And we have worked hard, and we have consulted thoroughly as to what, in fact, is needed today. And what we have introduced here is what we feel would be of assistance, and we have to, we just absolutely have to get some cash into the hands of those farmers who are in the severe financial shape.

And so I ask all members to take what is happening here very, very seriously. I would ask all members to consider our amendment. I think that merely putting the moratorium on will not, in fact, resolve the problem. And therefore I would be asking all members to join with the opposition, the opposition and government joining together, to meet a very, very serious problem.

And I would say that if we could do that, not just go with the moratorium Bill, but put some cash into the hands of the farmers, I think that together we would be working constructively to build a better Saskatchewan and to ensure the livelihood of thousands of farmers out there who have spent their life and all of their efforts in striving to build a farm for their family and for the future.

And so I really make a plea, Mr. Speaker, to all members, that we should not, in fact, leave this legislature unless we have adequately addressed it.

And I see the Minister of Agriculture smiling. Well, I'll tell you there's no smiling as Christmas season approaches from some 8,800 farmers who are on the verge of going under. There's no smiling, I'll tell you, where the sheriff is coming out to farms and seizing tractors. I'll tell you there's no smiling on the faces of children as they see the work of their parents go under, and the financial institutions have to move in because this government is so callous that they won't in fact offer some assistance.

I want to say to you, each and every one of you, and particularly those in the back benches, to come to grips with this because truly you can either put this legislation in the bare forms and let all of those farmers that are in severe financial problems go under — and that is what is going to happen — or you can take a strong stand and demand that the Minister of Finance bring in a policy, in a program rather, which would, in fact, put some cash in the hands of those in most serious problems.

And that's our position, Mr. Speaker, and that's the position that we will be prepared to sit here as long as it takes, to see if we can convince this government from the course that they are undertaking at the present time. Thank you, Mr. Speaker.

SOME HON. MEMBERS: Hear, hear!

MR. LINGENFELTER: — Mr. Speaker, I appreciate the opportunity to say a few words on Bill 1 and the amendment that was offered up by the member from Assiniboia-Gravelbourg to that Bill.

I would like to say as well, Mr. Speaker, that in reading Bill 1 I find it to be a very negative, a very do-nothing, a very non-consequential Bill to the problem that is faced by the farmers of Saskatchewan today.

The amendment that was offered up by the member from Assiniboia-Gravelbourg, on the other hand, is a positive, sensible, solution to the crisis that many farmers now find themselves in. It's a sensible solution because it deals with the real problems that are facing farmers. When I have talked to the farmers, they tell me that there are three main problems that they are dealing with today, and that not one of them can be dealt with alone, but you have to have a package that will put into the farming community three main items.

One is a moratorium on debt that would cover off land, machinery, as well as livestock and other assets they may have. The second thing that they say that they need is lower interest rates. And the third thing, Mr. Speaker, is the type of assistance that was called for in this Bill, that said that money would be put directly into the pockets of farmers to help them ease their way through the crisis that they now find themselves in.

And I say to the members opposite if they believe that bringing this Bill in without the amendment is going to solve the problem of the 8,000 farmers who are up against the wall, they

are really out of touch much more than what the farmers and other people would have believed possible in two short years. And I say that very honestly, Mr. Speaker, that the farmers out there believe — those who voted for this government — that they would be listening to the concerns when the throne speech was delivered and when budgets are delivered in the province of Saskatchewan. But I say that this Bill, if it does anything, in my mind will speed up foreclosures on farms.

(2130)

I want to say how it will happen. And it's interesting that farm machinery and livestock were not included in the Bill, but I want to say to you that there's a reason why they are not included. There's a good reason, because one of the main culprits in this whole operation of foreclosures is the government itself. And I would challenge the Minister of agriculture to stand in this Assembly and deny that the agriculture department has not been involved in foreclosing on cattle. To tell this Assembly that your loans, that are being called in, have not led to foreclosures in the province of Saskatchewan.

I defy you to stand here and say that you excluded livestock, because you have a plan yourself, Mr. Minister, to collect the money that you have lent to farmers. And I say as well, that if you believe a farmer can farm without machinery next spring when the bank forecloses, maybe quicker, because they can't get the payment on the land. And I say maybe, because there may be banks who will move quicker to foreclose on livestock and machinery because this Bill has been brought in.

And I believe the Minister of Agriculture is well aware of this. I think the little smoke-screen that has been set up between the banks and the Minister of Agriculture is not being believed by many farmers. I think if the minister and the Premier had sat down with their friends in the banks, the Boyd Robertsons and said to them: Look, the hey-day is over in Saskatchewan. You've made a good living here. You can make a good living in the future. But right now farmers are going bankrupt at record numbers. Something we have not seen since the 1930's, in fact, the last time we had a Conservative government.

I have a headline here that says: "Bank profits in Canada, world's best." And I say at a time when we have record bankruptcies on the farm, it's morally wrong for the banks of this country to be making record profits. The article says this:

North American banks were collectively the world's most profitable last year, although individual banks from the Arab world earned the highest rates of return, Canadian banks came out on top. (An analysis done by a London firm which rates the world's major banks.) They achieved just over 10 per cent on their equity.

Now I say to you, Mr. Minister, at a time when farmers are receiving no return on their equity, or as the member from Elphinstone stated, very low return on their equity, I say that it is immoral for you to allow the banks — your friends in the banks — to make record profits out of the farmers in Saskatchewan . . . (inaudible interjection) . . . Well, I'll tell you, the member from Eastview in Saskatoon, that when he will want to stand in this Assembly and debate this issue, I have friends of his from the Vanguard area who are going broke, who have talked with him and say that he is not receptive to the idea of including interest in this Bill. And if you want to get up in this Assembly and debate the Bill, then I would appreciate it. But I can say to you, you have not been on your feet. Nor do I expect you to stand on your feet and support the people from your community of Vanguard. Because you're the type of member who will talk from their seat, but do very little. And that's probably why you're sitting in the back benches of the government.

And I want to get back to the point of who is being foreclosed on in the province of Saskatchewan. I have a clipping here about a farmer by the name of Melnyk, from Swan Plains who is being foreclosed on by the banks. In fact, I believe it was the Imperial bank of Commerce,

the Norquay branch.

And I want to say that what they were foreclosing on was not the land. What they were foreclosing on here, because there's a quick sale for it and the banks know they can get rid of it easy, is the livestock. And I say that you have struck a deal with the banks to exclude the livestock, because you know that's where they're foreclosing. And I say that you've cooked a deal with the banks to exclude machinery, because you know that that's an easy asset to get a hold of.

And I say, Mr. Speaker, that we will do what we can to explain to the farmers of Saskatchewan exactly what is happening here with this Bill. I say again, it's not an accident because I think we were told of this plan in 1977 by the then Dr. Devine, who later in 1982 became the Premier. And what he said about the farming community of Saskatchewan even at that time, I think, did not bode well for the farmers of Saskatchewan. He said in a statement, and I quote you from the *Business Review* of 1977 — if we wonder why farmers are not being protected — and I quote:

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

Now I say to you, Mr. Speaker, that a Premier who would make that kind of a statement, one should not be surprised when a Bill comes before the House which would be better termed the banker's Bill for that farmers of Saskatchewan. I say as well, in the Bill, we find that there is the provision for the setting up of a board that will decide who the farmers are who are viable.

Now, Mr. Speaker, if the government was serious about protecting the farmers, why would they set up a banker board to decide which of them are viable and which of them are non-viable? Of course the farmer who is being foreclosed on is going to be considered non-viable. The Conservatives opposite know very well that this board will be reviewing the cases, and those, who the banks want to foreclose on, will be dropped off into the category of non-viable.

And I want to say, as well, Mr. Speaker, that the six-month provision, presently in force, which would apply to those farmers will no longer be in place, and 120 days is added in that Bill. And I believe that in some cases, you will see foreclosures on land, for those that this board calls non-viable, happening two months sooner than what they would if this Bill were not in place. And I say that's unfortunate.

And I want to say, as well, Mr. Speaker, that this is why we have introduced the amendment to the Bill that very clearly sets out a positive and sensible solution to the problem facing farmers. It would put in place a moratorium on foreclosures of farms, machinery, and livestock. It would also implement a program of 7 per cent interest. And it would, as well, refer the Bill to the standing committee on agriculture, a committee of all the members of this legislature, a representative of all the members of the legislature which would refer the Bill back to the Assembly in seven days. Now this is not an unreasonable position. This is one that, in talking to farmers over the last several weeks, we have been able to find out from them that this is the kind of solution they would like a responsible government to bring forward. And we put this to the government to very seriously bring a solution to the crisis in agriculture today.

And the members will say well, where will the money come from? Where can you find \$100 million for the farming community? They want to tell you the answer is very simply the resource sector in this province. If it's booming like the Minister of Finance is telling us and the Minister of Energy and Mines is telling us, and I believe him when he says that oil production is at record levels, but I also want to tell the farmers that the profits of oil companies are also at record levels. And what we would do is a relatively easy solution. We would take 100 million or 150 million of that resource wealth that Saskatchewan has and has had for many years, that we are blessed

with, which other provinces aren't, and we would use it to shore up the farmers of this province.

Because I want to tell you that the farmers of this province have been courageous in dealing with a tough land. They have grown the crops. And I think now is the time that, while the Premier talks about opening the treasury, that we actually go forward, break some new ground, and set up programs that will keep the farmers on the land.

And in the long run this is the kind of solution that was thought up in the 1930's when we had right-wing governments at that time who were unwilling to help the farmers. And I think once again it's time for those kind of ideas, those kind of people to come forward as they are. Because, Mr. Speaker, I believe that, as always in Saskatchewan, we have people who will be committed to this kind of an idea.

And that is why I will be supporting the amendment and will be encouraging all members to look very seriously at supporting it. Thank you.

SOME HON. MEMBERS: Hear, hear!

MR. PETERSEN: — Thank you, Mr. Speaker. I've been listening to the members of the opposition speak this evening, and I've been listening with some interest. I think I have to reiterate the comments made by the member for Last Mountain-Touchwood, wherein he said the remarks of the Leader of the Opposition were eloquent, remarkable, but without any content. And I've seen two more instances of that just now.

Mr. Speaker, I'd like to go directly into the amendment to Bill No. 1. It's been put forth by the members of the opposition. And I'd like to ask the Leader of the Opposition exactly where does he got off at? Where does he get off at, accusing us of not doing anything to help farmers? In 1980, 1981, interest rates were at an all-time high; 20, 21, 22 per cent. They did nothing. Nothing! They said the federal government should do something.

And then he goes on and he says, "I know where you can find the money. I know where you can find the money. Tax the oil companies. Tax the oil companies." Well, Mr. Speaker, I've heard for weeks and weeks now members of the opposition go on and on about how good the oil industry was doing under their administration, and obviously they were taxing them, because they deride us for removing taxation from them. They should have had that money to help farmers by reducing interest rates. But they didn't do it. Their statements are hollow rhetoric once again. So where does he got off that, accusing us of that? And 1981 was a year in which farmers got into trouble; 1980 was the forerunner of it. For those of us in the north-east part of this province where floods and frosts are a common occurrence, we were hurting. In 1980, we were hurting. I was paying 18 per cent. In 1981, I was paying 24 per cent, and the members of the opposition, who were the then government, did nothing to help me — not one single, solitary thing.

I hurt bad in those years. I had to go out and put equity up that I had worked hard for a number of years to build up. I had to put equity up so that I could borrow money to keep farming. And other farmers in the province had the same situation occur for them. They had worked for years; the downturn came; tough times arrived; interest rates went up; we had to borrow money to keep going. We were forced into it, Mr. Speaker.

And that is why, today, today, their lack of action in 1980 and '81 has come home to roost and has forced this government to act in this manner, and put this Bill before the House today. We have had to do it, Mr. Speaker.

Their amendment, and I will quote from it. There's an introduction, and then one of the points is "a moratorium on seizures of farm machinery, but preserving the rights of repairers." Well I thank the members opposite for that. being a mechanic by trade, I appreciate being still able to be

allowed to put a mechanics' lien against machinery that I repair. I thank them for that.

But what about the fuel dealer? What about the fertilizer dealer, the chemical dealer? They don't want him to receive any money. They don't want that business to survive. They don't understand farming. You don't just have your machinery repaired. That's not the only place farmers owe money.

If you take a look at the problems that could be created out there if we adopt this amendment, they're horrendous. Fuel dealers are giving farmers the benefit of the doubt, and they deliver fuel to them with payment in the fall, in many cases, after the farmer's crop comes off. Members opposite are saying, "Oh, that's okay. you don't have to pay that fuel dealer. Don't worry about him. He'll go broke; don't worry about him." They're saying don't worry about that chemical dealer. It's okay, he'll go broke. Don't worry about that fertilizer dealer. He'll go broke. But I do thank them for thinking about mechanics. I appreciate that one small point . . . (inaudible interjection) . . . If I have to listen to the member, the Liberal member, I would rather be back twisting bolts.

They ask for a reduction in the effective interest rate on farm loans — down to 7 per cent, down to 7 per cent.

An Hon. Member: — What would that cost?

Mr. Petersen: — And a member says, what would that cost? What would that cost? What's 7 per cent on \$3.2 billion on farm land? That's what's owing against it, about \$1.5 billion on machinery and other items. About \$1.5 billion in operating loans — \$6 billion. What would 7 per cent cost, because they claim the interest rate is around 14 per cent. They want us to bring it down to 7 per cent. seven from 14 leaves us 7 per cent that we would be subsidizing. Seven per cent on \$6 billion. The costs are enormous; they're staggering.

(2145)

Further, -Mr. Speaker, if you take a look at the sources that they're using for this, they claim the Saskatchewan Wheat Pool has called for reductions of interest rates down to 7 per cent. Well, that's great. That's wonderful. However, Mr. Speaker, I was always one to believe in keeping my own house clean before I wandered over to my neighbours and tried to clean his. And the company that charges me 24 per cent interest and then calls for this government to subsidize the interest rates down to 7 per cent, leaves me just a little bit suspect of their motives. Charity begins at home.

Mr. Speaker, I'm a pool member. I've sat on a pool committee for a number of years, and I don't quote follow that argument. It makes no sense to me, Mr. Speaker.

The members opposite that claimed that 1971, their moratorium Bill at that time, was supposed to give them some temporary relief and provide a buffer, a cushion, until they could put in their major piece of legislation that would save agriculture in Saskatchewan — land bank.

Well, Mr. Speaker, I think that little experiment in socialism proved to be a dismal failure. Ten thousand family farms went off our statistics map in the years that they were in power. Ten thousand farmers negatived in that time, and they put 151 farmers on their land who owned it. They turned farmers in Saskatchewan into serfs and share-croppers. That was their solution.

Now they speak also about jobs in rural Saskatchewan, and in Saskatchewan indeed. And they tell us how good their record was between 1971 and 1982 at creating jobs. Well, Mr. Speaker, in thanking the members earlier for part of their amendment protecting mechanics, I'd have to tell them that I am, indeed, a mechanic by trade. Indeed I am. I went to Kelsey Institute of Applied Arts and Sciences in Saskatoon and took farm machinery mechanics. It was a program that was

instituted in 1968 under a Liberal administration. But I went there. I did my two-years course. I came out as an apprentice mechanic. And I went out looking for a job. And I found one. yes, I found one in B.C., in the coal mines in B.C.

You know what else I found when I went out there, Mr. Speaker? I found a whole bunch of Saskatchewan people out there, a whole group of us. Literally, the whole crew I worked on was from Saskatchewan. We were called stubble jumpers. There were stubble jumpers all over the place. We all had to leave to get a job.

I spent some time there. I worked there for several months. I saved my money. I worked hard as a mechanic. In 1975, I came back to Saskatchewan and went farming, which is more than some of the members opposite can say. They're a little bit out of touch with it.

I'd saved my money. My father said, I can't help you very much, but there's a farm for sale. Why don't you try and buy it?" So, with my father backing me, with the money I'd saved to give me some operating capital, I went farming. And I'm still farming. And I've seen hail, and I've seen drought, and I've seen frost, and I've seen floods, and I've survived them all. I'll even survive the socialists. I wonder if I could talk the minister in charge of crop insurance into giving us retroactive crop insurance for the damage done by the socialists opposite. Remind me to bring that up with him.

At the same time that I came home farming, Mr. Speaker, their land bank experiment was in operation, in full force. I was forced to pay \$15,000 a quarter more for my farm because land bank was bidding against me. So they stuck me \$45,000 down the tubes before I even got started farming. And they wonder why farmers are hurting today. We had to sit and compete against a cold provincial government, just so we could go farming.

If you take compound interest, Mr. Speaker, on \$45,000 for the last eight years, I wouldn't have too many problems farming. If you take that, and you put it across the 17 per cent of the farmers who are quoted as having financial difficulties, I would wager that most of those people would not have too many problems either.

Let's take \$50,000, average, compounded over 6, or 7, or 8 years and see what it would do to our economy. The members opposite should take full responsibility for the financial situation that we find many of our farmers in today.

But let's take a look at how land bank provided security for the family farm in Saskatchewan. I came home farming. I paid the price. I bit the bullet, their bullet. I went farming. I'm still farming.

My friend came home farming at the same time. And his father happened to be of a socialist persuasion, believed, he believed, and he sold the family farm to land bank. He sold the family farm to land bank on the understanding that his son would be able to rent it back. And that was fine. The son rented it back, and he farmed for three years.

And in those three years we had a couple of wet falls. We had hail storms. And it got pretty tough for him. He didn't have the equity to borrow against in 1980 and '81, like I did, and he went down. He had nothing to back him up, and he went down. He quit farming. He quit farming. That land is, today, farmed by a member of somebody else's family.

That family farm, Mr. Speaker, is gone. it's gone forever. Those four quarters of land are now being farmed by a person who is farming six other quarters, and he received that land when the NDP administration was still in power. He's making it. He's making it because he's got four or five quarters of deeded land besides the land bank land, and that deeded land gave him enough equity so that he could borrow against it when the tough times came. The high interest rates hit him. He's surviving. He's holding on. But my friend, who came home and started farming at the same time as I did, is gone. he's gone. The NDP didn't help him one little bit, not one little bit.

And what's worse, Mr. Speaker, what's worse, they stole his family's heritage for \$98,000 in 1975. Four years later, a quarter of land in my area was worth 70 or 80 thousand. They stole that from him. They took that from him. They convinced him that it was a good idea.

AN HON. MEMBER: — You've drawn a long bow. You've drawn a long bow.

MR. PETERSEN: — That was interesting, Mr. Speaker, to hear the member opposite talk about drawing a long bow. I've noticed he's drawn some pretty long ones in here, too.

Mr. Speaker, their buffer, their moratorium, while they were waiting for their great saviour land bank to come along, cost machine dealers thousands and thousands, literally thousands and thousands of dollars. We were fortunate, though, that we were on an up-swing in the economy. Grain prices were on the rise, and those dealers managed to recover from the damage done in about three years. They managed to recover.

Their land bank program was supposed to be their saving grace. It was supposed to be the be-all and the end-all. It was supposed to be every program ever conceived, incarnate in one. Then, Mr. Speaker, we came into power in the province. We realized that farmers were having problems with interest rates. We realized that in 1980, in '81, in '82, because we were working on the farms, we were into farming, and we represent farmers. The Leader of the Opposition just came to realize it last year, and I can quote you from *Hansard*. He just came to realize it last year.

The first thing we did was put in a program that addressed the problem of interest rates, and we put in our 8 per cent farm purchase program. We helped the young farmer get started. We didn't bid against him. We didn't saddle him down with extra debt. We let him go and work as hard as he wanted to 'cause we're the party that rewards individual initiative. That was one of our programs. That was the first part of our net to help farmers.

They say you have to put a moratorium in first, and then build the programs. We said build the programs and see if they can make it. Economic times are good; let wheat prices go up, grain prices go up, rape prices go up; the farmers will make it.

Unfortunately, Mr. Speaker, we have seen a downturn in grain prices in the world. Compound that with an extraordinarily large harvest in the rest of the world this year; compound that with severe weather conditions in our province; and our farmers are facing tough economic times, tough economic times compounded by the NDP's lack of action in 1980 and '81, and also by the weather conditions we find today.

Our net, Mr. Speaker, our program — our program net for farmers didn't just stop at land. We said, Mr. Farmer, intensive agriculture, diversified agriculture is another possibility. Let's spread out a little bit. And we recognize, Mr. Speaker, that some farmers operate a different style. They don't use large tracts of land. They're not land extensive; they're land intensive. They operate feed lots, and they operate dairies. Those people, Mr. Speaker, had been neglected by the former administration. Those people in feedlots were not given an opportunity to increase their productivity and their profitability. They were put down time after time, after time, and we can go back to the old example of how you could borrow cheap money to feed rabbits, but you couldn't borrow cheap money to feed cattle. It didn't make much sense to me, Mr. Speaker, and in remarking on it again, it still doesn't. I could probably talk about it for 20 years, and it would never make sense to me.

So we put those programs into place. We put a program in place that would help people who wanted to expand feedlots, who wanted to expand the beef industry in Saskatchewan. Those people worked directly out there in the agricultural areas. They buy their feeder cattle from farmers, from mixed farmers who have maybe 20, 25 cows; sell their calves in the fall when they wean them. They take them into feedlots and away they go. That's a major source of income for

those farmers out there. It's their insurance plan, if you would.

Many of those farmers out there, Mr. Speaker, keep those 20 or 25 cows in order if they have a poor grade of wheat, or some frozen barley, or some extra hay, they can use those cattle to turn that into cash money. And, Mr. Speaker, that's the kind of initiative that we, on this side of the House, would like to promote, and we have. And it's working.

AN HON. MEMBER: — The only beef industry they were concerned with is the bull market. You know that.

MR. PETERSEN: — I don't doubt that at all. One of the members said: the only industry they were interested in was the bull market, and I quote believe it.

Mr. Speaker, we realize too, that farmers, farmers have long been very, very efficient in farming. Farming techniques have changed over the years, and farmers have been very quick to adapt. They've taken up new farming technology. We see air seeders out there, four-wheel drive tractors, continuous cropping, usage of fertilizers. Farmers pick that up very quickly and run with it. But, Mr. Speaker, they're lacking in one area, they're lacking in one area, and that's the financial side of farming. That's the financial side. Education for that has been at a sorry state for a number of years, and we're moved to change that. We're trying to help farmers understand what it means to keep books. We've moved to keep farmers going on the land.

MR. SPEAKER: — Order, please. Being 10 o'clock, this House now stands adjourned until 10 a.m. tomorrow.

The Assembly adjourned at 10 p.m.