

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN

December 18, 1984

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 1 — An act respecting the Security of Farm Land in Saskatchewan

Clause 1 (continued)

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, consistent with our providing co-operation with the members of the opposition, in response to his question about how many seizures that have been in the last year in the Agricultural Credit Corporation of Saskatchewan, the answer is two.

Mr. Lingenfelter: — What period would that be over, Mr. Minister?

Hon. Mr. Hepworth: — A period of 12 months.

Mr. Lingenfelter: — Yes. Can you tell me what the foreclosures were on? Was it machinery or grain or what? I don't want to know the details of the family or that family farm operation that you foreclosed on and drove out of business, but I'd like to know . . . (inaudible interjection) . . . Well, what the minister says is that he took the farm away from two families, and he's flippant about it. And he may not think that two families in Saskatchewan are important, but members on this side do. And I would just like to ask him what it was that he saw it necessary to foreclose on. Was it grain or machinery or land? What I'm trying to establish is whether or not the land was at stake here, or whether it was the machinery and crop.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, the seizures were one on machinery, one on livestock.

Mr. Lusney: — Thank you, Mr. Chairman. Mr. Minister, how many seizures did you have through the Department of Agriculture seizing grains and other commodities that the farm produces?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, zero.

Mr. Lusney: — Mr. Minister, are you saying that, through lands branch or any other department that you are in control of, that you have had zero seizures on any commodity regarding farmers, be it land or crops, livestock, whatever you may have had?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I'm advised that the Ag Credit Corporation of Saskatchewan initiated two foreclosures, and that we don't have any knowledge of any seizures of any commodities; but as well, we don't have the lands branch departmental officials here. But our best understanding of the officials here, including the deputy, would be that we did not initiate any seizures on commodities.

Mr. Lusney: — Mr. Chairman, are you telling me and this House that your deputy minister isn't aware of any seizures that you may have made under the lands branch, which is part of your department, or any farmer in Saskatchewan? Is this what you're telling me?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, yes.

Mr. Lusney: — Well, Mr. Minister, I think it's nice to have this on the record because I would almost beg to differ with you. I'm sure there's more than one farmer that is in trouble today because of some of the action taken by lands branch itself, Mr. Minister. However, it appears that you aren't going to tell us just how many you've made yourself. It's quite evident, Mr. Minister,

that this Bill is not going to do the job that's required out there. It is not going to do the job that the farmers wanted done.

What is required, Mr. Minister, and, as my colleague from Assiniboia-Gravelbourg referred to, Palliser wheat growers gave you an indication of what is needed. And that's an organization that you are very closely related to, I would say, or one that you're in contact with very often, where they said what a farmer needs today is 5 to \$10,000 injected into his operation in order to continue. Would you not agree that it would have been better to put some money into the hands of those farmers rather than to put forward a Bill that virtually does nothing to save any of those farms from the banks or even from the government?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I once again have indicated to your colleagues that this Bill shouldn't be viewed in isolation, but as part of a package, part of that package dealing with the cash flow problems out there.

And I also said when I announced this Bill that if necessary we would do more. And then that may well be. But I also believe there is some merit in seeing what, in fact, the grain stabilization interim payment might be in the event that we have one. Crop insurance, final wheat payment, all those things can become pretty significant factors in the cost-price squeeze equation. And all of them could well be in the hands of farmers before next April.

So I am, as you are, concerned about cash, cash in the hands of farmers, but I'm not going to get myself out in dream-land and think that we can raise one and a half billion dollars to solve the problem when we know, as a responsible government, that we can't do that.

And number two, I think members would do well to review what has happened, for example, in the U.S. where a PIK program saw the injection of \$20 billion into the U.S. farm economy, and if you can stand here today before this legislature and tell me that there aren't some states in the U.S. that are in just as severe shape in their agricultural sectors as we are, then I've misread. I have been misreading the facts out there.

Mr. Lusney: — Well, Mr. Minister, what happened in the States is one thing; what's happening here is another. Now, we've got governments in the States that are very similar to government in Saskatchewan at present, and none of them really believe that agriculture should be really supported to any degree, and that agriculture is important in our society. It certainly is in Saskatchewan, and we shouldn't be looking to what happens in the States. We should be looking at what's happening here, and what's happening to agriculture, and how we can support an industry that is really a very important, and maybe the most important industry, in this province.

And that's not by saying that maybe 11,000 or 10,000 or 12,000 farmers are going to have to lose their property. What we should be saying is that we are going to try and keep those 10 or 11 or 12,000 farmers on the land, and producing, and in order to do that we have to come forward with a program that's going to somehow inject some cash to those farmers. Inject some cash into that operation, and along with getting some cash to them, what is required is a means by which they can continue to run that operation and not have to be subjected to high interest rates, really on the whim of the banks, whenever they should choose to raise those, but fix a rate of interest as my colleagues have said over and over again, fix that interest rate so the farmer can budget himself. Budget himself, and know what his expenses are going to be, and know that all of a sudden he isn't going to be facing an interest rate that's double what he set his budget on.

And that's what's required, Mr. Minister. And that is what we are saying you should be doing. Give that farmer some protection. Give him some protection so he will know what it's going to cost him to run that farm for the next year. And should a disaster develop, as did this past year in the South with the drought, and as has been quite obvious in the North with the extreme amount of moisture that we've had where they have had two and three years of bad crops, one

would think that the Department of Agriculture would be interested enough in agriculture to come forward with some kind of program that would help those farmers, and not say that we hope that the federal government will come forward with a beef, or a grain stabilization payment, or they will give an interim payment on wheat, or a final payment that's going to be sufficient to maybe give the farmer a few dollars to plant his grain, possibly by . . . This payment possibly will come in by next April or May.

Mr. Minister, what is this government prepared to do? Not say that we hope some other government will do it, but what are you prepared to do at this time to save the many, many farmers that are on the verge of losing their property, their land, and really what they've worked for, for many years. And they are going to be losing that in the very near future, and not next April or next August.

Hon. Mr. Hepworth: — What we are prepared to do, Mr. Chairman, and hon. member, to prevent farmers from losing their land and property as you have asked is, in fact, part and parcel of the very thrust of this Bill, an Act respecting the Security of Farm Land.

And you talked about the 10,000 farms or 11,000 farms that are in jeopardy. And I would just remind the hon. member when your party, the NDP party, was in government in this province, in a decade that was considered by many as a very rosy one in agriculture from 1971 to '81, when things were for the most part very buoyant out there with the exception of the very first year of that period, what was your track record? What was your track record in terms of saving the family farm? Did 1,000 farms fall by the wayside during that 10 years of NDP reign? No. Was there 2,000 go by the wayside during your reign? No. Was there 5,000? No. There was something very good, very close, hon. member from Pelly, to 10,000 census farms that disappeared off the Saskatchewan horizon during what some would argue was a very bright period for agriculture in this province.

Mr. Chairman, some would argue that this kind of logic that's been presented before this House tonight is the logic of a hypocrite, because on one hand they're trying to accuse us of driving 11,000 farmers off the land and doing nothing when, in fact, with a Bill before the House that will save those family farms. And secondly, they criticize us when, in fact, on their own reign there was 10,000 farms that were snuffed out of existence. And more than that, Mr. Chairman, they come before this legislature and say, where is some money? And I ask them once again: when their party, the NDP party, was in power and dealing with this kind of legislation, I ask you, did they put one thin dime on the table to help Saskatchewan farmers? Did they put any cash on the dash to help Saskatchewan farmers? Did they get the federal taxes on farm fuels removed? Did they lobby for an interim payment out of the grain stabilization fund? No. So it's munificence on opposition and nothing when they're in power, Mr. Chairman. Some would argue that that's the position of a hypocrite.

Mr. Lusney: — Thank you, Mr. Chairman. Mr. Chairman, if there's any kind of hypocrisy anywhere in this House, it has to be on that side of this House.

The minister talks about the number of farms that supposedly disappeared in the last 10 years in this province. Well, Mr. Chairman, I might say to the minister that some of those farms that may have, as he said, fallen by the wayside didn't necessarily fall by the wayside, but they changed hands. Some of the farmers that wanted to retire did retire. Some other farmers expanded their operation.

(1915)

So farms did change hands in the 10 years that we were government, and farmers were doing quite well during that period. And they had a good number of programs that were in there to help them. The beef stabilization program, that was a lot better than what it is today. At least they could realize some money out of that program. Today they are receiving nothing out of it.

And today, Mr. Minister, we are talking about not 10,000 farmers disappearing in the next 10 years simply because they want to dispose of their land to retire, but it's going to be 10 or 11,000 that are going to disappear because of foreclosures, because the banks are going to take over. That's where those farmers are going to go.

And I'm saying, Mr. Minister, that we should be looking at what is happening and try to save some of those 10,000 farms. And if they want to leave, let them leave on their own whenever they are ready, but not say because the banks are prepared to foreclose now, we are going to let that happen and just sit by idly and do nothing about it. Because your philosophy is to say that we can eliminate 80 per cent of the farmers. And I'm saying we should be reversing that talk. The government should be changing their mind on it, and they should be saying that we are going to save those 80 per cent of the farmers, and we're going to put some money into agriculture and see that the banks don't foreclose, and give them an opportunity to see some better times ahead and get themselves out of the financial bind they're in now, and continue to produce food for a hungry world. That's what you should be doing, Mr. Minister.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member. I can only reiterate to the hon. member and to the members of this House that the facts are very clear; the record of history does not lie. and the fact is that there were 10,000, or something very close to that, census farms that disappeared from 1971 to 1981. And I would suggest to you that it was insensitive, wrong-headed policies like land bank that drove young farmers away from, off of, and out of farming. And that's a shameful record. And our government is not prepared to sit idly by and see that happening, and that is why . . . And you can talk about, dream up numbers and use them out of context that were used eight years ago, but that fact is, and these are Stats Canada numbers, that the decline of rural Saskatchewan during your administration may well have been second to none.

You had no policies in agriculture, you had no policy to deal with the interest rates, you did not help them with cash at all, ever, and, in fact I'm going to review just how much money you put into agriculture when you were in government. In that decade, '71 through '81, the agriculture budget up until '75 was less than \$30,000, and quite a bit less. In fact, the numbers are 16 million, 18 million. And then in the later part of the '70s, you really got steaming along. In fact, you got as high in your last full year, got as high as \$85 million, and that was a big bounce from 59 million the year before. I suspect a big spurt by land bank. And I would like to review out administration's expenditures in agriculture: year to date, we are 65 per cent higher than your highest year ever. We are at \$146.9 million and that compares with your decade starting out at \$16 million.

You did not provide . . . We have spent more money in one program, in one program, rebating interest rates, than you did in your entire budget year in 1971 when the farmers in this province were facing the serious situation not unlike what we are facing today, but for a different reason, the big grain glut; and your answer, you cash on the dash was \$16 million for the entire budget. And we're putting that much out in interest rebates, more than that in interest rebates, with one program and one program alone. I'll put our record against yours any day.

Mr. Lusney: — Well, Mr. Minister, some of the members say my face is getting red. Well I would have to say to them it certainly isn't. But I would only like to say to the minister that when you are talking about 1971 and when you are talking about 1984, there's a big difference in the value of that dollar. What we spent in about \$50 million worth back 10 years ago is worth more than \$150 million today, Mr. Minister. Because the farmer at that time wasn't paying \$2 a gallon for his fuel; he was only paying about 30 cents a gallon for fuel. That's what the difference was, Mr. Minister. And his grain was about the same price as it is today. He was paying about one-quarter the cost of equipment 10 years ago compared to what he has to pay now. That is where the difference comes in, Mr. Minister.

So if you're going to show us the figures from 10 years ago, then what we should be saying those figures today, as far as the government is concerned, you should be putting in at least four times what was put in 10 years ago to have the same amount of value in agriculture as what it did then.

Times were different then, Mr. Minister, and it's easy for anyone to go back and say well, this is what happened 10 or 15 years ago. But let's look at what the situation is today and see how it's affecting agriculture and what's happening to agriculture.

What happened in the last 10 years happened because of a philosophy, a right-wing philosophy, that existed in our society, one that was saying to farmers: you have to expand, and get as big as you possibly can; go into debt. And that's what the banks were saying — go into debt, it's no problem. We'll give you all the money you want. But you've got to get big. That's what was being said. You have to get big.

And they did that for a purpose, Mr. Minister. because they knew that sooner or later that bubble was going to bust, and when it did, they were going to have all the land in this province, and that's where they are today. They were encouraging everybody to get big, they were providing all the finances that farmers wanted at that time, and not it came to a point where they aren't saying, look, we're going to give you an opportunity to get out of it somehow.

No, they aren't saying that. What they are saying now is that when we gave you that, all that money that we said you should have, we gave it to you at 6 and 8 per cent. And then, all of a sudden, we decided that it's going to be 18 per cent, and if you can't pay it, well it's just too bad. You're going to have to give up your land. And we're going to take it now.

And, Mr. Minister, I say it's not right for any institution in our society to have that kind of power over anyone, especially an industry as important as agriculture. And as a government you should be trying to protect that industry, and you should be trying to protect the farmers against the banks and against the philosophy and the policies that they have. And you should be saying to them that they're going to have to be reasonable, and they are going to have to keep that farmer on that farm, and if it means that the government has to open up the treasury, as your Premier so often said he would do, then that's what you should be doing.

But what do you do? You come forward with a Bill that isn't going to cost you any money; you come forward with a Bill that is really going to do nothing for the farmer, but is going to allow the process to just continue as it is now, and eventually, you are going to see what you have been prophesying for many years — that 80 per cent of our farmers are going to be gone.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, you have suggested that what one was spending in agriculture 10 years ago we should be spending for times that amount today. And so if one does, in fact, review the record and look at what was being spent in '73-74 — \$20.7 million roughly — and then look at what we're spending today, it is, in fact not four times, not four times, not five times, hon. member from Pelly, not even six times, but we are in fact spending seven times. So even by your own accounting, a healthy increase, a generous increase, buy more importantly a commitment to agriculture and to farming in this province. So by your own accounting I think you've made my case.

Mr. Lusney: — Mr. Minister, it is not what one spends at any given time, and one would have to say in 1974-75, if you were around at that time and knew what was happening in agriculture, you would have understood, or you should understand now that in '74-75 is when the turn-around really happened, when the price of wheat went up to unprecedented levels, to what farmers never were used to before. The cost still remained reasonably low, and farmers were making more money then than they ever did. And that is what should have been happening in agriculture.

But that turned around. Today that is not the case. If we could get \$10-bushel wheat now, I

don't think the farmers would be coming to you and saying, give us some money. But that isn't happening, and since it isn't happening, as a government you have the responsibility to see that this industry remains viable and strong, because it is a very important industry.

This is an industry that is going to feed the people of this world, that is going to feed them and it is a very important industry. And we should not be allowing this industry to die simply because we're looking at what was spent 10 years ago, and what we are spending now, and saying that we shouldn't be spending any more; some of them are going to have to go.

I think that's the wrong attitude, Mr. Minister. I don't think any government should be looking at it in that sense. And what you should be saying is, look, we are prepared to put some money into agriculture. We are prepared to shore up agriculture, and we are going to do it.

You should be doing it by some of the amendments to this Bill, not just by foreclosure moratorium. But do it by putting some money into the program that will help the farmers continue for at least a couple of more years and see if something happens that will turn agriculture around. but be there to help them when they need it, like you do many other sectors of society. Do the same for agriculture. That is all we're asking.

Mr. Engel: — Well doesn't the minister have a response? You know, Mr. Chairman, we have a situation here tonight where we have a minister that's looking for an excuse. He's looking for some scapegoat to say, I've got elected to be in charge of agriculture and I'm the Minister of Agriculture, but I can't do anything because in '73 this was the case and in '75 that was the case.

Mr. Chairman, that's not what we are dealing with tonight. It's been clearly established here by the minister and his staff and by all the members that have participated in this debate that the problem in agriculture is very serious. The problem is serious. And here you, as a minister, will stand up in this House and flag Bill 1 as a salvation to agriculture. Well, it doesn't work that way. You're not going to get by on making excuses saying that because I inherited a bad situation . . .

Well, you've had three years, Mr. Minister, to do something about it. In the past three years what has happened in agriculture? If we'd review this government's record . . . He likes to brag about the Farm Purchase Plan. He likes to brag about the income tax you can save on the tax credits for beef producers. He doesn't say what the situation really is, though. He stood up in this House and said, I'm going to shore up success and to heck with the little farmer. Let the fellow drop by the wayside that isn't making a go of it.

He likes to cite figures of how many farmers retired or got out of farming in an 11 or 10-year period, and the statistics he quotes in Saskatchewan, but I'm telling you, Mr. Minister, that wasn't 16 per cent of the farmers. I never sat in here as a member of the legislature when anybody could point a finger at our government and say that 15 or 16 per cent of the farmers were in serious financial difficulty. That never was the case. That never was the case in the past history.

Only since the Tories were in power 55 years ago did we have a situation as bad as today. Fifty-five years it took to repeat a situation as bad as it is today, and I can assure you that the people of Saskatchewan are going to remember what this government is doing for them. They're going to remember, Mr. Minister, and if you think that your Bill 1 is any kind of solution for farmers . . . If you go down to the train station, and you hold up a train, and you say, look, this train's got to wait. We're going to wait six hours. Maybe someone's going to come along and want to get on it. We're going to hold up this train and say, said, don't move — that's what he's doing with this moratorium Bill.

He's saying, wait, wait. Maybe an accident will happen. Maybe we'll get lucky like the Premier stood up here and crossed his fingers and said we might get lucky. We might get lucky. The federal government might make a pay-out of a dollar a bushel or more on a final payment on a grain. they might make a payment on the grain stabilization plan. We might get some money

into the hands of farmers.

Mr. Minister, you've got a responsibility. You can't cross your fingers and wait for something when you've got a moratorium legislation. It's a moratorium until something happens.

The last time I was responsible and involved in introducing a moratorium Bill, my bins were full of wheat. I had lots of wheat on my farm, Mr. Chairman. There was wheat out in the country. The farmers were waiting for a market. They were waiting for somebody to take hold of the situation, and things turned around. We didn't only sell all our wheat, but we got three and four times as much for it as we were getting in the past, and that's why we had a moratorium legislation that worked.

But what have we got today? What have we got today? We're got farmers that have open quotas, and have no wheat, and can't pay their power bill. We've got farmers that can't pay their power bills, and you come along as a panacea with Bill 1, that says a moratorium on some land. On some land, just on some land, Mr. Chairman. Not on all land, not on a farmers' land that they might prove through some committee — and we don't know how this committee's going to be established . . . A committee's going to be set up. They're going to say, look, his outgo is more than his income. He doesn't qualify. That moratorium don't apply to him.

(1930)

I'd like the Minister of Agriculture to stand up and tell me how long it takes for a bank to do a foreclosure today if a lawyer's really on the farmer's side trying to save the land. I can assure you it'll take close to two years. but with your Bill — with your Bill that bank's got a short cut, and he'll be able to do it in 120 days. And the farmer's gone — with no recourse, no chance for a repeal. He's done; and that's what you're saying is the solution to Saskatchewan farming.

And the minister can sit there and laugh till he gets red in his face. Well, I'm telling you there's a lot of farmers are pretty sick, Mr. Minister. They're pretty sick. They're sick and tired of little Minister of Agriculture that makes excuses. We're sick and tired of you blaming the people that were in power before you.

We want you to get up and say, we don't need any money for farmers. We're going to let the big guys survive and, like your leader said, the other 80 per cent can fall by the wayside. That's what you're standing for. you're there to shore up success. Can you stand up and tell us that you have anything else in mind?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, this last tirade reminded me somewhat of ships in the fog. They always honk loudest when they're lost in the thickest of fogs.

Some Hon. Members: Hear, hear!

Hon. Mr. Hepworth: — And what can I say, except there you go again? I don't know. I don't know what the situation is going to be like 13 months from now. I suspect that the farmers in 1971, when their bins were full of wheat, didn't know then that sales would be made. And those sales were made, thanks to a fellow by the name of Alvin Hamilton, who did the leg work and broke through into that new market for the betterment of people in your constituency.

And I well remember, if you go back in history a little bit, how the civic centre in Assiniboia was built, when they paid farmers to store grain and the proceeds were returned to communities building those kinds of projects.

An Hon. Member: — What year was that?

Hon. Mr. Hepworth: — It would be in the '50s, I suspect. But there the hon. member goes

again, looking for the black magic, saying to me, why haven't I got control of the weather out there? Why haven't I got control of world markets and marketing and commodity prices? Why haven't I got a handle on setting prices out there? And why haven't I got the International Monetary Fund under my little finger, and getting them straightened around in terms of global monetary policy?

You're looking for the quick fix again. I never ever suggested that this Bill was the be-all and the end-all, the panacea. I've said time and time again, don't look at it in isolation. Have I not said that to you more than once in the last two or three days? You've got to look at it as part of a package.

And I suppose what hurts farmers most in your riding, and in fact all over Saskatchewan, is your selective support that you give them. you're behind them one day, all guns a blazing, and the next day in this House you sit on your hands when hundreds of farmers were being jeopardized in this province.

When there was a dairy strike on in this province and dairy farmers were being pushed to the brink of bankruptcy, I ask you, I ask all members of this House: did the hon. member from Assiniboia-Gravelbourg get up and ever once defend or acknowledge the farmers' position in that strike? Did he? Did he even get off his chair once? Or the hon. farmer from Pelly, did he get up and defend the farmers? Did he get up and defend the farmers? I say no, Mr. Chairman.

But I'll tell you there are members on this side of the House and there's a government on this side of the House that's committed to defending and protecting the family farm, and protect it we will.

Mr. Engel: — Mr. Chairman, I suppose I should get into a debate and ask the member where he stood on liquor advertising. Maybe I should ask him all kinds of things because he's not on the Bill either, when he's talking about the dairy producer strike, because he wasn't talking for the benefit of his farmer friends then either.

When you want to talk about selective support, Mr. Minister, talk to your members and your friends and the member that's smiling from Morse that was at a meeting last night, and ask him about the selective support ;you gave when you decided to draw your map on who's included in your drought map, how you draw the map and jiggery-pokery you play with your map you drew.

Talk about selective support, Mr. Minister. Who's more selective than the Tories when it comes to deciding who gets it or who doesn't? Talk about selective support. When farmers were crawling to you, they were crawling to this government looking for a guaranteed loan this spring, how many got it? Sixty thousand farmers in Saskatchewan. What per cent got a guaranteed loan when they wanted to put their crop in?

Talk about selective support. You're the epitome of hypocrisy when it comes to being selective, Mr. Minister, because you know what the word means. you know what the word means because there's farmers across this province tried to get guaranteed loans and they made applications. Thousands and thousands of applications were rolling in. And, Mr. Chairman, do you know how many they went through with? Do you know how many they went through with? Two hundred qualified.

Do you know how many . . . Should I start going through the applications of the people that had their land sold, that had forced sales on their land because they got a \$15,000 guaranteed loan? Do you know how many have come to me? Over 10 per cent of the ones that got loans already had their land sold. And the deputy minister knows it if the minister doesn't, because you gave them a guaranteed loan. And the guarantee wasn't worth the paper it's written on. You gave the banks the right to sell their land out from under them for a measly \$15,000 guaranteed loan. Talk about selective support, Mr. Minister. You're the guy that's being selective. You select the banks

you're going to support. You select the oil companies you're going to support. But do you know who you didn't select? You didn't select the farmers.

The farmers are out there hurting across Saskatchewan. They're out there going broke. They're losing their machinery. They're losing their equipment. Their land is on the line of they're not declared viable. They can't pay their power bills. And what have you got? You've got \$300 million a year for the oil companies, that are making the largest profits in Canada's history. The largest profits in Canada's history. And you can give them another 300 million bucks, but what have you got for the farmers? A goose egg. A goose egg. You're striking out, Mr. Minister. When it comes to selective support, you're a grand champion.

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, he touched on a number of points there. And I would say this, in so far as I think he started off with drought assistance. We're very proud of that \$60 million prairie program. And in so far as drawing lines, we have in fact a review mechanism built into it. And if he is criticizing the people who sit on that committee, and I think he's being extremely fair because the people who sit on that committee are: there is a representative from the Saskatchewan Association of Rural Municipalities, I think a highly credible organization; there's a member that sits on that committee from the livestock industry; there's one provincial representative and one federal representative. And I think they're done a great job, given that there is never any perfect line that can be drawn.

In so far as the guarantee program, you touched on the operating loan guarantee program: you in debate on that Bill this past spring said, there are thousands of farmers that will be going broke and . . . and needing this assistance, and you haven't put enough money in.

You said there was thousands of farmers out there. The facts, by your own admission, are that the total number of applications was 450. But having said that, Mr. Chairman, having said that, Mr. Chairman, we announced a \$4 million program, a \$4 million program. But this is an example where, if you have to come up with more money for farmers, we did, we have, we will. And this is an example. Four million dollars in guarantees didn't meet the need. To date we have had accepted guarantees totalling over 8 million of dollars.

And I would also, and I would also point out, I would also point out to the hon. member that not one person, not one farmer who received an operating loan with our government's guarantee went bankrupt. Not one.

Mr. Engel: — Mr. Minister, I have two examples right here of farmers that had their land sold on them because of your loan guarantee program. Two! Two in my area, that brought them to me, that went to auction sales, that were forced sales. How much money did you put into those forced sales? The bank foreclosed on them and it didn't cost you a 5-cent piece.

I say to you, Mr. Minister, if you've got a guarantee loan program, why didn't you put up the 10 grand to save the farm in Shaunavon? Why was there a forced auction sale?

I'll tell you, put up or shut up! And that's the final line on that one. Because your loan guarantee program isn't working. Your loan guarantee program isn't working.

Some Hon. Members: Hear, hear!

Mr. Engel: — That foreclosure . . . (inaudible) . . . the banks, forced them to sell, the bank made an auction sale on the person, and you didn't put up 5 cents; they got it out of the farm. And that's your loan guarantee program.

If your loan guarantee program had been any good, that farmer with four sections of land would still be out there. He wouldn't have had to sell for a \$15,000 loan. Mr. Minister, your guarantee loan program is no good. It didn't work, and you know it. And everybody in Saskatchewan

knows it except you. How come you're the only one that thinks it works? Anybody I've ever talked to, and I want to tell you this moratorium legislation's the same way.

If a farmer's in trouble and it looks like his income is less than his expenditure, your little committee, your friends will say to him, look, buster, you're not viable, and it's no moratorium for him.

And you show me where it is in the section 9, and we'll get into the sections as we go section by section. But that section clearly is written by the banks for the banks, not for the farmer. Because it can tell who's viable and who isn't, and in 120 days he's gone. No lawyer in Saskatchewan will be able to save him. No lawyer will. And I know lawyers that have stalled foreclosures for close to two years.

That moratorium in the past has been working. If it's got to stand alone we don't need your interference. The farmers don't want your interference. The banks don't want it. I don't know why you wrote it. I don't know why you wrote it. Nobody wants it. And you think it's a big joke.

Mr. Sveinson: — Well I've listened to the minister carefully over the last few hours of debate, and there's a few questions that I have that certainly haven't been answered. And one of them that I'm very interested in is the research and the background that supports this type of legislation, and how it actually arrives at the cabinet planning table in this form, and how we see it in this legislature.

Could you outline who you discuss this type of legislation with, and the ministers of the Crown and other jurisdictions who may have been aware of this kind of legislation coming down, and their reaction to it? Could you outline that place, Mr. Minister?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, this specific piece of legislation that we see here today was not distributed for discussion, but obviously it's almost like a budget item.

(1945)

But in so far as the entire consultative process which formed our thinking as it relates to how we should attack the broad questions and the issues facing Saskatchewan agriculture today. I probably can't recall all them off the top of my head, but I know included in those groups that we met with would be the Saskatchewan Association of Rural Municipalities, Palliser wheat growers, Saskatchewan Stockgrowers Association, National Farmers Union, the Saskatchewan Wheat Pool, Cargill, United Grain Growers, Saskatchewan-Manitoba Implement Dealers Association, the Western Canadian Fertilizer Dealers Association, the independent chemical and fertilizer dealers association, my hon. colleague, Mr. Wise, my hon. colleague, Mr. Mayer, Mr. McKnight, Alvin Hamilton, our MP in south-east Saskatchewan, the Canadian Agriculture Movement, and I have no doubt there are others, but those are the ones that come to the top of my head at this very moment.

Mr. Sveinson: — You mention, Mr. Minister, that this Bill before us was almost treated as a budget item, that there was very high level of secrecy shrouding this Bill. Could you please outline why there would be a high level of secrecy shrouding legislation which really offers nothing for the farmer of Saskatchewan?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member. Out of respect to this legislature, this House, this fine institution, legislation is always considered confidential until it reaches the floor of the House.

Mr. Sveinson: — Well I'm not certain that it was confidential. You've outlined to me probably 12 or 13 associations, other ministers of the Crown, other back-benchers in the federal

jurisdiction, other members in other jurisdictions. It was certainly, as you suggest, broadly and widely discussed. Was this legislation discussed with your colleague in Alberta?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, no.

Mr. Sveinson: — And I suggest to you that your colleague in Alberta, and I would suggest also in Manitoba, have reflected fairly negatively on this legislation. Have you had any discussion with these colleagues since this Bill has been tabled? And are they considering similar legislation?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I have talked personally with the Minister of Agriculture from Alberta. Some of my staff has talked with the Hon. Mr. Uruski, Minister of Agriculture for Manitoba. And is so far as what they are contemplating, you'll have to ask them.

Mr. Sveinson: — Well, I suppose there's a shroud of secrecy around your Act in Alberta if, in fact, they were considering it. And I can appreciate your answer. I will endeavour to get that information from them. But in your discussion with them, Mr. Minister, was there any indication that they were considering legislation of this nature in those jurisdictions?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I tend . . . If, in fact, they do share their views on what they may or may not do, I tend to treat that in the confidential manner in which they would expect me to.

Mr. Sveinson: — Your colleague in Alberta indicates that your move in this province was a surprise to him. And he certainly, at first glance, couldn't really appreciate how the Bill was a bonanza to struggling farmers. Maybe you could outline that a little more clearly. I've spoken with several farmers today who tended to look and reflect on this Bill as nothing really for the problem that we've got.

I also, on the way over this evening, heard that Farm Credit Corporation announced today that there were over 600 farmers under their auspices in this province, 600 farmers who are two years or more in arrears in their mortgage payments. Now I would also ask for some input for those 600 farmers who are only under the auspices of Farm Credit Corporation, and this doesn't consider those who are in the same position with the five major banks or the credit unions. So I would assume that there are over 1,000 farmers in Saskatchewan who are at least two years behind in their mortgage payments.

And I would ask the minister, after he has answered the first question, if he could please outline how Bill 1 will, in fact, address the problems for these 1,000 or more farmers who are presently two years or more behind in their mortgage payments.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think the number that you use in terms of 600 — and I will assume that's correct; I have no reason to not believe so — I think speaks fairly well for Farm Credit Corporation's track record, really, when you look at the number of clients they have in Saskatchewan. They have just 100 short of 24,000, or very close to that number, and there are only 600 who are, in fact, in arrears two years or more. That's something less than 3 per cent. And some might argue that the situation was much worse in 1971, for example.

In so far as how this legislation will specifically help those people, even the Hon. John Wise, before we took this action, put a freeze on foreclosures in farm credit until, number one, he got a handle on the situation and worked out a game plan, and to give them an opportunity at continuing their farming career.

And of course that's the idea behind this legislation, a moratorium, if you like, in land foreclosures: gives them 13 months of breathing room. And I don't know what the situation is

going to be like in 13 months, but I suppose we didn't know what it was going to be like in 1972 when it was put in place in 1971, and things did turn around. And I suppose, given the cyclical nature of agriculture, I suspect it will turn around again.

So, number one, it gives them a breather for that upturn that I have no doubt will occur. When, I can't say. Secondly, if they do have their backs up against the wall, it gives them the opportunity to re-priorize what debts get paid, when, and to what degree. And during that breathing period it adds some additional impetus, I would think, to farmer and lender alike to sit down and really come to grips with addressing each other's problems in terms of seeing that farm continue into the future as a working operation.

Mr. Sveinson: — You made some, several points, I suppose. Now the 600 farmers that I alluded to are those who are in excess of two years behind in their mortgage payments. At the same time, Mr. Fraser, with the Farm Credit Corporation, indicated that at least a quarter of, one-quarter of all farmers who are presently on farm credit through the Farm Credit Corporation are in serious financial difficulty. So if your numbers are accurate, and I assume they are, Mr. Minister, we're looking at 6,000 farmers, not 600, who are facing some serious financial difficulty.

He also mentioned at the same time that in 1984 this number has increased by 50 per cent. This number has increased by 50 per cent.

Now I would ask you, again relating to the Bill that we have before us, we have 600 farmers who are over two years in arrears so I would assume they're going to be going before the board that is outlined in Bill 1. And I would assume again that they will likely in most cases lose the appeal to stall their foreclosure. But there are an additional 5,400 farmers who are also under the auspices of farm credit who are facing serious difficulty. And the point was made that the increase in difficulty has increased by 50 per cent in numbers in 1984.

Now can you explain to be how Bill 1 will address the problems of these 6,000 farmers — and it's accelerating very rapidly — and how, looking down the road, you're saying in 1986 we're going to reassess the situation? Well we see that the numbers have gone up 50 per cent in 1984. We can't expect them to improve unless things turn around drastically. And I don't think, as the minister of the Crown, you're tabling a Bill that's based strictly on gambling so I would ask you to outline again . . . While there are some farmers — and those farmers are in very serious problems — that are two years or more behind in their payments, the other 5,400 are also suffering dramatically and it's unlikely that they are going to be able to make some of their obligations in 1984-85. How are you expecting to deal with these people, Mr. Minister?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, the numbers of people that, in fact, could enjoy the provisions of Bill 1 could virtually be everybody: every farmer out there who has a mortgage or is bound by an agreement for sale.

Obviously there is some onus on him to try and make sincere and reasonable efforts, but during this breathing period everyone out there would have the opportunity to sit down with their lender, whether it be a federal Crown, a provincial Crown, or a private lending agency, or, for that matter, a private individual, and try and work out their difficulties, put together a strategy — not a simple fix, because they don't exist.

You were starting to sound somewhat like your colleagues to your immediate right in moving off into dream-land and looking for the magic answer. During that breather, as well, knowing that they have some good deal of security in their land, they can re-priorize their debt payments and in so doing perhaps, while working things out with their lender, come to a solution that in fact will allow them to continue farming.

Mr. Sveinson: — Well it certainly didn't answer the question I asked and it was a long way from any answer, I'm sure, for the 5,400 farmers who are facing the grave difficulties. And this is

only under the Farm Credit Corporation. This doesn't include the banking institutions in the province.

You mentioned that the answer is that every farmer in the province will be able to utilize the Bill and will, in fact, be in a position where he doesn't have to pay his credit company, whoever it might be, or in fact if it's an individual who has offered him an agreement for sale, that he no longer has an obligation.

Well I think most farmers in the province who do have a debt situation realize that they do have an obligation, and they're willing to meet those obligations if the conditions are right. I think I would also have to assume that most farmers in this province, who are in a difficult situation that's been outlined not only by Farm Credit Corporation but also by many of the major banks, are in a situation where they've almost talked themselves out.

I think if you can consider there's 600 farmers who Farm Credit Corporation hasn't initiated action against, I think over a period of two years those 600 farmers, plus many of the others in the 5,400 who are also in grave financial trouble have, either through their own efforts with their bank manager or through the efforts of their counsel, have spent hours and hours trying to redefine the credit worthiness that they should, in fact, expect from the bank and be allowed to reassess their position.

I suggest to you, Mr. Minister, that it's not available to most of these people, and that this Bill doesn't make it available, or doesn't create a scenario where the bank is any more accessible than it was one year ago to a man who hasn't made a payment for a year.

So I would ask you again if you could please outline in a little more detail how your Bill 1 is going to address these serious problems, and not necessarily giving the farmer only the option that he doesn't have to make his loan payment. Because that option, as we've seen already, has already been made by probably in excess of 1,000 farmers in the province. So that option's no longer available. What other options does Bill 1 offer that farmer?

Hon. Mr. Hepworth: — Hon. member, to reiterate, it gives him some breathing room. He knows that he has some great deal of security in his farm land, that it will be not moved on willy-nilly. It gives him an opportunity to re-priorize. And secondly, thirdly, fourthly, during this breathing period, how can you say that, number one, weather conditions won't be better this year than last year? Or how can you say that market prices won't improve? Or how can you say that interest rates won't go down?

(2000)

There could be some fundamental changes out there. And those, combined with some additional incentive as a result of this legislation on both borrower and lender to make things work, could very well jell. And you could see a good many of these cases go on to be viable, as I absolutely believe they will.

But just so you don't get things out of perspective, you know, the vast majority — and I'm talking 90, maybe even 95 per cent of farmers out there — although they're hurting, are going to continue to make their debt payments as they always have, pay their fertilizer bill as they always have, and their fuel dealer's bill, and the fertilizer dealer, as I'm sure the hon. member should be able to appreciate with any kind of farm background. And I know that that 95 per cent, or whatever the number is, out there do view a debt as a debt and will continue to make those payments.

Mr. Sveinson: — Well I can appreciate your concern, Mr. Minister, for those 95 per cent who are not necessarily struggling through our system. But I don't think the Bill was really set up. I think initially, in a newspaper article that I read in the *Leader-Post*, I believe it was on a Saturday, a

headline in the article had indicated that the Bill was set up not for the 95 per cent who are in a position, if there are that many who are in a viable operating condition financially, it was set up for the other 2 to 3, or 4, or 5 per cent who are in a position of extreme difficulty already.

Farm credit, I think, personalized those difficulties today with the announcements they made. I think the banks, I suppose, we could wait for a follow-up in here for the difficulties that farmers are experiencing with banks, although I think in most cases, unless the difficulty goes into a court situation, the relationship between the bank and the farmer is somewhat a private relationship. And well it should be.

So I'm not asking about the 95 per cent who are healthy. And I think you've failed to answer my question relating to Bill 1, and relating to those people in society who are in a position of financial collapse, in a position of bankruptcy, in a position of foreclosure, who have lost any sense of negotiation or any ability to negotiate the debt that they presently have.

And these people, in many cases, are those that suffered worst under the last 12 months as a result of drought or excess rain. So I'm not asking about the 95 per cent. I'm asking about the other 5 per cent, and I assume that this Bill was designed for the other 5 per cent, not those who are in a healthy, equitable position, and are comfortable as far as their financing is concerned, and many of them don't need any farm financing anyway. I'm asking about the other 5 per cent, Mr. Minister. Could you please outline how this Bill supports the other 5 per cent?

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member, as I've said before, it will provide those whose back are up against the wall with some breathing room, a chance to sit down, borrower and lender alike, perhaps renegotiate, do debt consolidation, debt restructuring. It may even require some tough decisions — selling off a quarter of land to improve the debt/equity ratio. There's many, many things that can be explored. And is so far, I think it's important not to confuse who might, in fact, use the provisions of this Bill, and who, in fact, would be eligible to use it, because as I said earlier, virtually every mortgage holder and person that's working under the agreement for sale instrument would, in fact, be eligible. But as you have said, I believe that farmers, because they are the salt of the earth, do view a debt as a debt and will continue to make those payments.

Now you know, in so far as what else might be done, I've listened and in fact asked, and have yet to hear the hon. member state one piece of Liberal agricultural policy in this House.

Mr. Sveinson: — Well I suppose one day I may be in your position, and you may be over here in the opposition, and then you can ask me the questions, and I'll certainly outline Liberal policy for you at that time. but that's not the situation today, Mr. Minister. The situation is that you're the Minister of Agriculture. The farmers in Saskatchewan are depending on you and your colleagues to come up with the answers. And so far, in the last 10 minutes, I've heard that, well, let's wait till the weather conditions change. Let's gamble a little, folks. And while we're gambling, let's be talking. Let's get into our banks right across this province, our credit unions. Let's have coffee twice in the morning, and let's roll that file back by us again. Let's just have one more look at it.

Well, a farmer that has presently not made his payments for two years, I'm sure the banker or the Farm Credit Corporation or whoever's involved, is truly interested in going through that file once more.

I talked to a young fellow today, who, in fact, is in a position where he can't even get financing, and he's qualified, because the banks are not financing new farm land purchases at this point in time.

Also, that just reflects on the whole difficulty. If they won't finance a farmer that can come in with a down payment, that can come in with some security, and they're going to put him on

hold, how are you expecting that poor gentleman who's lost 30 or 40 per cent in the value of his land equity in the last four or five years anyway, who hasn't made a payment for two years, who is in a collision course with bankruptcy, how are you expecting him, through talk and hope of good weather and through an additional parcel of legislation that we've me now for two weeks to discuss, how do you expect that young farmer to exist out there when, in fact, they've stopped loaning money already to people who are qualified to, in fact, become farmers?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think you're making some broad sweeping generalizations that aren't, in fact, typical of what's happening out there. And I guess the simple statement that I would make is it seems to me that you have absolutely no faith in farmers, agriculture, farming, or the ability of credit unions, the Farm Credit Corporation, or in fact, even banks, to respond and be malleable and flexible to a serious situation out there.

I think if one looks at this question of burdensome debt that's been accumulated over the last eight or nine or 10 years in Saskatchewan, as it has in Manitoba and Alberta and in Wyoming and in Idaho, the one thing that all those institutions do not want to see happen, and in Saskatchewan, I'll use the example, is 11,000 farms go on the market.

They know it makes no sense. You know it makes no sense. I know it makes no sense. It would just erode the positions in terms of the equity of all the holdings in their agriculture portfolio, would set up a vicious reaction, this vicious circle. And of course, that's exactly why we're bringing a Bill like this before the House, to help save and create some security out there in the farm service sector.

And as you may or may not recall, when I was speaking in second reading on this Bill, it's one thing to talk about how this Bill may or may not put cash in the hands of farmers, and how it may handle in a technical sense writs of execution, agreements for sale, and mortgages, and so on, and so on. But the one fundamental thing, and if you had talked to any number of farmers out there as we have done on this side of the House, you would find that really deep down, that is as big a problem as any of the things that we've talked about here tonight, barring the weather, and markets, and monetary policy; what we had developing in Saskatchewan was uncertainty, a feeling of insecurity, a feeling of fear and despair, and with this Bill that we can create some certainty, some security, and some hope. And as I believe it was Mr. Estey identified, almost 50 years ago to the day in 1934, that if the spirit of the people and the morale gets broken, then it doesn't matter what else happens, because they view that as an insurmountable obstacle.

And so if nothing else with this legislation, we are trying to restore some hope, and some confidence, and some certainty, and some security out there in the farm sector. And that's an intangible kind of thing. It's not something that you can attach a number to it, but it is so very important, the spirit of the Saskatchewan farmer. It must not be broken, and we will not allow it to be broken.

Mr. Sveinson: — Well I thank the minister for reading some of my debate last night. because I think that consequently he understands that the market-place in Saskatchewan has been severely eroded in the last three to five years, and that they have contributed to that erosion.

He also suggests that my last, as I was in debate just a few moments ago, that I made some broad typical generalizations. And he outlines that those generalizations were made about the Farm Credit Corporation, about the banks, about the lending institutions, and even about the farmers. Well I would like to suggest, sir, I think I heard in question period or in previous debate that you didn't discuss this Bill with the bankers.

Now I assume that if any broad generalizations were made, they were made by you and your colleagues with respect to just how the banks may, in fact, entertain this Bill. And I certainly have discussed this Bill with some bankers, friends of mine. I haven't talked to any that are pleased with what's happening . . . (inaudible interjection) . . . And certainly, I have bank managers that

are friends of mine; they're people.

This government tends to treat everyone as a big number. Well the big number we're discussing in this debate is about 1,000 farmers who were two years or more behind or more in their payments; about another 6 or 8,000 farmers who were in serious financial trouble.

And your reaction, Mr. Minister, has simply been that we gamble with the prices of the commodities. Are you suggesting to the farmers that their next loan be spent on the Winnipeg grain exchange or the Chicago grain exchange? That they play the market either up or down, or wherever, and wherever it lands that maybe they can finance the operation that they're presently farming with? Are you suggesting that? You're also saying we should gamble with the weather. Well I'm not certain that there's any place in the world where you can place bets on the weather. I don't think even Vegas allows that.

So I think that kind of reaction to, in fact, establishing exactly what this Bill doesn't do . . . You've outlined that there has been in the market-place, and certainly in the farming community, a great deal of — in using your own words — uncertainty, fear, and despair. Well this Act has nothing to do with turning that situation around. All it does is compound the uncertainty. It compounds the fear. It compounds the despair. Because many of these farmers who are in financial difficulty are going to find themselves in the throes of bankruptcy and in the throes of foreclosure, are going to find themselves in the throes of bankruptcy and in the throes of foreclosure, because the board is just going to act immeasurably against the farmers who haven't made payments for a long, long period of time. It's just good common sense that that they would. So this Bill hasn't helped those gentlemen. The other people who are finding their way into this great morass of debt, this Bill doesn't address their problem.

So we've already agreed that 95, or 90, or 85, or 80 per cent of the farmers out there — and, I think, to quote other figures, it's approximately 80 per cent who are without debt problems — certainly, they aren't facing the world today with uncertainty, fear, despair, and all those other things and those tools you like to use as a government. But those 20 per cent who are having a great deal of difficulty, and those farmers that we've outlined in debate tonight, they are still facing that difficulty. And if the minister cares to, I would like him to demonstrate how this Bill addresses those problems, because he certainly hasn't endeavoured to do that in debate to this point this evening.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I don't know if there is much more that I can add to the hon. member's questions that I haven't already said. As relates to controlling weather, you know, I have said it, he has said it: nobody has control over that. I guess the comment I would make there is that if all the money that had been spent in drought programs in the last 80 years in this province had been directed at some of the things that we've done in the last year in terms of drought-proofing the province with irrigation development, \$100 per acre grants, maybe we wouldn't have some of the problems out there, at least in the drought stricken areas, that we have today, or at least they might not be so severe.

(2015)

Mr. Sveinsson: — Your answers don't even relate. I thought possibly initially this was some experiment in macroeconomics. We've got an economist that's the Premier. I thought possibly we were looking at using some of our Saskatchewan farmers as guinea pigs, but I can't even see logically how this problem or this Bill addresses the problem of economics in the province. Maybe you could expand on that. Is this basically a new endeavour into a field of macroeconomics, and is it a situation that's testing the Saskatchewan farmer to see if some of your new ideas may work? You've said many times in debates that you're not sure whether they will work. And I would agree with that. Certainly there was very little research done to establish any possible scenarios that might be attributed to this Bill.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member. In so far as this legislation being an

experiment, or whatever, it certainly is not. In 1971, I think the extreme and radical kind of legislation that the NDP proposed then and proposes now was viewed by them as experimental legislation. In fact, the attorney general of the day, who carried the Bill then, described it himself as experimental. This is not experimental. And in fact, any time that one has to resort to this kind of legislation in Saskatchewan, you know that agriculture has a serious problem. and I'm not just talking about 1970-71; I think we can go right back to 1914. And although the reasons may differ: world wars, gluts, weather, or whatever, the bottom line is that when you have a serious situation facing Saskatchewan agriculture, you have to take serious measures.

Mr. Sveinson: — Well if the Bill isn't experimental, can you give us some example of where this type of legislation that doesn't include assets . . . The bank can still seize any of the assets the farmer requires to complete his farming operations, whether they be seeding, or harvesting, or anything in between. Could you outline maybe an example, somewhere in the world, where this legislation has actually worked in the interests of farmers?

Hon. Mr. Hepworth: — Mr. Chairman, and hon. member. I suspect that one could probably right back to 1914 when this kind of legislation was first put in place in Saskatchewan. And I suppose one could make the case that back then that some farmer, some farm, some farms, were in fact saved. And today one could probably go out in the Saskatchewan landscape and find those farms being carried on by a third, or a fourth, or maybe even a fifth generation.

Mr. Sveinson: — Your colleague in Alberta, Mr. Fjordbotten, again says that the moratorium doesn't address the farmers' real problem, which I would expect that a Bill that is passed through this House should address. Your own colleague in another province suggests that, no, this Bill doesn't address the problem. Well possibly you have some insights that Mr. Fjordbotten hasn't got, relating to the content of Bill 1. And if that's the case, I would like to hear it now during committee, so that if, in fact, it isn't supported by any good reasoning or any good research, that maybe the Bill can be changed to entertain some of the difficulties that farmers are experiencing in Saskatchewan.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member. I think the principles, the concepts of the Bill have been debated at length by myself and by yourself in second reading. I think I have indicated to you in more than one question, in reply to more than one question tonight, the rationale, and I don't think I can add any more.

Mr. Sveinson: — Well, I can appreciate you can't add any more, because so far in debate, you haven't said anything. Now, if there's nothing in the Bill, why not admit it, Mr. Minister? And there essentially isn't anything in the Bill.

Now, you know you've outlined that the solutions are the weather, the market, they're everything but what is printed and is part of Bill 1, that has been debated here so actively as the panacea or, at least, part of an answer for those farmers who are in great difficulty. And you've alluded earlier to the fact that one way it's going to help the farmers in Saskatchewan is simply by their numbers.

There's thousands that are on mortgages in the province, and they can all entertain the idea of not making their payments. You've outlined that that's one of the solutions. Well, that's a non-solution because, as we all know, most farmers in this province who can make their payments, will make their payments.

The problem that has been outlined by the farmers, that I've discussed these problems with, is simply interest rates, the major problem. As well today, facts and figures came out on farm expenses. By far and away the greatest farm expense suffered by the farmers of Saskatchewan in 1984 were interest rates. Interest rates have developed the problem to the point where we now have over 600 farmers with the Farm Credit Corporation alone who are suffering to the degree that they have not made a payment on their farm mortgages for over two years.

And you're suggesting that the answers are to be found in terms like despair and fear, and turning these around with a Bill. Well, there isn't any meat in the Bill, so again there's a great difficulty with your argument when you suggest that the answers are in the Bill, and, in fact, upon close scrutiny, we find that there aren't any answers in the Bill.

So I would ask you to answer the questions relating to interest rates, Mr. Minister, and how, in fact, as a result of the input that farmers must make to the banking institutions and those people that collect those interest rates . . . It's become the number one expense in Saskatchewan, in the Saskatchewan agricultural economy, and it relates to an expenditure of over \$600 million in 1984, over \$600 in 1984. And how you are going to turn that cost around, Mr. Minister, so that the farmers, who are in difficulty and those that are arriving at the same position, can, in fact, realize some hope and be removed of the threat and the despair that it creates within family units and within communities?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, as you've pointed out, certainly interest rates are the number one cost out there. The number, as I understand it, the estimate, in fact, even for 1984, is not 600 million; it's 440 million, and I would argue that, in fact, it's not even interest rates today so much that's the problem, but the interest rates that we endured during the 70s and the early 80s.

Mr. Sveinson: — Well, I can appreciate that, Mr. Minister, that there may be some error, but there's also a great number of farmers out there who are paying interest rates to an individual investor who, in fact, has sold his land on an agreement for sale. I'm not so sure that that's been included.

My figures indicate it's an excess of 600 million. I think you will acknowledge, Mr. Minister, or will you acknowledge, that interest rates have become the number one expense faced by farmers in Saskatchewan? Do you acknowledge that fact?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, yes.

Mr. Sveinson: — Well, we're finally making some headway. The minister actually does agree that there is a problem and it relates to interest rates. Now, can you outline, Mr. Minister, in your Bill . . . I see the minister is leaving the House. Well, he's coming back, so . . . Anyway, Mr. Minister, would you outline in this Bill how you anticipate that the number one expense faced by the farming community in Saskatchewan will, in fact, be addressed by this Bill?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, as I've stated before, this Bill will provide some breathing room and during that time a number of things could take place, restructuring, deferment, voluntary deferment by the banks of interest expenses. That would be one possible way I might see how this would impact on interest rates.

Mr. Sveinson: — Maybe you could define some of your terminology, Mr. Minister. And I find some difficulty in the terminology, the political terminology you're using relating to breathing room. And you're suggesting the Bill offers some breathing room. Now, can you relate to me, Mr. Minister, how breathing room relate to interest rates, relate to farm debt?

Hon. Mr. Hepworth: — Mr. Chairman, the interest rates that farmers have endured, for example, on a half a million dollars during the '70s, have accumulated to a very large degree and, in fact, that has become part of his debt.

Mr. Sveinson: — Well, I don't think the minister has answered the question. It's a matter of terminology. He's used the terminology, "breathing room," all evening as it relates to the Bill. Now, in the Bill I don't find that specific terminology of breathing room. And I've just asked the minister to define the terminology so that, basically, the farmers of Saskatchewan can

understand what he means when he suggests that the Bill offers him some breathing room?

Hon. Mr. Hepworth: — Mr. Chairman, the Act does not allow for, except in certain instances where they give notice, etc., for foreclosure actions to proceed for 13 months, minimum. That is my definition of providing breathing room.

Mr. Sveinson: — So breathing room is, essentially, delaying the inevitable as it affects his debt? So what you're saying, Mr. Minister, as the minister of the Crown, that one year down the road, which is January 1, 1984, or 1986, I'm sorry, that this breathing room will become a stricture. And he will not be able to breath at all because of the compounded debt that he realizes at the end of that period. And that certainly his bank managers, or the bank managers that he has the discussion with will realize at the same time that if he can't pay his bills in the last two years, how will re-structuring his debt suffice to allow him to pay his debt in 1986.

So are you suggesting that January 1st, 1986, for many of these farmers, their breathing room will be cut right out?

Hon. Mr. Hepworth: — No.

Mr. Sveinson: — You must have . . . There must be some plans, or maybe a secret agenda for farmers in this province. And if that secret agenda isn't tabled in the Bill, maybe you could allude to some of the factors that are within that secret agenda because come January 1, 1986, if we don't have a dramatic increase in the price of the commodity, if we don't have a dramatic increase in the yield of their crops, the farmers that are, in fact, expecting some help from Bill 1 are going to require some secret agenda that you have, in fact, saved for that fatal day.

Can you maybe outline a little or allude to some of the secret agenda that you have for these farmers, Mr. Minister?

Hon. Mr. Hepworth: — Mr. Chairman, I have no secret agenda, but I suppose there might be a secret agenda in so far as I have no idea what interest rates, weather, or world markets really will be in 1986.

Mr. Sveinson: — Well, you've indicated to the House, though, Mr. Minister, that that's what we're depending on in order to deliver the answers that the farmers are waiting for. You've outlined that in debate tonight. So if, in fact, you don't have a secret agenda, are you really just admitting that Bill 1 is doing nothing for the farmer of Saskatchewan? I suggest that that's what you're saying.

Hon. Mr. Hepworth: — Mr. Chairman, no.

Mr. Sveinson: — Well, I see that the strategy of the government is now to answer their questions with single words. Their Minister of Agriculture couldn't handle the answers because he doesn't have any answers, and his eloquence in speech is not of the quality of maybe the Minister of Justice, who is able to come into this House and twist the truth a little in any area. And I'm . . .

Mr. Chairman: — Order! I would ask the member to stay on the Bill.

Mr. Sveinson: — Well, I wasn't really off the Bill, Mr. Chairman. I was just relating to how our eloquent Minister of Agriculture, through his answers this evening, has failed miserably in outlining for the farmers of Saskatchewan exactly what Bill 1 does for them.

They've also had, I think, they've also had some fairly obvious help from the press, because I haven't seen in the local press any indication that there isn't anything in Bill 1 for the farmer.

But I will say that some of the associations that you indicated that you discussed this legislation with are certainly not supportive of this particular Act. Now if, in fact, as the minister says, he doesn't have a secret agenda for the farmers in Saskatchewan, could he possibly expand on how the Minister of Agriculture reacted to the Bill, and, in fact, whether maybe the secret agenda that the Minister of Agriculture in Ottawa has for the farmers of Saskatchewan will alleviate the problems that this Bill does not address?

(2030)

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, in so far as how the Minister of Agriculture in Ottawa reacted to this specific piece of legislation, as I read his comments in the newspaper, he said he respected it.

Mr. Sveinson: — Well that's an interesting answer. He respected it. I suppose the question could be he probably respects his family dog as well just as much as he respects your particular Bill. That doesn't tend . . .

And I'll say that unless we do get some answers, Mr. Minister, that I'm prepared to support the debate with questions that do require answers because the farmers with this problem are waiting for answers relating to Bill 1.

And getting back to the secret agenda that has recently been tabled in Ottawa relating, of course, to other matters, I would suggest to the minister that possibly, relating to the fact that there isn't any content, there isn't any meat in Bill 1, that there has to be a secret agenda somewhere for Saskatchewan farmers.

We've been in session now for close to four weeks. My understanding was it was called together to give fairly concise and fairly beneficial direction to Saskatchewan farmers who are suffering the plight. As we outlined earlier, the plight is directly related, directly related to extremely high interest rates over a fairly extended period.

Now through your own admission, Mr. Minister, you're also suggesting that you don't know where interest rates are going to be in 1986, and I suggest that that is absolutely right. You don't know. But you didn't know what interest rates were going to do in 1985 or '84 for home owners, but following the election you were willing to address the problem of interest rates. And you did so very aggressively.

But on behalf of Saskatchewan farmers who are now suffering, not only a plight of high interest rates, but also, because of a lack of initiative in the market-place, they've suffered very dramatically from a loss in value, from a loss in value of their farm assets. And you alluded to that earlier yourself, Mr. Minister. You indicated that, yes, their farm assets, their base in farm land has dropped considerably over the last . . . Even during your tenure, I would suggest that farm land in the Regina heavy clay area has probably dropped in the neighbourhood of 25 to 30 per cent in value.

So that the difficulty has again been compounded by the lack of activity in the market-place that you recognize but fail to deal with. You fail to address that lack of activity with any programs that might demonstrate initiative and allow young farmers to get into the market-place, that would also maintain some stability in the value of farm land in Saskatchewan.

I think we'll all agree that there were some extrinsic factors that were affecting the market-place in the late '70s. This government eliminated them. They were in the form of foreign buyers. The foreign buyers did, in fact, affect the value of farm land in Saskatchewan. The foreign buyers were eliminated in 1979. The government was eliminated in 1982 from the same market-place, creating a glut of farm land that would, in fact, under normal conditions sell, but, as a result of those two actions, there was a dramatic drop in the value of that asset.

So, combined with all those factors, you have a government now that's suggesting that they don't have to make their payments, and that's the only answer that's required. Well I suggest to you, sir, that that isn't the answer because the problems are so serious that this will not even brush the surface.

It'll tend, I suppose, politically to maybe draw it down the road for four or five months so you can hold an election. And if that's the case, if that's the intent of the Bill, why not express it? Why not tell us? Why not tell the people of Saskatchewan exactly what you're doing?

So I would just ask the minister if he can outline any programs, any programs, any initiatives this government may have that will, in fact — or could, in fact, through Bill 1 if, in fact, the Act were amended — would at least contribute to some stability within the asset base of the farmers of this province.

Hon. Mr. Hepworth: — Mr. Chairman, the hon. member raised the issue of secret agendas. And from what I can tell, from what I can tell, the issue in this House today, in a different kind of a way, I suppose, is this, Would the hon. member share with us his secret? Is he still a member of the Liberal Party?

Some Hon. Members: Hear, hear!

Mr. Sveinson: — Well, the government can address . . . Again, I suggest to the member that he can approach this Act in any frivolous manner that he pleases. And he can attack me personally in any frivolous manner he pleases. And members of the government can attack me in any frivolous manner they please. But that still doesn't answer the questions that farmers have, and that farmers will continue to have, relating to Bill 1.

Now I asked you, before you got up and attempted very poorly to address with some frivolity my intentions within this House, I asked you to outline some of the initiatives that this government may have to maintain some stability with respect to the fixed assets of our farming community in Saskatchewan. And if the answer was the answer the minister just gave, I would suggest that time will tell. This gentleman will not be around for too long. And time will come soon because the answers have to come out of this House that relate to this Bill. Because there isn't another — there isn't another forum. There isn't another forum, Mr. Chairman, in Saskatchewan where these answers can be asked. The questions can be asked. And I'm here in all sincerity.

I'm here to ask, I'm here to ask the Minister to lay out that secret agenda that he speaks of and to let me know, and let the people of Saskatchewan know, exactly where there are initiatives planned to maintain some stability in the market-place on the fixed assets of our farmers.

Hon. Mr. Hepworth: — Mr. Chairman, I think we've got to step back a little bit and look at the issue, in fact, that we're dealing with. The issue that we're dealing with is that there is a serious problem in agriculture laid to burdensome debts essentially. And in times like this, I think it behoves us as responsible politicians to say, yes, perhaps we all have to give a pint of blood to help save farming and agriculture.

And I know that the hon. member has some difficulty with that concept. At least, I believe he has some great difficulty with that concept. because as I understand from Tuesday, December 18, 1984 edition of the *Leader-Post*, and they quote, and I quote from the article; it says here, and I quote, "The Liberal said," and the Liberal referring, Mr. Chairman, to the hon. member across the way, Mr. Sveinson:

The Liberal said, however, that he will fight for a pay raise for himself and other MLAs despite the agreement between government and NDP Opposition to freeze

increases.

Mr. Speaker. Now I say to you, Mr. Chairman, and all members of this House, does that sound like a responsible citizen given the serious agriculture situation facing us today, and he wants more money for himself. Is that responsible, Mr. Chairman. I ask you? No, it's not.

Some Hon. Members: Hear, hear!

Mr. Sveinson: — The Minister is almost laughable. He's almost laughable. The Bill before us — if we might get off the topic of Bill 1 for a moment, and you colleague just did, which is Bill 11 — doesn't offer us any pay increase. It's tied to an Act already available to the House.

Mr. Chairman: — Order! Are you challenging the Chair? The question before the Assembly is Bill No. 1 — An Act respecting the Security of Farm Land in Saskatchewan, and I would ask the member to keep his questions in line with that Bill.

Mr. Sveinson: — If I can get back to the question, Mr. Chairman, that I asked before the outcry of the Minister, I get back to the question of farm security and the basis of fixed assets on the farm, and how they've been eroded, how they've been eroded, not through any mismanagement in most cases, but they've been eroded by high interest rates, by high debt ratios. and he suggests that my behaviour behooves him as a responsible politician. If, in fact, stand in this House and ask him to outline initiatives that relate . . . (inaudible interjection) . . . He hasn't. He has not. He has not related any such initiatives that will support the fixed asset base of farmers. And I do not see anything in Bill 1 that relates to that fixed asset base.

And the minister suggested earlier in debate tonight, earlier in debate tonight that that security would be protected. Now I ask the minister again, for the fourth time without an answer, whether he would answer that question and outline the initiatives, the initiatives offered the farmers, or that will be offered the farmers to protect that security.

Hon. Mr. Hepworth: — Mr. Chairman, I think quite frankly, given the hon. member's track record, I can understand his preoccupation with security.

Some Hon. Members: Hear, hear!

Mr. Sveinson: — Well, I'm not so certain what the gentleman is referring to from across the House. But now their whole answer to the farming problem is my response to a debate on a Bill that's before this House that has nothing to do with the farming problem. They're suggesting, and the minister of Finance suggests, oh, yes it does. I say, oh, no it doesn't.

We have not had answers to the questions that I've aired tonight, Mr. Chairman. And I would ask that you would ask the House to, in fact, demonstrate a little more decorum so that the minister can hear my questions. And I sit down on that point or order. I would ask you, Mr. Chairman, to ask the House for a little more decorum while I'm asking my questions. I have a member beside me again tonight, as I did last night. He's out of his own seat. He's certainly here for no other reason than to heckle me as a member. And I would ask to have him removed, and ask you, Mr. Chairman, to ask for more decorum in the House.

Mr. Chairman: — Order! I would ask members on both sides of the House to keep a little more decorum. It's very hard to hear, difficult to hear.

Mr. Sveinson: — Thank you, Mr. Chairman. I getting back to the issue, and the difficulties of farmers — and for the benefit of the member for Regina South — he asked me where was I. Well I haven't seen him in the House on very many . . .

Mr. Chairman: — Order, order. The member from Regina North West knows very well that he's not supposed to refer to any members, whether they're here or not here. He's not supposed to make that reflection in the House.

Mr. Sveinson: — Thank you, Mr. Speaker. I appreciate you reminding me of that difficulty. I must say that there's been a great deal of noise in the House this evening, and I was just reacting to some of that noise from the member opposite.

But getting back simply, getting back directly to the Bill that we're discussing this evening, which is Bill 1, and the content of the Bill, there are a host of farmers in Saskatchewan tonight, and the minister has agreed, who are facing some grave financial difficulties.

The Farm Credit Corporation today outlined that there are 600 of their clients who are presently suffering from a problem wherein they haven't made payments on their mortgages for in excess of two years. So we realize the problem is fairly serious. Both sides of the House realize the problem is very serious, Mr. Chairman, and I'm asking the minister, because of statements he made earlier in debate wherein he suggested that security for farmers would be, in fact, part of the Act that they have tabled today, and the result of this Act would be security for farmers, and that fixed asset base that they have would not be eroded, would not be eroded as a result of this Act.

Now I've demonstrated that already we have, in our community in Saskatchewan, we have banks that are turning down mortgages because of Bill 1, and it's not yet before, it's not yet legislated, it's not yet an Act that does, in fact, affect anyone in the province, and already the banks have responded to this Act very negatively. And that type of negativity affects the value of farm land because the buyers are no longer in our community who can buy the land without credit.

(2045)

And I'm just asking the member from Weyburn, the Minister of Agriculture, once again, if he could outline some initiatives and some areas wherein the basic security that all farmers depend on for borrowing money could be, in fact, improved as a result of Bill 1. And I wait for the member's response.

Hon. Mr. Hepworth: — Mr. Chairman, I think we can . . . I could rehash many of the comments I've made, not only tonight and this afternoon, but, in fact, over the past several days in this legislature, but I will not. I think, suffice it to say that the hon. member and this government do not agree on the agriculture policy, or for that matter on what he should be paid. And so I think it would be best, this House would be best served, if we just agreed to disagree.

Mr. Sveinson: — I can't understand how a minister of the Crown can act so absolutely irresponsibly, Mr. Chairman. He involves me as part of this debate. I am not part of this debate. I am only a single member in opposition, and I am only requesting answers, and reasonable answers, from a minister of the Crown who is responsible to the people of Saskatchewan. And he has not answered in the debate anywhere that he could find or demonstrate exactly how Bill 1 will protect the security of the asset base of Saskatchewan farmers. And that is simply my question, Mr. Minister, and I request that you answer that question, and I'll sit down and listen for a response.

Hon. Mr. Hepworth: — Mr. Chairman, by preventing, for example, 11,000 farms from going on the market and greatly reducing the value of farm land out there, I would suggest to you that in fact we will be providing some support to their asset base.

Mr. Sveinson: — Well, the minister is at least initiating some response to my question. Now he suggested that stopping the marketing of 11,000 farms in Saskatchewan contributes to the

answer. I would ask him to expand on that a little bit, relative to the economic realities in Saskatchewan, as to the fact that if you do nothing, you do nothing as a government, you're saying if you do nothing as a government, you will, in fact, maintain the security base, the fixed asset base to the farmers. I would ask you, Mr. Minister, to expand on that illusion. And that's exactly what it is — is an illusion.

Hon. Mr. Hepworth: — Mr. Chairman, I don't know as there's much more I can add to my statement, thank you.

Mr. Sveinsson: — Well, I can see that the Minister of Agriculture in our committee has decided to no longer answer any questions. He answered the question, and I suggest to the Minister of Finance, I have to — there's no answers forthcoming — but how can I phrase it in a different way? I haven't received an answer to the question.

He just stood and said that the answer to the farm security situation in this province is not letting 11,000 farms onto the market. Now that does not put one single farmer into the market-place to buy land; not one single farmer. And you don't secure a market-place unless there are people who are sellers and people who can buy what they're selling, and this Bill 1 does not do anything to contribute to that position.

In fact, as a result of section 9 of Bill 1, we're going to find that farm foreclosures, in fact, may be accelerated. We've got 600 farmers who will go before that board and likely be subject to foreclosure. So we may have — and that's only with respect to the Farm Credit Corporation. So if the banks in the province have at least as many, we may find ourselves with 1,200 farms on the market at any rate.

The member from Prince Albert suggests I'm talking nonsense. Well, it isn't nonsense, sir. It's political and it's also economic reality that I'm talking, and this government has not answered that political or that economic reality.

Now I ask you once again to demonstrate through your Act, through Bill 1, exactly what you mean when you suggest that by not putting 1,200 or 12,000, or how many farms — I can't recall the exact figure you gave me — by not putting those on the market, you, in fact, ensure the security of the farmer in Saskatchewan.

Where are the buyers? Who, in fact, is in the market-place buying farm land? It's already been demonstrated by the banks in Saskatchewan that they're not lending money for new farm purchases. If, in fact, you answer is correct, sir, and if it is, I'll take it as read, I would ask you to expand on it and demonstrate how that, in fact, improves the farm security base in Saskatchewan. And I suggest that you cannot do it, sir.

Hon. Mr. Hepworth: — Mr. Chairman, I believe that, for example, were several thousand farms allowed to go onto the market, that we would see the value of farm land drop dramatically and that, I think, is how I would demonstrate to you how I think this Bill helps the asset base out there, and I would ask you to demonstrate to this House some responsibility.

If you think that this filibuster — if you think that by this filibuster you are going to hold this House or this government up for ransom for that unholy dollar that is so important to you, you are wrong.

To us, to virtually every member of this House, the farmers of this province are very, very important, and their welfare is very important to us. And if you want to hold them up for ransom for that unholy dollar, you must live with that in your conscience.

Some Hon. Members: Hear, hear!

Mr. Sveinson: — Well, Mr. Chairman, I'm holding nobody up to ransom.

My goodwill as an opposition member does not run this House. And that's the inability and the lack of leadership, the lack of leadership of this government respecting the goodwill of the opposition.

And this member, the Minister of Agriculture from Weyburn, just indicated that . . .

Mr. Chairman: — Order, order! It's getting very noisy in here. I would ask members to return to their seats. Heckling from other members' seats is certainly not parliamentary. I would ask them to, if they want to say something, to say it from their own seats. The debate continues.

Mr. Sveinson: — Thank you, Mr. Chairman.

But the question that the Minister of Agriculture just posed to me was a solution, and it was a solution in the form of a question. He suggested if they don't put the land bank farms on the market, that that in fact establishes a security that other farmers can realize. And I can't recall the numbers of farms, but I think it was 12,000 that you indicated, or 9,000.

Well, I suggest to you, Mr. Chairman, that conversely that if farming was attractive, if farming was attractive and conversely if farming was attractive . . . If you, in fact, put those farms on the market and you were, in fact, to give credit to those young farmers who would like to farm, that that 12,000 farmers would not affect the security base of farmers in this province.

But you have not got any solutions for those young farmers who would like to get onto that land. They are being refused, and you see yourself. I'm sure you've had to answer calls from young farmers who have been refused credit so they are no longer able, they are no longer able to get onto that land and farm it.

And earlier in debate, Mr. Chairman, the member from Weyburn, the Minister of Agriculture, indicated that one of the results of this Bill was to ensure the security of farm land and the asset base of farmers in Saskatchewan.

All I've done is ask him to ask that member, the Minister of Agriculture, to expand on those initiatives. And one way to expand on those initiatives is to offer some, in fact, guarantees to those young farmers, who want to get on the land, that there is money available. That there is money available. In fact pay down interest rates to expand, pay down interest rates to expand the numbers of people that qualify for mortgages for farm purposes.

So I'm asking the minister once again. he's had an opportunity to answer the question several times. He's done a very abysmal job at best. I would ask him once again to rise and answer the problem of farm security and how it relates, somewhat if you could, Mr. Minister. Could you get back to Bill 1 and demonstrate how it relates to Bill 1 respecting security of farm assets, particularly those fixed assets this Bill applies to.

Hon. Mr. Hepworth: — Mr. Chairman, as I said earlier, I think there's little that I can add to my previous comments in terms of further clarification for the hon. member. Certainly I think detailed responses to specific clauses, I think, we can provide as we move through individual clauses.

Mr. Sveinson: — Well, just coming back to the question. If what I heard is correct, and maybe the member from Weyburn can answer this, but he suggests that the answer is, to protect farm security in Saskatchewan, not placing land bank land on the market-place. Is that what I heard, Mr. Minister?

Hon. Mr. Hepworth: — Mr. Chairman, no.

Mr. Sveinson: — Well, Mr. Chairman, my recollection I don't think is that short. And I'm sure that just moments ago in this House that that member said that by not placing land bank farms on the market that this government was showing and demonstrating to the farmers of Saskatchewan that they were willing to protect the asset base, the fixed asset base of farmers as it applies in this Bill, which is the land base, which is financed by those farmers in Saskatchewan who require mortgages. If that's not what the minister meant, would he please expand on his earlier answer, because that was part of his earlier answer.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think there is little that I can add to my previous answers.

Mr. Sveinson: — Well, in that case, member from Weyburn, what you're actually saying is that there's nothing in this Bill that contributes to the short or the long-term security, and the security of the asset base of farmers in Saskatchewan. That's exactly what you've said.

And I would suggest to you that that is a concern and a dramatic concern to farmers in Saskatchewan. The chairman's a farmer. He can understand that if you look at the total number of acres in the province and the total value, if they suffer another 10 per cent drop because of a credit factor that is no longer available, that could be, in fact, upwards of \$2 billion lost to our farming community in assets that the minister earlier suggested could be financed.

Those assets they take to the banks, Mr. Minister. And in an answer that you earlier gave this House, you suggested they take their asset package into the bank, and lay it on the table, and re-define their mortgage needs or their credit needs. And that through a lot of talk and discussion, and because of this Bill and the fact that it allows him an extra 13 months to talk and discuss this Bill, to talk and discuss their own credit needs, you're suggesting that, yes, there will be a magic solution. The banks are going to find that there's a greater asset base than they initially anticipated.

I'm suggesting to you, Mr. Minister, because of a lack of credit out there and the diminishing number of buyers in the farm land market, that their assets are also diminishing, and that the bankers do, in fact, use that as a base in which they assess any farmer, whether he's in trouble or whether he isn't, before they loan the money.

I would ask you, Mr. Minister, if that's your answer, what input or what guarantees do you have from the banks that any further discussion by the people suffering in our communities from a lack of ability to pay their mortgage bills; how the bankers have reacted; and what guarantees are they giving you that this package will be expanded, and their difficulties relating to financing will be solved? Can you please answer that, Mr. Minister?

(2100)

Hon. Mr. Hepworth: — Mr. Chairman, as would be pointed out in the Farm Credit Corporation survey, the report of which I tabled in this House this afternoon, perhaps, when the hon. member was not attending. It points out many things. But one of the things it does point out is that, if you compare the January '81 survey result with the January '84 survey results, you find that the asset base in Saskatchewan went up 16.3 per cent in between those two periods. And that's quite different than what happened in Alberta where it went down 5.6 per cent or in Manitoba where it went down 3.9 per cent.

And I would suggest that one of the reasons for that maintenance of those assets out there is because of the kinds of programs we've put in place, far-reaching, sensible programs such as the farm purchase program which, I would suggest to you, impacted on that maintenance of asset value out there.

Mr. Sveinson: — Is that maintenance of asset value you're discussing, is that only land, or is that their whole parcel of asset value?

Hon. Mr. Hepworth: — Mr. Chairman, that includes a total short-term, immediate-term, and long-term asset values.

Mr. Sveinson: — Well, I think the security that I've been relating to, in the last few minutes in debate, they are the fixed assets, the land assets of the farmer. and I don't know whether that demonstrates, clearly, that that land asset has been dropping fairly dramatically in value over the last five years.

But I can suggest to the member from Weyburn that it has. And he alluded to the problem himself when he indicated that any great number of farms what would be, in fact, introduced to the market-place, would further erode that value. And I just asked the member if what he is discussing is possibly something other than I'm discussing, and that's the fixed asset in land values only?

Hon. Mr. Hepworth: — In fact, the numbers for total long-term asset value are even better. And I would suspect that in virtually every case out there, that means land. The increase for the percentage difference, January '81 to January '84, was 16.7 per cent up. Once again, in stark contrast to Alberta, down 10.8 per cent; and Manitoba, down 8 per cent.

Mr. Sveinson: — Well, I can suggest to the Minister that relating to the sales values of land in this province, that that is not the case. That the asset in the Regina area has likely dropped 25 to 30 per cent. And the market has, in fact, been flooded in southern Saskatchewan.

Mr. Chairman: — Order, order. I find the member is getting repetitious in his questions, and I would ask him to move on to some new area of the Bill.

Mr. Sveinson: — Well, Mr. Chairman, I find that the member from Weyburn has been very repetitious with his answers. And he has not given me any answers to the questions I've asked. And if he would initiate at least some programs or some answers to the questions, I think as it relates to the assets base, it's very important. This Bill that is before the House . . .

Mr. Chairman: — Are you challenging the ruling of the Chair?

Mr. Sveinson: — No, I'm not challenging the rules of the House.

Mr. Chairman: — The member has asked his questions about assets many times tonight, and I've been keeping track, and I would ask him to move on to something new.

Mr. Sveinson: — Mr. Chairman, I've simply asked for some answers. And I suggest that the answers, which have not included any content, have not satisfied my questions. And I would just ask for a ruling from the Chair on the answers of the Minister of Agriculture. And whether or not my questions — whether they have been repetitious or not — if they are not answered, does that mean I have to move on to another area?

Mr. Chairman: — I have no control over the answers. I say the member is repetitious. I would ask him to move on to something else in the Bill.

Mr. Sveinson: — Well, we can certainly move into another area, Mr. Speaker. And I would like to discuss, for a few minutes, the farm families out there who are suffering greatly as a result of the financial difficulties that this government has partly contributed to. I certainly don't think that they have contributed in any way to the value of commodities. They may have some effect on the weather. I'm not absolutely certain that they don't have some effect on the weather, but they

certainly would claim to have if it rained.

I suggest that what is being done for these families that are facing these grave difficulties, whose choices have become only one, to leave the farm and to have the bank or the institution owning the land, and wherever their other debts are owed to, have them paid out with what's left?

What is the government doing for these farm families who are exposed to these grave difficulties?

Hon. Mr. Hepworth: — A number of things, Mr. Deputy Chairman, a number of things. A number of initiatives related to irrigation, interest rate relief, tax relief; but above all, we are providing them with a breather, and some security and peace of mind in knowing that their land will not be foreclosed on willy-nilly.

Mr. Sveinson: — I don't think the minister understood my question. It was relating to those people who are in a position where they aren't going to survive. And that Bill 1 contributes nothing to their survival. And I'm asking you if you have any programs or any initiatives or any ideas that these families could, in fact, come to your department with some hope that maybe relocation and other employment . . . You mentioned irrigation; you mentioned relief of interest rates. Maybe you can expand on that. As they leave their farms and as they, in fact, are going bankrupt, are you suggesting that you have programs that relate to irrigation and interest rates that will assist these people?

Hon. Mr. Hepworth: — Mr. Deputy Chairman, hon. member, yes. I'm suggesting that we have many programs that help many farmers.

Mr. Sveinson: — Well my question was specific to those farmers who were in the worst of difficulties. Now you suggest you have programs for many farmers. I think it's been outlined earlier in debate that the Bill before us, and outlined and quoted in the *Leader-Post*, only really affects, or only is designed to affect, those 2 per cent on the lower end of the scale.

What about the family that just quitclaimed their farm and just quitclaimed their assets, who are now moving into the city without likely much hope of employment? And you're suggesting to me that you have programs in place for these farmers. Maybe your programs relate to Bill 2. I'm not so certain I understand your answer. But if you would expand on it and give me some idea of where these families can find some hope and relief from that despair you alluded to earlier, I'm sure they would certainly appreciate . . .

Mr. Chairman: — Order, order! The question is out of order. It does not apply to this Bill. It refers to future legislation, and therefore the question is out of order.

Mr. Sveinson: — Mr. Chairman, I wasn't talking; I was responding to an answer from the minister. I wasn't relating to any future legislation. I was relating to an answer that he just gave me.

Mr. Chairman: — Order! The Chair heard perfectly well what you were referring to, and we don't want to go over that again. Would you ask a new question.

Mr. Sveinson: — A new question of the Minister of Agriculture — for those families who have suffered a quitclaim, that have just lost their land through the throes of difficulties that are in many ways no fault of their own, but they've become a problem relating to the social welfare and social good of our province, you are suggesting there are programs, there are programs in place that, in fact, generate some help for these people.

My question was: can you outline the programs that are available?

Mr. Chairman: — Order, order. I've already ruled that that question is out of order. If you don't have a new question, I'll go on to another member.

Mr. Sveinson: — Well, going on into an area that I suppose the government may be willing to face with a little more sincerity, and that is the serious doubt that this government has cast on their own actions to deal with the farming community. And the doubt is widespread throughout our community, and the doubt has only been further contributed to through this debate tonight, and certainly through earlier debate that was participated in by members to my right.

And earlier, the minister alluded, Mr. Chairman, to the fact that the basis and a part of what this Act will contribute to the farmers who are suffering most, he suggested to me that it's going to relieve those feelings of despair and doubt.

And I suggest that that is the greatest fear that this Act initiates, is the uncertainty of where the credit base will come from and how, in fact, that will erode our entire farming community.

I would ask the minister if he would outline within the context of this Bill, which is basically only applicable to mortgages on land, how this will, in fact, eliminate the doubt that is presently on the minds of our bankers, that is presently on the minds of our farmers, and is presently on the minds of many other businessmen in this province who depend directly on the farming community for, in fact, their livelihoods. I would ask the minister to answer the question.

Hon. Mr. Hepworth: — Mr. Chairman, I think I've already gone over that particular point, and the comment that I would make is that I think quite frankly that it's time the hon. member got his head around reality. I think what we're seeing here tonight is a disservice to agriculture, it's a disservice to farmers, it's a disservice to farming in this province and all the good people involved in it.

And the question is simply this: do you, or do you not want to help farmers today in Saskatchewan? Do you have the conviction to stand up and support the intent of this Bill? And that is to give those who have their backs up against the wall, a breather.

This display that you're putting on. this filibuster that you're putting on here is a slap in the face to every Saskatchewan farmer. It's a shameful display, and I think it's time you moved away from this display on intellectual confusion and started showing some intellectual conviction.

Mr. Sveinson: — Well, certainly the minister, through his own cerebral bankruptcy over a lengthy discussion tonight, has demonstrated that, while in fact, what he is suggesting that I am doing in this House in holding up a Bill, he's right. This Bill offers nothing to the farmers of Saskatchewan.

I don't think a one or a two hour delay that requires some answers should be responded to by the minister responsible in such an indignant fashion with an attack only on me as an individual. I think that's absolutely abhorrent, Mr. Chairman. And I would request of the member an apology for his outburst on a point of order, Mr. Speaker.

Mr. Chairman: — The member for Regina North West has raised a point of order. Can he clarify what it is?

Mr. Sveinson: — Well, I think we just heard that this member is suggesting that, as a result of some direct questions I've asked of this House tonight, over the course of not more than an hour, not more than an hour, that I am holding up a Bill, and I'm embarrassing myself and the farmers of this province And I suggest to him that he, in fact, retract that statement and apologize to me as a fellow member of this Assembly.

Mr. Chairman: — In the absence of — order! The rules of order apply to all sides of the House. There being no one else wishing to speak on this point of order, I find it has no substance. Would you please continue with your questions.

Mr. Sveinson: — Well, it doesn't surprise me, Mr. Minister, or Mr. Chairman.

But going into another area that maybe will help redefine some of the problems that the minister has outlined and that this government is committed to — but remember the old slogan that this government opened the doors of this province with. It's called: open for business.

I would suggest that Bill 1, and its difficulties that have been created relating to credit, has basically slammed the door on the "open for business" philosophy that this government so conveniently and so completely and so enthusiastically addressed the people of Saskatchewan with when they were elected.

They've drawn out of the annals of socialism another Bill that was introduced as an experimental parcel of legislation in 1971. They've pared it down so it doesn't help the farmers of Saskatchewan. And then the Minister of Agriculture suggests that I'm to blame for holding up this House.

I would ask him to expand on how this Bill relates to a philosophy, a Conservative philosophy, that demonstrates an initiative that will, in fact, contribute to an "open for business" attitude that Saskatchewan is presently waiting for, and doesn't presently completely understand.

Hon. Mr. Hepworth: — Mr. Chairman, I'm not so sure I heard a question there.

But I would say to the hon. member, and I would hope that the hon. member does, in fact, recognize there is a serious problem facing, not only farmers in Saskatchewan, but virtually farmers in all of North America today.

And there is no quick fix. This Bill, part of a package designed to deal with that cost-price squeeze . . . And I would hope that you have the conviction to stand behind those farmers and help them. And I would suggest to you that by providing a breather for those farmers whose backs are up against the wall, that this will not be a magic solution but will certainly give them the opportunity to survive.

You cannot, hon. member, you cannot legislate success. you cannot legislate survival. What we are talking about here is an opportunity. And I will stand here before you and answer every one of your questions through till the wee hours of the morning if you have the conviction to stand behind the farmers of Saskatchewan in their moment of need. I will be here till the wee hours of the morning if you will be here. And we will help farmers with this breathing space in this legislation, and let's get that out there for them. Do you have that kind of conviction?

Mr. Sveinson: — Absolutely, Mr. Chairman. On no uncertain terms I have that conviction. And I also have a basic understanding of the difficulties that can be faced by anyone in our community, whether it be farmers or business people, whether it be used car dealerships, or whether it be machinery dealerships. When a credit squeeze becomes part of a solution, yes, I can understand that there can be grave difficulty. And it requires some initiative and conviction in order to stand up and at least question the government of their own intentions with respect to the Act.

They've admitted, Mr. Chairman, that they don't have a quick fix. They've admitted the seriousness and the nature of the problem, which we all agree with. They've admitted, if we wait and we gamble a little with conditions out of our control, that the solution may, in fact, be arrived at.

The member from Weyburn, the Minister of Agriculture, indicated earlier that, relevant to the 1971 legislation, it wasn't long after the 1971 legislation was enacted that weather conditions and crop prices, commodity prices, rose rapidly enough to solve the problem. He suggested in debate tonight that that is the answer, that that is the solution to the problem. I'm suggesting it could be, very well be the answer, and I certainly think that it may be part of the answer, absolutely correct. But I still feel that Bill 1, Bill 1 does not contribute in any way, shape, or form, to a solution to a farmer who is two years behind in his debt payments. And we've also demonstrated tonight that there may be far in excess of 1,000 farmers in Saskatchewan who are in those difficulties.

The lending institutions have already given that farmer a two-year moratorium on his land payments because he's presently two years behind. Those people are not being dealt with equitably or fairly if, in fact, a solution is what this legislature is looking for. They are not being dealt with equitably, and they will not be dealt with equitably, because they still face — they still face a board which can say, yes, this gentleman is not a viable family farming unit; and yes, this gentleman should be put into a position where the bank can continue its foreclosure action.

That, I thought, was the debate. I felt, due to the minister's response on several occasions in this House, that that was the problem; it's the 2 per cent that are struggling to make those payments. Well they are, in fact, in a position already where the bank has, and the Farm Credit Corporation has given them the benefit of the doubt. They've talked this debt problem they've got, I'm sure, into the ground and not come up with an equitable solution because of factors that are beyond their control.

And these factors are again, high interest rates, drought, and other particular situations that may, in fact, occur to us in a farming region, such as excess rain in the north-east part of the province and, in fact, a late solution to that difficulty; and a problem, again, that was compounded by a lack of commitment by the federal Conservative government who could, in fact, with the promises they outlined in their last election campaign, offer most of the solution required if, in fact, they would deliver on those promises.

So in closing debate, or in fact, in closing my questioning . . . It certainly has been a debate because our member from Weyburn has chosen to stonewall the debate with non-answers, and government members have chosen to stonewall the complete debate on Bill 1 with non-answers. I suggest to you, sir, that yes, I have the conviction, and I will stand behind my convictions while we march towards some solutions for these farmers.

I'll continue to talk to them, and I'll continue to fight for them because I believe that there are some solutions that are immediate and could be addressed now, and those solutions are fairly simple and with respect to the element we're dealing with, and that is the Government of Saskatchewan. We are just short of cash as a result of the mismanagement of this government, and that, again, is part of the problem. It's certainly not part of the solution because without it we can't contribute to a solution.

So in closing, I will be responding to other parts of the Bill that we have before us while we go through it in point form, but I would suggest to you, Mr. Minister, that your answers this evening have demonstrated your ineffective ability to address directly the problems facing farmers in this province and, certainly, expand on the difficulty of that government to deal with the problems facing anyone in this province.

I would sit and listen again to the debate as it goes along in point form on Bill 1, and I'll be listening carefully for amendments placed before this House by this government which do demonstrate some political conviction, as the member suggests I don't have, some political will, as I suggest he doesn't have, in relating to the farming problems in this great province of ours that you're unwilling to address.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think we've made more headway in the last two minutes than we have in the last two hours. And I really do appreciate the fact that the hon. member has seen that this Bill, in fact, is no quick fix, because there isn't a quick fix out there, but, in fact, he has come on side and sees it for what it is, a middle ground common sense approach and part of a package, and it should not be viewed in isolation. And I predict great things will come as a result of his turn around.

Mr. Sveinson: — Just a reaction to what the Minister said: I haven't necessarily come on side.

Mr. Chairman: — Order, order, order. You're not entitled . . . Order, you're not entitled to rebuttal. You're entitled to ask new questions.

Mr. Sveinson: — Well, just in my preamble, I might indicate that as a result, and I do have another questions, Mr. Chairman. In my preamble, I will say that I don't see a great deal of conviction or good will for farmers demonstrated by this government in this Act.

And I don't believe that it's a middle ground for very many farmers. In fact, we'll be hard pressed. We'll be watching very closely to find any solution for any farmer that this Bill presents in the coming months.

And I would question any solution, because under the present circumstances, it doesn't offer any solutions. So I will certainly take my seat, Mr. Chairman, and listen to the debate as it ensues. But I do so under the caveat that this government should, at least, demonstrate its will and its conviction to introduce some amendments on their own behalf and on behalf of farmers of Saskatchewan, which don't contribute to the problem as the Bill I believe does, but certainly answers and offers solutions to the problems the farmers in this province face.

Clause 1 agreed to.

Clauses 2 to 7 inclusive agreed to.

Clause 8

Mr. Sveinson: — I would just ask the minister how he arbitrarily arrived at January 1st, 1986? I noticed that the Farm Credit Corporation extended a similar offering to the farmers, and it was January 15th, 1985. I would just ask the minister how they arrived at that specific figure? Was it just pulled out of a hat, or is there some definite reason, or do you have other announcements that will follow along with this Bill relating to that date?

Hon. Mr. Hepworth: — It's essentially one year, and it's the end of one calendar year and the beginning of another one. Certainly I don't know what the future holds for us in very specific terms. I will assume, however, that just as we've been through these cycles before, we'll get through them again. And I don't know how long this particular cycle — whether it's weather, commodity market, or economic — will last, but one year seemed to be a reasonable length of time to start with.

Mr. Sveinson: — Are you looking at — I realize it's not within the context of the Bill — but are you looking, Mr. Minister, at extending this program as you did another program relating to difficulties in the cities and towns of our province, and also maybe on some of the farms where mortgages are in fact a problem. Are you considering . . . It's in the Act.

Clause 8 agreed to.

Clause 9

Mr. Chairman: — Clause 9 there's a proposed amendment, it reads as follows:

Subsection 9(3) of the printed Bill is amended, (a) by striking out "continued or," and (b) by adding the following after a nullities:

and any order be it with respect to an action or proposed action, without any order pursuant to this section is void.

Is it the desire of the committee to pass the amendment?

Mr. Engel: — Mr. Speaker, would the Minister just walk us through this section slowly and try and indicate in a layman's term what that's going to do.

Hon. Mr. Hepworth: — Mr. Chairman, the — and I'm not just sure I'm clear on your total question — but the proposed amendment as I provided an explanation to you, will clarify that where a step in a foreclosure proceeding has been taken without an order under section 9, only that step is set aside, not that the whole proceeding is void right from the beginning. This is particularly significant with respect to any actions that were proceeding on December 4 to the day the Act is passed.

(2130)

Mr. Engel: — I asked you for it in layman's language to say what difference this amendment is going to make. I don't think you said that. If you did, say it in layman's language.

Hon. Mr. Hepworth: — The — and I'll try and put this in non-legalese if you like — that where there was an action in process the intent is not to — and the wording at this point in time would suggest, perhaps, that every step that had been taken would be wiped out. And that is not our intention. It is just to stop the action.

Mr. Engel: — That's just what I was afraid of, Mr. Minister. Let's go back a little bit in section 9, and that's the area of the Bill that makes it ineffectual and why I call this Bill window-dressing when you look at section 9.

As far as your legal advisers are concerned, if I would be a bank and have advanced to my colleague here, when he's in his process of buying land, \$100,000, and he bought a quarter of land, and he hasn't been paying me back, and I want to recover that \$100,000 under the Land Contracts (Actions) Act, how long would he, with a good lawyer — best lawyer in the province — how long would he be able to stall that foreclosure process without this Bill? You know, an average. How long of a moratorium would a farmer have with a the land contracts Act?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I don't think there is one single answer for your question. Every case has, I suppose, its individual idiosyncrasies that don't lend itself to saying, this is the length of time.

Mr. Engel: — Come on, Mr. Minister. Your advisers are as good as you can buy, and they gave you a better answer than that. Out with it.

Hon. Mr. Hepworth: — I don't know as I can say more. you're quite right, hon. member, in suggesting that these are the best legal advisers and the best officials that one could ever hope for. And their best advice is, that each case can vary, and there is no single, simple, specific answer with a good lawyer or a bad lawyer.

Mr. Engel: — Well, if you insist on taking a long time, we'll take it one step at a time. How quickly could I be able to get my \$100,000 back or the land? Under the land contracts Act, if I move with all due haste, and he wouldn't even have a lawyer, and things would fall into place,

how quickly could I recover my money under the Land Contracts (Actions) Act? With normal procedures, without a long appeal process, how quickly could it be accomplished? I know the answer, but I want you to tell us.

Hon. Mr. Hepworth: — Our best advice still is the fact that it varies with each case.

Mr. Engel: — Mr. Minister, would you agree that it's possible that in some cases, you could proceed and recover the money in six months?

Do you agree with that, that there's possible chance that a bank that's in a hurry to recover their money, and with due haste and mean as all get out, with no compassion for the farmer, could recover their money in six months? Do you agree with that?

Hon. Mr. Hepworth: — In extreme cases, yes. Six months could be a possibility.

Mr. Engel: — That's the fastest possible extreme. That's the insight. The land contracts Act says that any farmer has at least six months.

Now, if he's any kind of a lawyer at all that works on, stalls, and drags their feet, and delays and asks for repeals, and asks for time, he could take the farmer down the road and at least stall him for two years. Right?

So the time frame we're looking at under the contracts Act is that it could be accomplished in six months if the bank's in a hurry, and a good lawyer could stall him at the other side to two years. Is that right?

And why couldn't you give me that answer the first time? You know, back at 20 after when I first asked it? I asked you the question if a person could stall it out to two years. Is that right or wrong?

Hon. Mr. Hepworth: — Mr. Chairman, I think if the hon. member is trying to make the case that the Land Contracts (Actions) Act would do the job, if you like, I would be intrigued in his thinking in so far as why he was behind debt moratorium legislation.

I'm saying that this removes it somewhat, perhaps, from all the legalese if you like, and adds a bit more of a human element to it.

Mr. Engel: — It certainly does. It certainly does, Mr. Minister. What this bankers' Act is doing is all in section 9, and you amended it to tighten it up still more tonight. And what this Act does, in simple layman's terms, is a short cut for foreclosure. And you'd better stand up and admit it, because that's what you're implementing. You, together with your banker friends, have devised a neat little package here now where a farmer — before that committee would come in and say he's not a viable farmer — where this farmer, before you came along with your Bill and before you had all the good graces of this government to help them, here's the reason why we're not supporting your Bill. because this isn't debt moratorium Bill. This Bill is a short cut to foreclosure. It's a bankers' Bill under the most extreme conditions, under the most extreme conditions.

Under the tightest frame, with no lawyer around it, took six months to foreclose on a farm. Now, once this Bill is declared and once this Bill is passed, you can foreclose in 120 days, no questions asked. No appeal process in place. Nothing. Everything is wiped aside, and the bank has the free hand.

Back to the days of 1929 or earlier, back to the good old Tory days, the tough times for farmers; you've got legislation in place that makes it easy for a banker or anybody with money to foreclose on somebody that isn't paying his bills. Because all the committee has to decide that his farm isn't viable, and they can move in and, in 120 days, they've got it with no questions asked.

And deny that, because this is the bankers' Bill. Here's the clause that makes that Bill a beautiful piece of legislation. This is why Boyd Robertson isn't against that Bill. Because it gives him a short cut. It gives him a short cut to foreclosure.

If the minister thinks it's funny, if the minister think it's funny, my farmer friends, that have been dealing with the banks, don't. My friends, that have been dealing with the banks, don't. My friends that can't make their payments, that didn't get one nickel out of this government to help them to stay on the farm, that didn't get any pressure from this government to write down the loan to a reasonable rate. Where the banker advanced \$100,000 for some cattle, the guy put up his land for security; the bank got the cattle. The guy still owes \$180,000 even after he paid off \$90,000 on his loan, on a \$110,000 loan. I had examples like that with documentation.

And you are telling them with this Bill forget the red tape, forget the Land Contracts (Actions) Act, put it aside. We want to move in and get our money fast. You've done it. You've tightened up that little amendment tonight to put it in there to make sure there is no loopholes, no way out for a farmer, no course for repeal, straight under, and your staff know it, and you've put in this piece of legislation to do that.

Hon. Mr. Hepworth: — Mr. Chairman, the various parts of your questions and allegations, I think I could say, not true.

Secondly, I think I could say that we have in this Bill provided, and it has always been there, "plus an additional four months," if you like. And in fact, I think — and you alluded to Boyd Robertson — I wish I could say that Boyd Robertson was excited about this piece of legislation, but he is not, I assure you. And one of the reasons he's not excited about it is that this legislation, in fact, as it relates to land, is much more onerous on the lenders than your Bill 30 in the previous session, and, in fact, I would suggest, much more onerous than its counterpart, essentially identical, the 1971 legislation.

This legislation here has in place the 120-day notice period. Your legislation had . . . Did it have 100 days, 90, 60, 30, oh, 15 days. Fifteen days, that's what you had, we have 120 days.

And as well, Mr. Chairman, did your legislation have a board that would go to bat for farmers? No, it did not. In fact, that was a recommendation, as you'll recall in 1971 after that legislation was passed, that it should have that kind of apparatus in place.

And as well, Mr. Speaker, did your legislation have, Mr. Chairman, rather . . . Did your legislation have in place legislation that says to the lenders you, you, Mr. Lender, must prove that he is not viable. You must rebut the fact that he is not making a reasonable and sincere effort.

I would suggest, Mr. Chairman, that the member's understanding of law, and I don't pretend to have a great understanding myself, but certainly I think the ABC correspondence school of law has not taught him all that he needs to know, perhaps.

Mr. Engel: — Well, that is very nice. And, Mr. Chairman, I didn't know that Bill 30 was before this committee tonight — that we're answering questions to Bill 30, or the legislation that was before this legislation back in 1971.

In 1971, when that legislation and that moratorium legislation was in place for one year, no foreclosures took place — zero. There was no room. There was no room in that Bill where the Land Contracts (Actions) Act did not apply to the mortgage. There was no room for that because that Bill was designed with the farmers in mind and not with the bankers in mind, Mr. Chairman.

This Bill is designed with the bankers in mind, and the basis of the bankers was taken into account. And that minister didn't answer one of my questions that I asked him earlier, not one.

He tried to get into the line like his colleagues do and try and insult us. Well, that doesn't help. We don't mind that. we don't mind being insulted. We want to know, we want to know what his intentions really are here?

And under your rules of your committee, how are they going to determine whether a farmer's viable or not? What is the baseline going to be to decide if a farmer's viable? Is he viable when he can't make his payments? Is that farmer still a viable operation that's behind in his land payments, that's behind in his power payments. He's behind in his equipment payments. He just hasn't got enough money to make ends meet; that's why he's in trouble, that's why he's in trouble. Everybody knows the farmers are in trouble, especially those that haven't had crops for two or three years.

And here we've got a piece of legislation that's short cut to foreclosure. It side-steps all the rules of tradition that the courts have accepted over the years, and the security that's been built-in that the farmer has some protection. And many say those rules don't apply any more. We've got some new rules for you, boys. You can go straight in after a 120-day notice.

Well, my friend, that isn't good enough. One hundred and twenty days doesn't give a farmer — in the middle of winter when land's not selling — it just doesn't give a farmer time to get things in place and to make his payments and prove he's viable. It's just not going to work. And that's why we say this Bill doesn't work.

(2145)

If you would remove the entire Clause 9 of this Bill, you'd have a moratorium on land. You'd have a debt moratorium on land, and you'd give a guy a chance. But with section 9 in there and all the implications and the tightening up of the rules he wants to do, we know what you're doing. We know what you're doing, Mr. Chairman. You're tightening up this Bill so that banks have a good loophole. I say the loophole's pretty big. It's bigger than that. All this is, is window-dressing. All this Bill is, is window-dressing. it's called debt moratorium legislation for farm land, but it isn't that at all. There's no chance there for a farmer that's not making his payments. None whatever.

Mr. Sveinson: — Well, you raised an interesting point. And I think that the minister also raised the point that he had very able and very capable staff here this evening that could likely answer the questions that we might have relating to section 9 of this Act. And I don't know if maybe there's something with respect to that clause that I don't understand, and there could possibly be.

I'm not a lawyer, but it appears to me that it does waive the logical course, it does waive the logical course of an action to foreclose on farm land. And I just ask the minister, is that basically the essence? Does it waive the logical course? And I'm just asking in plain, simple English if, after 120 days, that logical course of foreclosure has been waived, and that the banker will be in a position to walk in and, in fact, seize assets and land after that period?

Hon. Mr. Hepworth: — On non-viable farms, sir?

Mr. Sveinson: — Mr. Chairman, hon. member, no. I didn't clearly make my point on non-viable farms — that this Act, as determined by the board and outlined again in section 9, does it not really indicate that, yes, it does waive the normal course of foreclosure — without getting into any legal, technical questions?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, if, in fact, it ends up at the court level, they make the decision, obviously, once it gets to that stage. But in this case the court must consider — and must consider primarily — the report of the Farm Land Security Board.

Mr. Sveinson: — You must have anticipated some duration of time that would be applicable

after the court instructs the case to go to that board. What's your expected . . . How long would you expect the board to deliberate in order to determine the difficulty that the farm's in? I see that . . . (inaudible interjection) . . . Well, I'm asking a question. I'm not a lawyer, and I think that I'm entitled to ask questions in fairly simple English. Most of the people in the province aren't lawyers.

And my question only relates to the fact. And I think the minister suggested that, yes, once the process is finished that the board has determined that the farming operation is non-viable, that they do waive all the normal course that a foreclosure would, in fact, pass through. And could you just clarify that again, Mr. Minister, for me and for many people of Saskatchewan? You are saying that the normal course of the foreclosure is waived after this Act determines the farm to be a non-viable farming operation.,

Hon. Mr. Hepworth: — I think in your preamble you indicate a certain misunderstanding or lack of understanding of how this would work.

In fact, the court does not report to the board; it's the other way around. The board would make a report to the court, and that would be the primary consideration of the court. That is the additional step, if you like, in there that, in fact, hasn't been in, in previous legislation, and, in fact, that board has some fairly broad range in powers in terms of what it can consider.

Mr. Sveinson: — Well, within the Act, could you maybe, Mr. Minister, outline where it says specifically that the board is going to make that primary consideration, taking into consideration the facts?

Hon. Mr. Hepworth: — Clause 9, section 8, (a) and (b).

Mr. Sveinson: — Maybe you could articulate on that somewhat, Mr. Minister.

Hon. Mr. Hepworth: — Where an application is made pursuant to subsection (1), the court:

(a) shall presume that the farmer: (i) has a reasonable possibility of meeting his obligation under the mortgage; and (ii) is making a sincere and reasonable effort to meet his obligation under the mortgage.

(b) shall consider and shall give primary consideration to a report of the board made pursuant to subsection (7);

I think, are relatively self-explanatory.

Mr. Sveinson: — Well I'm still not clear on how it applies to your answer. Well I'll just have to have a closer look at it, Mr. Minister, and I'll undertake to do that on my own time.

Mr. Engel: — Mr. Minister, your boss, the flagwaver and cheerleader for Saskatchewan, got up and said that this Bill is going to allow the farmer to lay aside his land payments for a year and make his payments to the Power Corporation for his power bill, and he's going to be able to buy his groceries, and he's going to buy his fertilizer.

Do you consider that 8(2) is making a sincere and reasonable effort to meet his obligations under the mortgage if he's laying aside his mortgage payments, like the Premier suggested he do, and pays his other bills? Do you say that this is the Bill that's going to be used to give the farmer some time to hang around and be farming next spring if he lays aside his land and mortgage payment and decides, like the Premier suggested the farmers do, and he decides to make his payments on his fertilizer, or make his payments on his fuel, or his payments on his equipment? What position will that put the farmer in as far as 8(2) is concerned?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I would think that there are circumstances perhaps out there, where if, in fact, the farmer did as you've described, then it

might be viewed as he was making the sincerest and reasonable of efforts that he could, given things like climatic conditions, local agricultural economic conditions, whether there was hail and flood and drought and frost, and what commodities are worth out there.

It's an individual thin. It's a subjective evaluation, of sorts, that a board will have to make.

But I think there are cases out there where, in fact, had he made all those other payments as you've described, and not been able to make his land payment, that that might be viewed as having been the reasonablest and sincerest effort he could make, given the conditions he was faced with.

Mr. Engel: — Well all I've got to say to you, Mr. Minister, I think most farmers in those boots had better wish you were the judge sitting in the court under that procedure because if anybody from the bank is bring a farmer to task, saying that they are reporting him now, that they want to collect on their loan, and they want to proceed on this 120-day action, and they can say that the farmer has used his money for purposes other than making payments on his mortgage . . . (inaudible interjection) . . . Mr. Minister, that's the point we were trying to make.

And your Premier intentionally not only deceived this House, but all of Saskatchewan, because he said this Bill is going to allow a farmer to lay aside his land payments for a year and make his other payments. That's why we didn't have to include the equipment, and the land, and his grain under the protection of this Act because he's going to be able to use his money from the land payment to make those payments. Right here in your Act you spelled it out. And I suggest it. Do you want to make the Premier out that he wasn't intentionally deceiving this House?

You better remove clause (ii), under (a) of part 8 out of this Act because this Act says if — "is making a sincere and reasonable effort to meet his obligations under the mortgage." And I would suggest if the farmer's instructed not to make his mortgage payment to pay the other ones, he is not making a reasonable effort.

And your Premier's been hypocritical. You've been hypocritical. You've designed a piece of legislation here that is intentionally deceiving the farmers of Saskatchewan. They think they're getting protection, but, Mr. Minister, they're not. They're not getting the protection because this Act is tight. They can prove he didn't make a reasonable effort.

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I'm not so sure that there was a question there, but I think I should respond because it's important to point out to the hon. member that what he's looking at in section 8(a) is the fact that, where an application is made, the court shall presume, to start with, that the farmer is, in fact, making a reasonable possibility, making a reasonable effort, and is being sincere and has a reasonable . . .

I mean, you did not provide the farmer with that kind of protection. You didn't even give him a board to help him out in his cause. He was left to the wolves, 15-day notice.

And worse than that, in this legislation, only one application by lender to obtain leave from the Act. There was no restriction in your legislation, the number of times that a lender could apply for leave. I would suggest to you that, as it relates to land, this legislation is second to none in terms of protecting the farmer.

Mr. Sveinson: — Just as it relates to the Act and doesn't necessarily relate to subsection 9 — but I suggest that another amendment could be included within the Act which allows a farmer who is, in fact, undertaking to become a farmer, rather than a farmer who is in present difficulty. An amendment may be made to this Act which would allow that farmer, who has undertaken to become a farmer, to waive this legislation.

I would ask the Minister at this time, why, in fact, that type of amendment or that type of

demonstration of confidence that farmer has in himself hasn't been included in this Act as it was in the Home Owners' Protection Act of 1981?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, I think section 14 deals with the issue he has raised.

Mr. Sveinson: — Well, Mr. Chairman, I'll wait till we got to 14, and I'll raise the point again. And maybe he can outline in a little more detail exactly how that applies to the farmer that is, in fact, undertaking to take on a farming career and would like to waive this legislation.

Mr. Koskie: — I just want to clarify for the farmers of Saskatchewan and ask the Minister: is it, in fact, true that under this legislation, that within the mortgagee is required, if he's going to take action under section 9, to give notice to the farmer and to the Board, and then a notice of 120 days? I ask the Minister, is it not, in fact, true that many farmers who, in fact, believe they are going to have year moratorium in respect to foreclosure, is it not true that they could be receiving a notice as of January 1st, 1985, that the bank is proceeding under section 9 to circumvent the benefit which otherwise was available?

Hon. Mr. Hepworth: — Mr. Chairman, hon. member, yes, they could receive a notice, well maybe not January 1st, but January 2nd or 3rd, perhaps.

(2200)

Mr. Koskie: — And is it not true, then, that it follows that farmers, who are in serious financial problems, could, shortly after the beginning of the new year, receive this notice and then within 120 days after that qualifying period and after the board has done its review, that, in fact, then that the procedure under the Land Contracts (Actions) Act is waived? And furthermore, that any action which was commenced prior to that can proceed from the stage that it was at prior to that.

Hon. Mr. Hepworth: — On the latter, Mr. Chairman, no.

Mr. Koskie: — What about the prior? About the waiver of the Land Contracts (Actions) Act?

Hon. Mr. Hepworth: — Mr. Chairman, this Act has its own procedure which is different than the Land Contract (Actions) Act. I think it's important to establish that all those actions under any other legislation are stayed as relates to land.

Hon. Mr. McLeod: — Mr. Chairman, I might suggest to members of the House, if it would be acceptable, we have very little legislation remaining. I wonder if it would be acceptable to stop the clock and continue on into the evening tonight. I believe that it's certainly not beyond the realm of possibility to finish tonight, Mr. Chairman.

Mr. Chairman: — Is the Deputy House Leader asking for leave? The Deputy House Leader has asked for leave. Is leave granted? Leave is not granted.

Order, order! The member has called 10 o'clock. Under Rule 3(4), it is incumbent upon the committee to rise and report progress.

The committee reported progress.

The Assembly adjourned at 10:05 p.m.