

LEGISLATIVE ASSEMBLY OF SASKATCHEWAN
December 13, 1985

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

MR. KOSKIE: — Thank you, Mr. Speaker. I would like to introduce to you, and through you to all members of the Assembly, a young and distinguished visitor that we have with us in the Speaker's gallery. We have with us Mr. Kevin Little, vice-president of the University of Saskatchewan Students' Union with us here today. He is a second year student working towards his masters degree in theological studies. He has come to Regina here today to express his concern on behalf of university students with the proposed federal government cuts in transfer payments to secondary education. I understand that Mr. Little will hold a press conference today immediately after question period in room 255. I'm sure all members will join with me to welcome Mr. Kevin Little.

HON. MEMBERS: — Hear, hear!

HON. MR. LANE: — Mr. Speaker, I would like to join with the opposition members in welcoming the representative of the students. I have had the pleasure, in my capacity as minister responsible for employment development, to meet with several of the university students. Although they expressed great support for the government in its commitment to university education and the additional funding, and expressed some disappointment at the NDP policy on funding for education. So, Mr. Speaker, we welcome the gentleman to the Assembly.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Pork Processing Plant

MR. ENGEL: — Thank you, Mr. Speaker. I have a question for the Premier. Can the Premier inform the Saskatchewan taxpayers what agreements you have signed with Peter Pocklington with respect to the expansion into our province. And since those agreements for the expenditure call for millions of dollars of taxpayers' money, can you assure us that they will be tabled in this legislature today.

HON. MR. DEVINE: — Mr. Speaker, we have advised businesses across Saskatchewan and Canada that they can get up to \$7,500 per new job created. We have an Industrial Incentive Program that is designed just for that. Students that are coming out of universities and out of technical schools and so forth want jobs. Our job record in the last four years will match anybody's across Canada and is superior to the previous administration's job record in the previous four years. So we have industrial incentive programs to create jobs. We have a Sedco operation which will help people create jobs. And if you provide those kinds of incentives, then people will come in here to develop processing and manufacturing.

The same thing applies to Ontario, that is providing the incentives for a car manufacturing outfit. The same thing will apply to Edmonton, or Alberta, or British Columbia, for incentives for job creation. Job creation is what we are about, and the economic . . .

MR. SPEAKER: — Order, please.

MR. ENGEL: — Thank you, Mr. Speaker. I asked a straightforward question, Mr. Premier. What agreements has this government signed with Peter Pocklington and his company, and when will those documents be tabled in full in this legislature?

HON. MR. DEVINE: — Mr. Speaker, we provide the documents any time we go into a contract with the private sector or anybody else, in the appropriate fashion and the appropriate manner. You don't table them in the legislature when you are about to put together the new business or the new processing or the new manufacturing or the new timber business, at any time. And the hon. member knows that.

So we have a standard package that applies — \$7,500 plus Sedco. And it depends on industries and it depends on the time and so forth. But, Mr. Speaker, obviously it will be presented here at the appropriate time, and the hon. member knows it.

MR. ENGEL: — The answer is very interesting, Mr. Speaker. What have you got to hide if this is such a great deal for Saskatchewan taxpayers? What are you hiding that you can't table an agreement you signed, if you signed an agreement? Surely you're not suggesting that last week's announcement was made, committing Saskatchewan taxpayers to \$10 million in grants and gifts, without signing an agreement. Is this what you're saying?

HON. MR. DEVINE: — Mr. Speaker, the opposition always tries to frighten people. When you want to have more jobs and more trade with the United States, they're running around the province frightening people. When you want to have a processing plant and new hog production and new jobs in Saskatchewan, they're saying, oh my gosh, it's going to scare folks. Ten million dollars, my gosh, what are they doing with \$10 million to put it into job creation?

Well, Mr. Speaker, if we can create jobs, if we can do that in the province of Saskatchewan by providing industrial incentives, the opposition can cry; they can say I'm against this, I'm against that. They haven't changed at all; they're negative.

Well this administration is not negative. It is our objective to continue to create jobs. We will provide the Industrial Incentive Program, \$7,500, plus Sedco, plus other packages we have, to people here so that they can create jobs in Saskatchewan and not leave the province like they used to under the NDP administration.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, a question to the Premier. I take it from what the Premier has said that he acknowledges that the arrangement with Pocklington calls for \$10 million to be written off. He acknowledges this since he has been stating that publicly and is unwilling to table any documents.

I'm interested also in knowing what other concessions are being offered to Pocklington, particularly, what the agreement says with respect to extraordinary costs in starting up the proposed hog slaughtering operation. Would you give us some estimate of the additional commitment of the public to Peter Pocklington in order to induce him to start up this hog slaughtering operation.

HON. MR. DEVINE: — Mr. Speaker, it is very clear. The people opposite would take up to \$600 million and nationalize the potash industry, and not table one single document in this House. And they're against privatization; they're against the private sector to come in here. They don't want to see the private sector in processing and manufacturing and oil and trade.

When they went through the whole debate, well there they were going to go, take over industries and take over industries for the heart and soul of socialism. Nobody saw documents here during that debate — not one single document.

Well, Mr. Speaker, we have industrial incentive programs. And the people of Saskatchewan are not afraid of the private sector and have the private sector build and invest in this province, nor should they be.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, in view of the fact that the information given by the Premier with respect to potash documents is a falsehood — a contemptible falsehood, and will be shown to be such by looking at the records — I ask you, sir, whether you are now prepared to tell the public how much additional money you are offering to Pocklington over and above the \$10 million grant.

AN HON. MEMBER: — On a point of privilege . . .

MR. SPEAKER: — Order, please. If you have a point of privilege, raise it before orders of the day.

HON. MR. DEVINE: — Mr. Speaker, the members opposite are against the private sector. The members opposite do not like to see the private sector invest. The members opposite spent most of their political life nationalizing and taking over companies. We will provide incentives for small business and businesses across Saskatchewan and Canada to invest here.

Obviously, they didn't, and they don't believe in it. Well I know they're against small business. I know they're against free enterprise. I know they're against processing and manufacturing, and I know they are for nationalizing more and more businesses. They're sitting over there for that reason; we're sitting over here for the same reason. Mr. Speaker, we will continue to provide incentives to the private sector to build jobs in this province.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. In view of the fact that a number of small-business men I know wouldn't call Peter Pocklington a small-business man, and wouldn't call a deal where he was getting a \$10 million grant and further concessions a deal for small business, will you now tell the House what additional incentives you are offering to Pocklington over and above the \$10 million grant?

HON. MR. DEVINE: — Mr. Speaker, we have said, and we will continue to say, that we will encourage the private sector to come into the province of Saskatchewan. We are not of the view that you take hundreds of millions of dollars and nationalize the uranium business, or nationalize the potash business, or nationalize other businesses and take them over at taxpayers' expense, and then turn around as the opposition does and say, well I guess I'll close the uranium mines now. And they will decide that they will nationalize something else, and then they will close them again.

Mr. Speaker, we will provide incentives to the private sector here. They are against it. They don't like to see new jobs because they're not involved in it. We will continue to provide the incentives for the private sector on and on and on because that will stimulate our economy, that will lead in processing and manufacturing, and farmers will respond, and the private sector will respond, and they will look forward to the kinds of differences they see between that side of the House and this side of the House when it comes to building in this province.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. BLAKENEY: — Mr. Speaker, in view of the fact that Intercontinental Packers has been in the packing business in this province for many decades, and in view of the fact that the president of that company is quoted as saying that he was not offered any proposal similar to the one that you are offering to Pocklington, I ask you: has Intercontinental Packers ever even been asked to consider an expansion program on the terms and inducements which you are evidently offering to Peter Pocklington?

HON. MR. DEVINE: — Mr. Speaker, with respect to Intercontinental Packers, a couple of points. The members opposite don't particularly like competition. They don't like free enterprise. In fact what they will do is they will support a monopoly if it's appropriate. They'll take \$10 million of the taxpayers' money and buy up to 40 per cent of Intercontinental Packers. That's what they did — \$10

million and they would take it over.

I am meeting with Intercontinental Packers and I have met with them in the past — I'm meeting with them today — with respect to all the kinds of incentives that are available: the industrial incentive programs, the Sedco programs. All of a sudden it's interesting that we've got a fair amount of interest because we've got a little bit of competition in the province.

Hog producers around this province are saying, well it's kind of nice to have a little bit of excitement and a little bit of action. Other people in the industry are saying, well isn't it nice to get people here building as opposed to Edmonton, Alberta. Isn't it rather attractive to have a new bacon processing plant here rather than in Alberta. Isn't it a good idea to have people excited about investing in Saskatchewan.

Well, Mr. Speaker, it's just like the oil patch. They're against thousands and thousands and thousands of new jobs coming into Saskatchewan in energy because they couldn't do it. They left. They're against thousands of new jobs in processing and manufacturing because they can't do it by nationalizing it.

Well, Mr. Speaker, if they're so smart, why are they sitting over there? Why are they over there? They had all the ideas in 1981 and '82 and people said, well for heaven's sakes, look at that. Well, Mr. Speaker, they can sit and they can ballyhoo and look and say they will nationalize the world and now they're going to be popular. Well, Mr. Speaker, I know why they're over there; I know why we're here. And new jobs and the creation and processing, manufacturing, and in energy is popular, and we will stay the course.

MR. ENGEL: — One short supplemental, Mr. Premier. Do you see any irony in the fact when last Wednesday Peter Pocklington was sitting up there and the Bryce family were sitting up there? He was getting \$10 million in a gift and they were being kicked off their farm by you. Do you see any irony in that?

HON. MR. DEVINE: — Well, Mr. Speaker, under the previous administration farmers left here in droves. Mr. Speaker, part of the problem with the Bryce family and other families in agriculture is because of the land bank system that the former member set up. They would go all over the province and buy a million acres of farm land. That's one problem.

The second problem, and he raised it, Mr. Speaker, he raised it — when interest rates were 22 per cent in this province, what did the members opposite do? The member from Assiniboia-Gravelbourg was Legislative Secretary to the Minister of Agriculture. Interest rates in this province were 21 and 22 per cent, and what did he do? Absolutely nothing; not a single thing. And he comes in today and complains because well, well, well, you haven't done anything for farmers.

This administration is being criticized in Regina North East by the member that won saying, you do too much for the farmers. Don't you think they do too much for the farmers? He walks all around Regina North East and he says, oh, they're being too kind to the farmers. They're too kind. Well, I'll tell you, Mr. Speaker. I make no apologies for this administration going to the wall for farmers.

We will help them against high interest rates. We will help protect their farms. We will help build jobs. We will help build processing and manufacturing plants because, sir, you lost because you wouldn't go to the wall. You just want to buy their farm for the government. They want to own it themselves.

SOME HON. MEMBERS: — Hear, hear!

MR. SVEINSON: — Mr. Speaker, I'm sure that Peter Pocklington is happy with his \$10 million gift that he received from this government, but in the spring the home owners of North East or North West or any constituency in Regina . . .

MR. SPEAKER: — Order, please. Order. I'm going to ask for silence here. We can't hear the member when he has the floor.

MR. SVEINSON: — Mr. Speaker, the home owners of my constituency, North West Regina, the home owners of your constituency, the home owners all across this province, suffered the greatest single tax increase in the history of home ownership in this province through the rescinding of the home owners' grant.

I want to ask the Premier, as the Grinch who stole the home owners' grant from the people of Saskatchewan, if he is willing to make a commitment to these people that it's under study? One of your junior ministers, the Minister of Social Services, is already on record as saying it's an unfair tax. I would ask you, sir, if you would commit yourself to studying, and carefully studying, the reimplementing of that program in the spring session of this legislature?

HON. MR. DEVINE: — Mr. Speaker, I have said to the constituents of Regina North East and I've said to the constituents in Regina and across the province, I will review the programs. I recall the kinds of things that they advised me to do to defeat the opposition members before. We talked about it. They said when interest rates were 22 per cent they couldn't hang on to their homes and they couldn't hang on to their farms. They advised me to help them. With that program, we would save people in Regina North East and Regina North West up to \$300 a month, let alone \$200 a year.

Now the members opposite don't like to hear about that because they lost an election over it. They lost. As I've just said with respect to the farmers, and you're aware of it, sir, when interest rates are 22 per cent the NDP did nothing for homeowners and nothing for farmers. And people came to me and they came to you. They came to people all over and said, will you protect my home. Now people are saying the same to me, Mr. Speaker. And believe me, Mr. Speaker, as I responded in 1982, I will respond in 1986.

MR. SVEINSON: — The tax increase of which I speak amounts on an average parcel of property in the city of Regina, to approximately 10 to 15 per cent. Sir, I can appreciate the programs you initiated to win an election. I don't appreciate the program you've initiated to possibly lose one.

And I'm asking you, Mr. Premier: if we can have some firm commitment for the home owners of Saskatchewan that you are prepared to reintroduce legislation that would offer them a home owners' grant, and subsequently offer them a reduction, particularly in my constituency and the constituencies of Regina where taxes on homes, on our private homes, are as high as anywhere in North America . . . We do suffer through programs like this . . .

MR. SPEAKER: — Order, please. Order. The member rose on a supplementary and that is a very long supplementary. If you have a question, get directly to it.

MR. SVEINSON: — Thank you, Mr. Speaker. I don't dispute your interruption although I've heard many supplementaries in this House . . .

MR. SPEAKER: — Order. I'll take the next question. Order.

Educational Leave for Secretaries

MR. LUSNEY: — Thank you, Mr. Speaker. My question is to the acting minister of highways, who is the Premier. Mr. Minister, do you have a secretary or a ministerial assistant in that office by the name of Vera Nicholas, and could you tell this Assembly what her duties are?

HON. MR. DEVINE: — Mr. Speaker, I cannot advise the hon. member of the duties of the particular members of staff of the Department of Highways.

If it's all right with the member opposite, I can respond to the question yesterday that I took notice of — if you want to. I have the information with respect to Ramsay Construction that you asked about

and if you'd like me to reply, I will.

MR. LUSNEY: — New question, Mr. Premier. I asked you about Vera Nicholas. And, Mr. Premier, would you not agree or could you not tell me, since it is the department that you're responsible for, that a Vera Nicolas who is a secretary or ministerial assistant in the office of Highways, the Minister of Highways, who is at this point . . . And checking into her, you'll find that effective September 1st, she enrolled in a foreign service course. Further, I think you will discover that she is being paid 50 per cent of her salary, her tuition, her rent, and food, during this study that she's on.

Mr. Premier, this amounts to something like \$30,000 a year. Can you explain to the taxpayers of Saskatchewan why they would have to pay this cost for a secretary of the Minister of Highways?

HON. MR. DEVINE: — Mr. Speaker, I can't reply specifically; I don't know. I will reply, though, with respect to educational leave. I believe that the . . . (inaudible interjection) . . . Well, Mr. Speaker, they don't seem to want to learn a little bit about educational leave.

I worked for the federal government, I worked for the provincial government, and in my career . . . In fact part of the reason that I got to sit in this chair was due to educational leave from the federal government. Students and young people who work for governments across Canada can take educational leave and go on half salary. They do it all the time. In fact students like to see that. They can go into industry and back again; they can go into universities and back again. I wasn't a student either. I was working full time, and I want leave to go to university. It's happening. I can't respond specifically to those items. I will take notice and look at it.

I will respond, Mr. Speaker, to Ramsay Construction. I took notice, Mr. Speaker, and I will be glad to respond.

MR. SPEAKER: — Order, please. When a question is asked, it's not the time to respond, but if the minister rises, then I will recognize you to respond.

MR. LUSNEY: — New question to the Premier. Mr. Premier, would you not agree that at a time when you are kicking farmers off the land that there is a problem? And can you justify to this Assembly and to the taxpayers of Saskatchewan why a secretary of the Minister of Highways should be out on an educational course, or whatever you want to call it — a foreign service course — in the States, in Washington, D.C., about \$30,000 a year. How do you justify that, Mr. Minister?

HON. MR. DEVINE: — Mr. Speaker, I believe that the NDP have arrived at a new low. They're against women improving their education; they're belittling secretaries. They're against improving the livelihood and the education and the performance of public service across Saskatchewan.

I don't know the specific case, but I would encourage people to go back to school. I would encourage women to get management training. I would encourage any young person working in the public service, men or women, to be improved. I'm very, very surprised that the members opposite would be against women or secretaries or management or students or young people going back to improve their education. It's a surprise to me, Mr. Speaker.

MR. LUSNEY: — Mr. Premier, it's quite obvious you don't know much about your department. Could you tell us if there are any more secretaries that are on leave, on a similar course as this, as the Minister of Highways has sent his away? How many people are there in government that are on this kind of leave?

HON. MR. DEVINE: — Mr. Speaker, why are the opposition members picking on secretaries? What have you got against secretaries? Why are you picking on them? You keep raising . . . (inaudible interjection) . . . Well it's this secretary that's going for educational improvement. Why are they against secretaries having educational improvement? In principle, why are you against it? I don't know why anybody in their right mind wouldn't want to see men and women, and particularly

women, going on educational leave to improve themselves.

Mr. Speaker, I don't understand the basis of their argument. They're against processing; they're against new jobs. Now they're against secretaries being trained. They're against all kinds of things. They're the same old bunch that was there in 1982.

Mr. Speaker, could I respond to the question of yesterday?

MR. SPEAKER: — Order, please. I believe I said to the Premier that you have to rise of your own free volition to respond. I recognize the Premier. Order, please.

Lay-offs at Ramsay Construction

HON. MR. DEVINE: — Mr. Speaker, yesterday I took notice on a question by the hon. member for Pelly regarding Ramsay Construction. It is not uncommon for road building contractors to reduce their work-force . . .

MR. SPEAKER: — Order, please. I have recognized the Premier.

HON. MR. DEVINE: — Mr. Speaker, it is not uncommon for road building contractors to reduce their work-force during winter months, and the hon. member knows that. This is especially true for paving contractors, of which Ramsay Construction is one.

At the present time Ramsay Construction has four contracts with the Department of Highways and Transportation. This is work that can only be completed during the summer construction season. The company has indicated that when construction starts in the spring, the employees will be recalled and contracts will be completed.

Ramsay Construction is continuing to bid on highway contracts and has indicated that if successful on a contract requiring crushing work during the winter, employees will be recalled as required.

With respect to the work of the winter tender schedule, \$8 million of the 35.5 million is work which can be carried out this winter and will sustain 575 jobs. This includes crushing, hauling, stockpiling, and grading on Highway No. 106. All tenders will be let by March 31, 1986.

The remainder, 27.5 million, is committed work which can only be done during the coming summer construction season. This work will sustain another 1,600 jobs.

Finally, Mr. Speaker, members refer to a press release issued on November 28th, 1985 . . .

MR. SPEAKER: — Order, please.

HON. MR. DEVINE: — The hon. members fail to remind the public that the government announced an additional \$20 million on top of the 35 million winter tender schedule for industrial-related roads such as the start of the four-laning of the Yellowhead. Yesterday, Mr. Speaker, my office spoke to both the past president of the road builders association and the current president. Both of these gentlemen confirmed that they are very happy with the recent announcement by the Department of Highways. These gentlemen reiterated the position the association took just a few days go. They are pleased with the PC government's announcement with respect to highways. Highways construction has provided 4,000 direct and indirect jobs in the 1985 fiscal year.

MINISTERIAL STATEMENTS

Extension of Farm Land Security Act

HON. MR. HEPWORTH: — Mr. Speaker, I wish to announce today that The Farm Land Security Act

will be extended to December 31, 1986. The Act severely restricts foreclosure action against farm land. When the legislation was introduced last year, it underlined our government's commitment to farm families in Saskatchewan.

Premier Devine stated on province-wide television that this government will not allow our farm families to lose their land due to events beyond their control. That is still our commitment, and we will continue to protect and preserve the family farm. We said we would give our farmers breathing room, and we have. We said we would put the treasury on the line for Saskatchewan farmers, and we have.

Since we introduced the Bill, 480 notices of intention representing 387 farmers have been filed to December the 6th, 1985, Mr. Speaker, and I think at the time the legislation was put in place, we predicted something in the order of 500. To the end of November, 183 have been completed in terms of their review and processing by the Farm Land Security Board. Of those 183, 10 were withdrawn, 61 were successfully mediated, and 29 had favourable court reports — a 54 per cent success rate, Mr. Speaker, assuming of course that the courts accept our positive reports.

But the news is even better than that, Mr. Speaker. The positive court reports have virtually stopped proceedings to court dead in their tracks. It has led rather in most instances, with those positive court reports, to the financial institutions and the farmers getting back to even further negotiation eventually hopefully leading to a successful resolution. These statistics, Mr. Speaker, from the Farm Land Security Board indicate to me this independent third-party mediation process is working well. And I'd like to publicly acknowledge the work, effort, and particularly the success that the board members have bestowed on this legislation, and the staff for their diligent work on behalf of Saskatchewan farmers.

There is need for this review process as, in many cases, communication has or had stopped between the farmer and lender. The mediation process used by the Farm Land Security Board brings them together, they start talking, and in these many instances are able to work out satisfactory solutions acceptable to both parties.

Nineteen eighty-five brought virtually no improvement in the farm scene. Every farmer in Saskatchewan recognizes that point, Mr. Speaker. I need not remind members of this Assembly that the cost-price squeeze, the weather, the pest problems . . . of the weather and the pest problems of 1985. This government has already introduced many measures to help the farmers through this difficult period, providing cash flow and reducing farm input costs.

Because of the continuing cost-price squeeze, falling land prices, and the uncertainty of the future farm economy, this government feels it necessary to continue this legislation for another year to keep farmers on their land, to provide certainty in the face of uncertainty, provide security in the face of insecurity, Mr. Speaker.

The co-operation of all players, of all those married to this business of farming, is required to help farmers out of the economic situation today. An atmosphere of hope and confidence needs to be created. We feel that the success of the Farm Land Security Board in the past, and the experience it has gained, is indicative that it can do much in 1986 to assist the farmer and the creditor in working out sensible solutions to the financial problems.

It is well known that there is a large unsecured debt out there because of falling land prices. Creditors, too, realize that they can be placed in real jeopardy if land prices continue to fall. We must work together to work out way out of this situation and assist farmers in coping with many circumstances over which they don't have control. Our government will continue to ensure the security of the family farm.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — Mr. Speaker, I appreciate the minister extending The Farm Land Security Act for

land, but I don't appreciate what your government is doing.

Just this week the Bryce family were sitting in front of your door. They offered you a certified cheque; the department refused it, Mr. Speaker, and they're driving them off the land as of December the 31st this year. I can give you examples after examples of sheriffs going out and seizing equipment and seizing cattle and driving farmers off their land. And this government sits here and ceremoniously says, we're extending the Act for one more year.

You've got \$300 million cash on the barrel head for the oil companies but you don't have it for the farmer. Why didn't you include the farmer's equipment that he needs to farm? Why didn't you include his cattle that he could make a little living on? Why do you have a narrow limit just to protect the banks as far as his land is concerned?

And with your own numbers, taking your own numbers — out of 183, only 61; only 61. That's not 51 per cent, Mr. Minister. Use your calculator one more time on that one. I think the deal today, when we see an arrogant government, justifying \$10 million to their friend, Peter Pocklington, and no money . . .

MR. SPEAKER: — Order, please. The member is a long ways from the subject that was introduced here, and if you have something to say on that subject, I'd ask you to stay with it.

MR. ENGEL: — Mr. Speaker, the story is: are we securing farm land? They are bragging about securing farm land and yet they're not putting a penny into it. They're not prepared to put any money into the farmers that are in trouble. We're discussing their Bill later on today that should put some money out there but, Mr. Speaker, this announcement today says they're extending The Farm Land Security Act to 1986.

I'm saying you could have done your job as minister if you'd have a little pressure in your cabinet and broaden that Act to include —like we suggested, and like the Act that was on the Table that you refused to accept, that was a good Act — that included his land, it included his equipment, and it included his cattle. And you wouldn't accept that Act, and just days later introduced your two-bit Act that doesn't do the job for the farmers. Farmers are still leaving the land daily. Three thousand farmers have gone down the tubes since he's taken office, Mr. Speaker. And he stands up and has the nerve to say, we're going to extend it, we're going to try and keep the price of land up so that the banks won't have that great big a loss if all that land were put on the market.

Well, Mr. Minister, you're not doing your job. This is a half-baked measure. It's only going to do a half a job. I wish you'd come the full way and give them a full loaf.

SOME HON. MEMBERS: — Hear, hear!

Question of Privilege

HON. MR. LANE: — The Leader of the Opposition proceeded to get into debate in the period of question period by stating an allegation that he did not table documents or information during the potash nationalization was a blatant falsehood.

In fact, Mr. Speaker, his memory is gone, because they did not table documents. They refused to table documents, refused to give the financial studies, refused to give the marketing studies, and threw \$600 million of people's money into highly risked venture, Mr. Speaker. And that was debate during question period.

HON. MR. BLAKENEY: — I rise on the point of privilege and ask him to rule on whether or not the Minister of Justice has raised the point of privilege, or whether he has taken an opportunity to enter a debate in a totally inappropriate way, which even he should know is inappropriate.

MR. SPEAKER: — I'm having difficulty getting a point of privilege out of it, but I will review the

record and bring back a report later.

ORDERS OF THE DAY

GOVERNMENT ORDERS

THIRD READINGS

Bill No. 119 — An Act respecting Saskatchewan Oil and Gas Corporation

HON. MR. SCHOENHALS: — Mr. Chairman, I'm pleased to move third reading of Bill 119, An Act respecting Saskatchewan Oil and Gas Corporation, and I move that this Bill as amended now be read for a third time and passed under its title.

Motion agreed to on the following recorded division.

YEAS — 42

Devine	Schoenhals	Hodgins
Tusa	Dirks	Young
Birkbeck	Currie	Hopfner
McLeod	Sandberg	Weiman
Berntson	Klein	Rybchuk
Lane	Dutchak	Hampton
Taylor	Embury	Gerich
Duncan	Martens	Boutin
Katzman	Smith (Moose Jaw South)	Schmidt
Pickering	Domotor	Glauser
Hardy	Folk	Sauder
Smith (Swift Current)	Muirhead	Johnson
Myers	Petersen	Morin
Hepworth	Bacon	Sveinson

NAYS — 7

Blakeney	Lingenfelter	Shillington
Tchorzewski	Koskie	
Engel	Lusney	

Bill read a third time.

COMMITTEE OF THE WHOLE

Bill No. 117 — An Act to amend The Agricultural Credit Corporation of Saskatchewan Act

Clause 1 (continued)

MR. ENGEL: — Mr. Minister, you had an opportunity to review with your ministers last night my suggestion that there be two kinds of promissory notes, one that would be, in particular, more lenient to the folk down south that suffered the severity of the drought.

The existing promissory note makes it mandatory that a farmer pays a third of it back after the first

year, and I was suggesting that because of the extreme difference between those that have a little crop — and in fact, many in Saskatchewan had a good crop — and those that haven't had any crop for five or six years, if you shouldn't just give them one year extra or two years extra on the repayment of it. Would you consider two kinds of application forms to be used in Saskatchewan?

HON. MR. HEPWORTH: — Mr. Chairman, and hon. member, the point that you raise is that in your view there are some areas, particularly the drought area, that is in your mind harder hit than, say, farmers across the province, and hence they should have some special programs for them. I agree with the hon. member, but I would point out to him, that's why we have done already what we have done for farmers in Saskatchewan. That's why this summer, earlier, we made the changes to the crop insurance, minimum to count being raised, for example, on wheat, from two to five, and for those who had had their crop insurance coverage reduced to 70 per cent of 70 per cent due to successive years of low production, we bounced that up to full coverage. Those two moves there, in conjunction with the \$60 per head drought payment targeted to the livestock sector individually, and then the cash advance, of course, have totalled something over \$380 million in the drought area.

(1100)

I think if you examine all that has been done, you will see that we have put parallel systems in place. First, programs and more importantly money targeted at the drought area and the drought area only; and then secondly, programs that everyone across the province is eligible for, whether their problems are due to drought, wheat midge, sprouted grains due to inclement weather or due to excess moisture — whatever the reason, because of economic hardship across the province. We wanted to make sure that all farmers had the necessary cash flow to put the crop in this next year and secondly, that we would help all farmers reduce their input costs.

So in answer to your question, yes, I agree that they needed some extra assistance and I would suggest to you that we have already targeted aid to those areas and those cheques are, while I stand here, in fact, probably going out.

MR. ENGEL: — Mr. Minister, do you feel that your administration — and you're part of the overall picture in the government — do you feel that the farmers are getting their fair shake from this administration? Are you convinced, and you're standing up here, that agriculture is doing as well as, say, the oil industry with your administration under the circumstances?

The argument heard here has been that the oil industry was in a slump — they needed a huge bail-out; and the farmers are tough all over so we're going to treat them all the same; and that we're doing as well for the farmers as a PC government as we are for the oil industry. Would you make that assessment and tell us in those terms that you feel this is as far as you're going to go because you're giving them a fair shake.

HON. MR. HEPWORTH: — Well I suppose the question is not so much about how I feel what's been done. I think the important question is how the farmers feel about what's been done. And I read into the record yesterday here a number of letters — in fact, from the brief the Saskatchewan Association of Rural Municipalities presented to some of our cabinet here in October, who said that by any sort of reasonable measure, we have responded and responded as well as one might have expected.

I can go through, if you like, again, the initiatives that we've put in place. I'm proud of what we've done on behalf of Saskatchewan farmers. I'm proud that where you did not act, where the NDP did not act when interest rates were 22 per cent, we did and brought them down to 8 per cent and 6 per cent and zero per cent. I'm proud of the fact that where you did not act to bring natural gas to farm families in rural Saskatchewan, we have. I'm proud of the fact that whereas you did not help farmers develop irrigation to cope with drought in the long term, we have put in place \$100 per acre grants. I am proud of the fact that where you put in place no tax incentive for farmers, we have — Livestock Investment Tax Credit.

I'm proud of all those things, but that won't stop us from continuing to help our farmers, whether it be with direct cash or with things that are a little tougher to subscribe certain values to: for example, the licensing of HY320 wheat, those kinds of things, help with the chemical registrations and regulations. All those are, as well useful and tougher to subscribe a tangible value to in terms of dollars.

MR. ENGEL: — Mr. Minister, it was kind of nice of you to answer the questions but seeing you've in your answer indicated that . . . Let me just read one quote from today's paper: 'Oil industries profits gush.' Oil industries profits gush. Ottawa:

Oil industry revenues rose \$33.5 billion in the first six months of the year as a result of higher prices.

And we're not going to go into the oil aspect of it, but just one paragraph out of it:

Using StatsCanada figures, the industry did substantially better than other sectors, and the other industry sectors where profits only rose by 7 per cent.

Mr. Minister, we have a situation here in Saskatchewan whereby generous tax holidays and royalty holidays and programs and give-aways, 'where the oil industry profits gush,' is the headline — gush. I wish the profits would gush for a few farmers — just a few.

You have a solution here to the farm crisis that tells the farmer, 'borrow your way out of debt.' That's what you're saying to him: borrow some more money. And all I ask is, the farmer that doesn't have any backlog of grain, that doesn't have his bins full of wheat, be it half dry or whatever, there's just no wheat down there, all I'm saying is, if you're going to give him the \$25 an acre, why not extend it to at least two years to give them a chance to recover a little bit? Why burden them with the third of the payments the first year that he's hoping to get some crops; by the time he's hoping to get his first crop? Why not give him an extension and say that those areas in the drought don't have to start paying back; we'll give them a little extra time? That's all I'm asking.

I'm not asking for gushing profits like the oil industry's getting from you. I know you're going to defend that, and you're going to say, my friends aren't doing anything that's not fair. You're going to say that. And you're going to try and brag, and you're going to try and talk about what's happened. But I want to tell you, there's 12,000 people in my riding wish — wish — would pray and would give anything to have it as good as they did in '81. They would love to have the good old days back. That's what I hear over and over again.

And if you want to talk about how wonderful it is in your time, you know what they're asking me, and you know what your neighbours are asking me, and people you've gone to school with and grown up with? When's the election? That's what people are asking.

And I'm saying to you, Mr. Minister, all you have to do is use the same application form, but in the case of the depressed drought area, arrange a promissory note so that they're not going to be slapped with 11 per cent interest if they can't make their payment the first year. Give them a break and consider that there are differences of people. Treat everybody fair. Don't give the person that doesn't need it a better advantage over somebody that does. There are farmers in Saskatchewan here that can pick up some 6 per cent money, they can deposit their \$100,000, and after year one they'll give a third of it back, and after year two they'll give another third, and after year three they'll give another third. And I've had some calculations done just on how much they'll make just with a straight deposit in the bank. I know what they'll make and what improvements they'll get from it.

But because of your generosity and your consideration that, boy, we've got to shore up success, you're going along with it. There's no place in this application at all that says that, we're going to give a little better break to the guy that needs it worse. Not a thing. And all I'm saying is, change your promissory note. Change your promissory note at the bottom that on your repayment scale for those people that can sign and that you know are in your drought area, the grain farmer that didn't get a

nickel out of your cattle program, the fellow that had his crop adjusted, was told it was zero . . . You said the great change is in crop insurance.

Well I want to tell you, Mr. Minister, there's a lot of people out there that are very, very disturbed that your cabinet ever came down to Assiniboia and made that announcement. Sure you got a little cheap feed out of the deal, but there's a lot of people are saying that you taught them to be slothful farmers, because if they got 6 bushels an acre instead of 5, it cost them the amount of this loan. They have to take out this loan to get the same break as they would have if they would have left it out in the field and been slothful. That's what your government taught them to do. To get close to 5 bushels an acre, don't harvest your whole crop; leave a little out there because then you'll get your wheat plus you'll get full coverage.

But those that did a good job, tried to get all the crop that was there, happened to get 6 bushels an acre when their grain was measured and their binds were measured, Mr. Minister, they don't think those changes were very good. They don't think the changes you recommended did them a favour. Now they have to pay 6 per cent interest to get the balance of their cheque. I think that you have fooled around and fooled around, you've lost the confidence of the farmers of Saskatchewan, and all you can do during committee estimates, instead of think about what could be done as far as the promissory note, is sit there and read the morning paper.

HON. MR. HEPWORTH: — Mr. Chairman, hon. member, what I was reading, because he opened up this question — a rather long one, I might add — with a quotation from today's newspaper, and Mr. Speaker, suggesting that what we have done once again is not enough, and suggesting that we should pay \$50 an acre and \$100 a cow — the 19-point program. And I pick up the Wednesday, November 13 edition of the NDP . . . or the *Leader-Post* or the *Star-Phoenix* — that's what it is. 'NDP proposes 19-point shopping list.' And it's the old story, Mr. Speaker, of \$50 an acre and \$100 per head. That's the NDP's proposal.

But what is his own local newspaper saying, Mr. Speaker? What is his own local newspaper speaking? The last issue of the *Assiniboia Times*, December 11, page A2, headline of the article here is 'Re-establishing confidence in agriculture,' and I quote:

However last week's announcement by Premier Grant Devine of the economic help his government will give Saskatchewan farmers will be welcome. It will provide new confidence to the agriculture industry during a period when confidence in the future of the family farm is most important.

End of that quote, Mr. Chairman. The kinds of things I talked about this morning. And it further went on to say, Mr. Chairman:

It is expected that during the current fiscal year . . .

And this gets right back to his question — I think it was his question, Mr. Chairman: of the profits for the oil companies, what for the farmer? Well I think this article in his own newspaper has the answer. And it goes on to say, Mr. Speaker:

It is expected that during the current fiscal year the Saskatchewan government will earn almost a billion dollars in royalties and taxes from the increased oil revenues that their policies have created. The new farm fuel program undertaken by the government is an important dividend of that policy, one which will now be shared widely by our most important industry — agriculture.

And this was a guest editorial from the North Battleford *News-Optimist*, reprinted in *Assiniboia Times*, December 11th. His own newspaper, Mr. Chairman, recognizes that that \$33 million that he talked about in oil royalties that profit the oil companies, of which we get royalties, we are taking all of that and more, and putting it right into the farm sector, so every farmer in this province will enjoy

decreased farm costs, Mr. Speaker.

And I can understand why the hon. member has difficulty with this legislation, because he himself is out of touch with what his own people feel. And I could point to another article in the *Star-Phoenix* of November the 9th. It's bylined out of Assiniboia and the headline is, 'Drought's effects are overblown, townsfolk say.'

That member there, Mr. Chairman, that member there helped to demoralize the businesses in his own community. He helped to demoralize the businesses in his own community by saying: our farmers are done, our community is done, we are all dried up, we are all going to go broke, the drought has killed us.

Well I'm telling you, Mr. Chairman, the people, the farmers, the business men in his own community were not prepared to sit down and die. They were not prepared to roll over and play dead. You're darned right they had drought in Assiniboia. I farm there, Mr. Chairman. And you're darned right we can use all the help we can get. And you're darned right these Bills here before this House are going to put cash in their pockets.

But I'll tell you what. Don't ever underestimate the spirit of the townsfolk and the farm people in the country of this province, including Assiniboia. They were so fed up with the attitude and the actions of that member, Mr. Chairman . . .

MR. CHAIRMAN: — I believe the minister is wandering from the Bill itself, and I would ask him to get back to Bill No. 117.

HON. MR. HEPWORTH: — Mr. Chairman, I was responding to his opening salvo relative to the \$33 million in oil profits and where is it going to help the farmers. And to point out that despite the hardship on the farm — despite the hardship on the farm — the farm people there appreciate the help. It's consistent with what they want, and they're not about to roll over and play dead.

I think if one was to check a November 6th edition of the Assiniboia *Times* you'd find that in Assiniboia, Saskatchewan itself now fewer, no fewer than five new businesses opened up in that town, had their grand openings all on the same day. And every picture in this paper of those openings is significant in that there's one person missing, the MLA for Assiniboia-Gravelbourg. Not behind the farmers; not behind the business men of his province. And he has the audacity to say here that we've done nothing for farmers, we've done nothing to help the communities that those farmers live in, Mr. Speaker, I'll stand on our record.

(1115)

MR. ENGEL: — Mr. Chairman, I could go into quite a bit of detail on what the people of southern Saskatchewan and in his own riding said about him, and what they told him when the farmers met. We could get into that kind of charade. You opened that up very nicely, Mr. Chairman.

But to correct the minister, the profits that gushed into the oil companies were 33.5 billion, not million — billion — \$33.5 billion gushed into the oil coffers, 7 per cent more. Their profits last year, Mr. Chairman, were 141 per cent more than the year before and they're above the industry average of 7 per cent.

I've got farmers all across southern Saskatchewan, if you want to start talking about a little road show that Mr. Klein, I mean the member for small — small member for business — I'll get it straight yet, but when he came down with a little road show and invited somebody to go with him and take some pictures around the country.

Mr. Minister of Agriculture knows Assiniboia and he knows the Assiniboia business men and he knows who they support. He'd like to create a little dissension down there, but they know when they get a fair deal. Those business men know when they get a fair deal on their bids, and they know when

they can nab a government they can trust. And they say to me, every business man I've been to tells me — every business man I've ever been to tells me, when's the election.

Sure we'll play along with their fanfare; sure we'll go along with their little parties and their little progressing with pride themes. They'll go along with it, they'll go along with it, they'll go along with those little parties. But I never saw the Minister of Agriculture in his own town in any of those pictures. I never saw the Minister of Agriculture down there either.

I happened to be at those functions. I happened to see what's going on. And if that's great and that's what he wants to talk to . . . But if they like to run that kind of a little show, if they like to run that kind of a little show, that's great.

But the farmers down there that didn't get a couple of crops, the farmers down there that didn't get any crops, Mr. Chairman, they are saying, not only to the short minister of little business, they are saying to the PC party and to all of you like they said at Regina North East and like they're going to say right across Saskatchewan: when's the next election? We can't wait for a change because we think you've shored up success long enough.

MR. CHAIRMAN: — Order. I think the member for Assiniboia-Gravelbourg and the Minister of Agriculture have both made their political statements under discussion of this Bill, and I would now ask them to get back to the Bill itself so that this House can proceed in an orderly manner and can come to the conclusion of this Bill.

MR. ENGEL: — I appreciate that advice. I'm not the one that brought the business men into it, the Minister of Agriculture did.

And my question to the Minister of Agriculture is simple: are you going to say to the farmers of southern Saskatchewan, you jolly well pay prime plus two or eleven and three-quarters — I'm not sure what he's got in there — you pay that interest after year one when you haven't had a crop for five or six years. That's what I'm asking, I would suggest that you leave the interest rate at 6 per cent and give the farmer a chance to get on his feet.

Do you feel that somebody that has lost six crops in a row, and conditions are reasonable — we had a fair amount of moisture down there — do you feel that somebody can get on his feet fast enough to pay a third of that loan, and if he gets behind, can afford to pay the high interest rate? Do you feel that that is fair for those people that have lost five or six crops in a row?

HON. MR. HEPWORTH: — Mr. Chairman, just to clarify for the hon. member, the interest rate will be 6 per cent. It is only the arrears that will go to the higher number.

MR. ENGEL: — If he doesn't make a third of that payment after year one, then that payment falls in arrears, is the question I'm asking.

HON. MR. HEPWORTH: — That is precisely the point, Mr. Chairman, of why we allowed for a three-year repayment period, because we ourselves recognized that for that farmer who doesn't have any grain in storage, who is not going to have any in his bins till presumably July, or August — I should say, probably September of 1986 — that it would be unreasonable of him to make the full repayment in one year, so let's spread it out over three years. It gives him a chance to get on his feet, pay it off in equal instalments at 6 per cent. It's only if it goes in arrears that it would go to the higher rate.

I think quite frankly it would be irresponsible of us as trustees of the taxpayers' purse to leave the arrears at the 6 per cent interest rate because some then might abuse it. Even though they had the money, they might leave it with us at 6 per cent and reinvest it somewhere else at a higher interest rate. I don't think the hon. member would be in favour of that.

MR. ENGEL: — Well I'm not convinced that you're concerned about the person that . . . The

question I asked you, plain and simple, Mr. Minister, and I'm not sure if I should wait until you listen or not, but my question, plain and simple, is: do you feel that a person — the question I asked — that has lost five or six crops in a row will be in a position after year one to pay a third of this loan?

HON. MR. HEPWORTH: — Mr. Chairman, I asked the hon. member, does he think it unreasonable to expect for a person who has no money, no crop, nothing in the bins, it seems to me it's a very reasonable approach if he is to come to the Ag Credit Corporation in March of this year, get his \$25 an acre, his first payment will not be due until March of '87. He's going to have taken off a crop by then, he's going to have presumably sold a good part of it on the quota system, and even then we're not asking for it all, because that would be unreasonable because he's had all these years of difficulty. We'll ask for a third, and when you supplement that with the changes to the crop insurance, the reduction of his other farm costs, and the grain stabilization payments, I think that you will find that there has been a reasonable safety net provided.

We've gone on record before as saying we're going to do what's necessary to keep farmers on the land. We've been successful and will continue to be successful with these programs, I would suggest to you.

MR. ENGEL: — The people that I'm arguing for . . . And you mentioned the grants stabilization payment again. Are you aware of what grains stabilization has done to a lot of these farmers? Are you aware that these farmers this year, when the letter came from grains stabilization, it was a dunner? Do you know how many farmers and neighbours of yours farm? Do you know how many people that are close, close neighbours of those got dunnings instead of cheques? And you're saying that they're supposed to wait for the next one. Is the grains stabilization program going to charge them interest as well?

I'm saying to you that after one year those people haven't gotten a penny from grains stabilization. In fact, I know some farmers that told me that they got dunnings for more than a couple of hundred bucks, instead of a cheque. And they're not going to get a cheque next year when the grains stabilization cheque comes out because they haven't paid in for five or six years, Mr. Minister.

And I'm saying to you, how do you expect that individual to pay back a third of his own? All I'm saying is, make this thing fair to the people that had a drought. Give them a break. You said interest free money. Who's getting some interest free money?

Why don't you treat these guys the same as you did the cattlemen? The cattlemen had a chance to get bales and feed for cheap. You cut the price of cattle. That's great. You cut the price of bales. Great. You gave them \$60 an animal, donation. You gave them another \$125 in interest free — interest free — loans. Why didn't you, in the drought area, give this loan interest free to those farmers that haven't got cattle? That's all I'm saying. Give them the same break.

Give the farmer the same break that's holding on to the tail of a cow. And all I'm saying is: make this loan interest free for those that haven't got a debt, or if you can't do that much, like I've asked, if you can't do the \$50 an acre, then at least say that after year one, if he can't make his payment, don't charge him that penalty.

HON. MR. HEPWORTH: — Mr. Chairman, I think I've answered why we've done what we've done, why we've done what we're going to do. But to pick up on your points about grains stabilization, although it might be outside the purview of this bill, to answer you: less than 1 per cent of the farmers received notices that they had in fact received a larger interim payment than in fact the sum of the interim and final payments would be. They're not being asked to send a cheque back in the mail, but only have received notice that they've had an overpayment.

Why we did not make this a zero per cent or interest free cash advance, as opposed to production loan, is this: number one, there's a certain responsibility that goes with paying some interest; and number two, and more importantly, we recognized, and you said, as we did for the livestock sector, the difference between the livestock sector and the crop sector was that the livestock producer, for

the most part, does not have access to things like grains stabilization nor, to the same degree as does the grain grower, crop insurance and, already in place, Canadian Wheat Board cash advances.

MR. KOSKIE: — Mr. Minister, I have talked to folk who would classify themselves in a specific intensified operation of agriculture. I referred in second reading to people that have a very intensive operation like raising potatoes, but the number of acres are not large. Some are only a quarter section. The one I have in mind is some 300 acres. Now when you have put into place the \$25 per cultivated acre, that's not a very substantial assistance to one in intensive operation of farming, but still a very valuable unit in the agricultural overall.

So I'm wondering what . . . If you take my example of a potato grower with say, 300 acres, looking at this program he said he would get about \$7,500. And that wouldn't go very far because of the very high amount of capital investment. In looking at the specific example that I am using, the storage alone, one unit was over \$300,000 in establishing it.

So I'm wondering, Mr. Minister: do you have any program which will be of major assistance to those who are in intensive agricultural operations, which would assist them and give them a better recognition rather than on the acreage basis?

HON. MR. HEPWORTH: — Mr. Chairman, the point that the hon. Members makes, and I suspect it's one he could extend to other groups if he so wished, is that those in intensive farming operations with limited acreages would be seen to be penalized or not eligible for this kind of assistance. I suppose you could have put beekeepers and hog farmers and feedlots into that same category.

I can assure the hon. member that we thought about those people. It's not as though we've forgotten about them, but we just simply feel that the intent and the design of this program is to help that broader group out there, and as well that there are other programs available. I can think of guaranteed operating loans for those who are having difficulty getting funds no matter what category they fall into. In so far as intensive operations, there are guaranteed operating and consolidation loans available. For some others we've worked up special programs. And I think of, in response to last year's drought program, for example, the beekeepers now have a crop insurance program that they're eligible for. We're not about to see their livelihoods jeopardized either. We just think there may be other programs that either can help them or if need be, may have to be developed to help them.

MR. KOSKIE: — Let's come to grips with this, because you aren't being fair. And that's what we're talking about, is the fairness of the approach. How can you take only and essentially in respect to a program that applies to grain farming? And there are groups . . . And don't stand here and say that there are programs in place of major assistance to them, because I've been dealing with these people, and I have searched and I have done research into every feasible program that you have, and there isn't assistance and now there's no further assistance to them.

Is it your intention to continue not being fair with all of the units within the agricultural community? Why don't you set up within it a modified program of major assistance where the operation calls for intensive capital investment versus large number of acres? Certainly if you're farming a large number of acres there's going to be some potential of being able to use the program and get the lower interest rate.

I use the vegetable growers association, and I've been in touch with them, and they asked me to raise with you their concern. Having said that, they have looked at all of the programs that you have in place and there is no assistance for them. This program is minimal, terribly minimal, and practically useless in conjunction with a grain farmer.

Are you planning to put into place any additional program which will in fact address this very major problem? Or are you not concerned with the viability of specialization within the agricultural unit?

HON. MR. HEPWORTH: — Well as I mentioned previously, Mr. Chairman, if he has some potato growers who are facing economic difficulties, unable to obtain operating funds and the cash flow for the upcoming year, please forward the names to me and I'll be happy to hook them up with the people who administer the operating loan and consolidation guarantee program.

Secondly, if they're irrigators, or about to be irrigators, of potatoes or whatever other vegetable or intensive kind of operation in the fruit and vegetable area, the Ag Credit Corporation of Saskatchewan does have low interest rate loans to help irrigators establish because we are interested in developing intensive kinds of operations and the processing and the value added that could go with them.

And furthermore I'll assure you that I'll take under consideration your suggestion of looking at what more may need to be done for the potato grower, or the beekeeper, or the hog farmer, or the feedlot operator, or any of those involved in the intensive side of agriculture.

But I would repeat again that that intention of this legislation, and the program that's being put in place, is to provide cash flow for the crop sector in Saskatchewan as they look towards planting the '86 crop.

MR. KOSKIE: — Just for clarification — because I've had it researched on behalf of some of the people in the vegetable growers' association as to what assistance there is. And you start talking about a guaranteed consolidation of loans.

Could you be more specific, since you're the Minister of Agriculture, and just outline the nature, the extent, and the terms under which they can get a guaranteed and consolidated loans? For people in the intensive crop area.

HON. MR. HEPWORTH: — Mr. Chairman, in the interest of time I'll be happy to forward to him, and to anyone he wishes, the details of the loan guarantee programs that are available through the Saskatchewan Department of Agriculture.

MR. KOSKIE: — I'll tell you, I went through it and I'm asking you, Mr. Minister, you're indicating to me here in this House that you have programs which are adequate to address the problem which I have raised. And I'm saying that they are not in place, and you can't stand up and indicate that you have programs. Or in fact you're saying you don't even know.

I'm asking you to outline to us whether. . . to what extent you have addressed this problem. Don't pass around here and saying, oh they can get their solution; give it to me and I'll solve it. I'm telling you, we've gone through your department. We've gone through every department in government, and done an entire kit of basic assistance. And it doesn't meet the problem that many of them have out there.

(1130)

So I'm asking you: surely as Minister of Agriculture you can stand up, if you're defending the position of helping those in intensified agriculture — and I use only as example the vegetable grower — can't you stand up and indicate the nature of the program? Or don't you know?

HON. MR. HEPWORTH: — Mr. Chairman I'll repeat again the three things I told him in response to the question originally. We have loan guarantees available for vegetable growers and anybody else in this province who's having economic difficulty.

Secondly, the Agricultural Credit Corporation of Saskatchewan provides 8 per cent money for irrigators, and the speciality crops he's talking about very often tend to be irrigated crops.

And thirdly, I told him then, and I say again, I will take under advisement his suggestion that in fact he feels there needs to be more done in that area.

MR. KOSKIE: — Mr. Minister, in establishing your program, did you do an analysis of the total agricultural field in order to get an assessment as to what programs should be brought in? Did you in fact meet with the vegetable growers or those in specialized irrigated crops? Have you met with them? And have they told you that they're satisfied to be left out of this major program?

Is that what you're saying — that you actually met with them, discussed it with them? Have you met with the vegetable growers association, and what was their comments?

HON. MR. HEPWORTH: — To be quite honest, Mr. Chairman, with the hon. member, they haven't approached me on the issue. So I suspect that either they don't have a concern or they're quite happy minding the shop, if you like. But if they do want to approach me, certainly I'm prepared to talk to them about it.

And I find it somewhat paradoxical that on one hand the agriculture critic — at least I think he's the agriculture critic — was up here trying to convince me that I should just target to his area with his little problem, and now the member for Quill Lakes says, no, you forgot about these guys in my area. Which way is it? Which way is it?

MR. KOSKIE: — This is quite an admission, Mr. Chairman, that here a minister is waltzing around down the aisle getting excited about the extent of the major assistance that he's giving to the agricultural community. And you know, they're talking about how they have open government and they discuss with the various groups in formulating policy. You know, when we ask him whether he has met with the various sectors of agriculture, you know what he says? They never approached me; they must be happy. Well isn't that a great performance by a minister.

Well I'll tell you, Mr. Minister, you're going to hearing from a number of specialized groups in agriculture who feel aggrieved by being left out in this particular program. But since you're bragging about how well you've done with them in respect to guaranteed and consolidated loans, I was wondering whether or not you can indicate how many of those guaranteed consolidated loans that you have during the past year given out to vegetable growers or others in intensive farming operations, and the average size of those loans.

HON. MR. HEPWORTH: — Mr. Chairman, I don't have that information. I could undertake to provide it for you. I don't necessarily think it's germane to the discussion that we're having here. And in fact if there was zero, it might indicate that there are zero who are in difficulty.

MR. KOSKIE: — Mr. Minister, will you at least agree that in this Bill here, that you are leaving out of this application of this Bill a large number of people who have put in a very substantial investment into their intensive operation and as a consequence, are you agreeing that this program is of little or no benefit to those particular groups?

HON. MR. HEPWORTH: — Mr. Chairman, in response to what the vegetable growers may or may not have asked me for, and me not having seen them, I'm of the view that the vegetable growers may have submitted — and I'm having that checked right at this very moment — may have submitted a brief to our government relative to a national agriculture policy; and I'm going to check and see just exactly what they had to say in there about \$25 a cultivated acre or anything else. Because if my memory serves me correctly, I don't recall seeing anything in there about it, but I will check and see in, in fact, they did make a submission to us, not on this issue, but on the larger issue of farm finance and the rest of it.

MR. KOSKIE: — Very difficult to follow this minister. Initially he says, they never approached me; obviously they don't want anything because they didn't come to me. And he gets into a corner and he says, well just a minute; I think I had a brief from them. Which is it? Have you had representations? Have you discussed it with them? Is this program adequate in assisting their particular needs?

HON. MR. HEPWORTH: — Mr. Chairman, hon. member, I'm of the view, as are my officials, that

we in fact may have asked them for a brief, not on this issue specifically, but on the very large issue facing Canada today, the whole question of a national agriculture policy and what Saskatchewan's . . . and what their view as to how that should look, should be.

MR. KOSKIE: — Getting off the particular that I was dealing with, is the vegetable growers, and those that are in irrigation and so on, have you had any discussions or representation in respect from the dairy industry, or specifically those having started up the hog operations? Have you been in discussion with them?

HON. MR. HEPWORTH: — We are probably to one degree or another formally or informally in constant discussion with both those sectors that you mention. And as I said earlier, I'm surprised you haven't put forward a resolution congratulating this government for the initiatives in the pork sector of recent days.

The committee reported progress.

MOTIONS

Hours of Sitting

HON. MR. BERNTSON: — Mr. Speaker, with leave of the Assembly I move, seconded by the Minister of Supply and Services, that notwithstanding rule 3 the hours of sitting for Friday, December 13th, '85 be extended from 2 to 5 p.m. and from 7 p.m. to 10 p.m.

Motion agreed to.

INTRODUCTION OF BILLS

Bill No. 142 — An Act to amend The Urban Municipality Act, 1984 (No. 3)

HON. MR. BERNTSON: — Mr. Speaker, with leave of the Assembly I move first reading of a Bill to amend The Urban Municipality Act, 1984 (No. 3).

Motion agreed to and, by leave of the Assembly, the Bill ordered to be read a second time later this day.

Bill No. 143 — An Act to amend The Legislative Assembly and Executive Council Act (No. 3)

HON. MR. BERNTSON: — Mr. Speaker, with leave of the Assembly I move first reading of a Bill to amend The Legislative Assembly and Executive Council Act (No. 3).

Motion agreed to and, by leave of the Assembly, the Bill ordered to be read a second time later this day.

(1145)

COMMITTEE OF THE WHOLE

Bill No. 117 — An Act to amend The Agricultural Credit Corporation of Saskatchewan Act

Clause 1 (continued)

MR. ENGEL: — I have a couple of questions on the terms and conditions of the loan. On the very top line it says:

I hereby declare that I make this application with the intent of receiving a loan from . . .

ACS under the Production Loan Program . . .

And then the next little word bothers me just a little.

. . . and if the loan hereby applied for is granted . . .

Under what terms might you reject the loan?

HON. MR. HEPWORTH: — Mr. Chairman, for the most part I think it's a kind of standard clause as it relates to the fact that the Act says we may make loans and if we do . . . and hence the 'if' flows from the 'may,' if you like. We've just had some discussion as well that there may be some implications for resident versus non-resident, that kind of thing.

MR. ENGEL: — The only obstruction to getting a loan is that the person doesn't meet the resident requirements, is what you're saying. A Saskatchewan resident farmer with a quote book would qualify for a loan if he's farming the land.

HON. MR. HEPWORTH: — I'm advised the other possibility might be an application held in abeyance if a farmer was before the Farm Land Security Board, for example.

MR. ENGEL: — That one becomes a little more tough. You're saying that a farmer that is having problems meeting his payments and was one of the many farmers that applied to the Farm Land Security Board — a fairly ineffective little operation you had going there where there were more applications than there was money flowing around — and are you saying that somebody that is in the process of trying to get some help, or tried to get some help last year, can't qualify; that this is just for those that didn't need help previously? That's one condition, you're saying? I think we need a little clarification on that one.

HON. MR. HEPWORTH: — I'm trying to give you some examples of why the 'if' might be in there and that might be one of them. I don't think you should draw the conclusion that that would necessarily hold it up, but it would probably at least require that it be held in abeyance until it was cleared up, if you like. It seems to me if they're sitting around the table, what would be worked into the negotiation and the medication and the settlement and all the rest of it would be the fact that \$25 per acre is available. I think it's a positive, not a negative, if you like.

MR. ENGEL: — You can call it as positive as you want. I listened to the announcement of the little cheer-leader that you call a Premier. I listened to his announcement carefully. I was in my car. I was locked in to one position. I had no diversions; the road was empty. I was on there all by myself and I listened to him on radio and I heard the whole broadcast, cover to cover. And I thought you were coming out with a \$25 an acre loan, according to the member for Morse, \$50 an acre for those of us that go half and half. I thought you were coming out with a loan here to bail out the farmers.

Now you're saying if the fellow had some troubles in the bank, got a little problem here or a little problem there, and you know, was involved there with the farm loan board, decided that he's going to have his application reviewed, he mightn't get it. There's an 'if' there.

He's at that farm loan board because he's having difficulty making the payments. Maybe my request for a promissory note change there was premature. When I hear this whole thing and get through it, maybe the people I'm worried about, that I think should have two years, aren't even going to qualify.

What are the ifs? If a person owes some money and is behind and was trying to get some help from you last year and you were being tough with them like you were with a lot of them . . . There's very very few got through that net. That little safety net you had had big holes in it. The holes were more than 2 feet square, because the farmers were falling through and weren't getting their money. Are those people going to be rejected? Have you got a little standard clause here that . . . Have you written regulations for the Saskatchewan Agricultural Credit Corporation? Have you written some regulations for ACS on what terms they're going to grant these loans? Have you some regulations in

place?

HON. MR. HEPWORTH: — Mr. Chairman, to clarify the ‘if’ further, as best I can, it seems to me what I’m being advised here, and it seems to make some sense as to why perhaps a payment might have to be held in abeyance — is that if a farmer was in the process and in fact the court decided that the land was gone, it’s a little tough to make a \$25 per acre payment if there’s no land on which to make the payment. I think then you would be in this House criticizing me for giving \$100,000 to some farmer when he doesn’t have any land, and how silly that would be.

So I think the issue here is for the most part a very technical one and, as I said earlier, relates to the ‘may’ part of the legislation, where the ‘if’ follows through.

MR. ENGEL: — There’s nine little points under the terms and conditions of this loan that are quite interesting. The first one I can accept, that I:

agree that I will . . . in accordance with the terms of the Promissory Note set forth on the reverse side hereof:

I agree to the promissory note, even if it means that I’ve got to pay a super interest on payment one when I didn’t have a chance to make enough. I think that’s bad news for the farmers there. But:

(b) authorize (Agriculture Credit Corporation of Saskatchewan,) its employees and agents to inspect my records and agree to provide any requested assistance in this respect at any time while the loans remains outstanding;

Now what kind of a search are the staff . . . And how many people are you gearing up, and how many people have you hired on at Agricultural Credit Corporation of Saskatchewan to get out there and search a few farmers’ records? Is this going to be done prior to granting the loan?

HON. MR. HEPWORTH: — Mr. Chairman, the intent here would be that, for the most part, the acres in the quota book are probably going to cover the majority of people. But at any given time in Saskatchewan — and last year, I think there was 44, 4,500 land transactions — there is somebody selling and somebody buying; there’s agreements for sale, and at that very moment they may not be listed in this quota book but they may be listed in that one. And so to have some audit function, if you like, for the taxpayers’ protection, if you like; on the other hand to make sure that a farmer gets his total due in terms of acres if he’s bought a quarter and it’s on an agreement for sale and not yet in his quota book. I think we’ve got to have some leeway here and one should not get paranoid about the clause, because it’s probably for the most part a kind of half standard clause.

MR. ENGEL: — I’m worried about some of these clauses here. The question I asked: are you gearing up the Agricultural Credit Corporation to review the records prior to making the loan, is what I asked you.

HON. MR. HEPWORTH: — Only if he was, for example, applying for a payment on 1,000 acres and his quota book only showed 800, we might say, how come you have 1,000 in there, and he might come and show us in his records: here’s my agreement for sale; I just concluded it yesterday, and that’s why I’m applying for 1,000.

MR. ENGEL: — Well I don’t think you understood the question. The question was: you have X number of staff at the Agricultural Credit Corporation of Saskatchewan last year. How many additional staff have you taken on to do this review for this spring? That was the question I asked.

HON. MR. HEPWORTH: — Zero.

MR. ENGEL: — How many applications did Agricultural Credit Corporation review? How many new loans did they handle or were processed by that loaning institution last year?

HON. MR. HEPWORTH: — Mr. Chairman, I'm not sure what he's asking. If you're asking me how many loans the Agricultural Credit Corporation of Saskatchewan processed last year, we came here to give you information on this Bill, not talk about estimate kinds of questions.

I can tell you that we have about 4,000 clients, and I can tell you that Agricultural Credit Corporation of Saskatchewan did a darn good job of helping Saskatchewan farmers during some very difficult times.

MR. ENGEL: — Mr. Minister, that's the point I'm making. You said you didn't staff up and you're not planning on staffing up. You said staffing up is zero. Agricultural Credit Corporation has about 4,000 clients. I would guess without doing any kind of review, but just off the top of my head, I don't think they increased their portfolio by 10 per cent last year. I don't think they did. Maybe they did, but let's give them 20 per cent. Let's give them a 20 per cent increase last year. That's 800 applicants they dealt with.

Now all I'm saying is that we had an influx of problems in crop insurance. Crop insurance didn't gear up to handle those. Are you listening? Mr. Minister, when the influx came, we knew we were going to have a drought, but you could go to crop insurance offices . . . And I'm not critical of the staff that work there, I'm critical of the administration from your level, from the minister's level, for not providing sufficient funds.

I want to tell you that we found files under the table, on top of the table, piled up on the floor. They were all over the place. And they weren't being processed in time. I'm saying to you: you are going to get 65,000 applications in an office that's geared up to handle 3 or 400. What are you doing to handle the influx of loans? That's all I'm saying.

HON. MR. HEPWORTH: — Mr. Chairman, hon. member, we will do whatever it takes, the Ag Credit Corporation of Saskatchewan, to make sure that the farmers get their cheques. And I can't speak for crop insurance, but I can speak for the Agricultural Credit Corporation of Saskatchewan and the Department of Agriculture in so far as how they got cheques out this summer.

And you yourself will know — you yourself will know — that on coffee row, what everybody was hearing is how fast the cheques came out on the \$60 drought payment and the cash advance. And you know why they were talking about it? Because the turn-around was three days, those kinds of numbers. They got those cheques out there, and I don't think they added any new permanent staff. They may have added a few, but we got them out there and will continue to get them out there.

And we'll do the same here. We believe in service for Saskatchewan farmers, and three-day turn-around in cheques is service, let me believe.

MR. KOSKIE: — I appreciate the ministers' optimism. What I want to know is: when are these applications going to be available, and when can the farmer expect some money?

HON. MR. HEPWORTH: — That's a really leading question because my facetious response might be, a lot sooner if we get through this debate. But we're shooting — we're shooting — for the new year.

(1200)

We have, just so the hon. member knows the whole story . . . The printers have to go through and print some of this stuff, and we can't do that until we get the legislation put in place, etc., etc. And, being the time of year it is, we may be faced with not full capacity in the print industry over the Christmas holiday.

So the sooner we can get it to them, the sooner we'll have them out there. But when the announcement was made, we said then we were shooting for early in the new year, and we still

stand by that.

MR. KOSKIE: — You expect the cheques to be in the mail in January or February or March, or what month, time frame are you thinking about now?

HON. MR. HEPWORTH: — Our priority is to have these funds in the hands of the farmers when they go to look at getting supplies to put in the crop, or for those who want to pay down existing loans. And it will depend on the individual operator, when he wants to take it out. It seems to me, if I didn't have anything else I wanted to pay down, I might not take it till April. Because why pay interest on something that I don't need until I need it?

Now for others who are facing a 24 per cent bill at the local farm service centre on their arrears, they may want to pay that one down, or an operating loan. Our goal will be to have the applications and the information out there, ready to roll in the new year.

We've been very happy with the co-operation we've received from the elevator companies association, the umbrella organization. I think that co-operation will expedite the process. Those people are commissioners of the oath. They can sign it and seal it right there on many of the applications, I suspect.

MR. ENGEL: — Under what terms do you expect to have employees of the Agricultural Credit Corporation or their agents inspect my records and agree at any time . . . Under what conditions do you expect that to take place?

HON. MR. HEPWORTH: — I think I've answered that question, Mr. Chairman, and it was to do with either acreages that might increase or decrease, for example, because of agreements for sale, that kind of thing. That would be an example right there.

MR. ENGEL: — When would you be authorizing the Canadian Wheat Board to release information with respect to my farming operation, 'at any time while the loan remains outstanding'? What are the terms under c), for example?

HON. MR. HEPWORTH: — That would be part of the audit function.

MR. ENGEL: — Are you saying that, after year one, if the farmer has a loan and is a little bit in default, that they will then check the wheat board to see if he sold any wheat? Is this what you're saying?

HON. MR. HEPWORTH: — No. It's more to do with verifying acreages.

MR. ENGEL: — Once the loan is in place, that a farmer farms from year to year, if he makes his payment you don't foresee this inspection or this involvement taking place if a farmer's loan is in good standing?

HON. MR. HEPWORTH: — That's right. We do not.

MR. KOSKIE: — A couple of clarifications, Mr. Minister. In respect to the financing of this program, has the government made the arrangements for the financing? In your press release you indicated the Agricultural Credit Corporation would have somewhere in the neighbourhood of \$1.2 million available. I'm wondering whether you have put in place the financing. And could you indicate with whom you're doing the financing, if the corporation isn't distributing the funds? I'd like to know the rate of interest that you're paying in respect to the funds that you are borrowing for this program.

HON. MR. HEPWORTH: — Number one, pursuing additional dollars hinges on passing of the legislation, first of all. Secondly, I can advise the hon. member that the Department of Finance is and will be pursuing short- and medium-term borrowings to cover it, and they will be using the usual market sources.

MR. KOSKIE: — Is it clear, Mr. Minister, that you're going through, as you said, the Minister of Finance for the arranging for the funding? Was there any consideration given in respect to having agricultural bonds issued for those with substantial amount of . . . farmers could in fact invest and set up a fund which could be used by other farmers in the industry?

HON. MR. HEPWORTH: — Well, Mr. Chairman, I can't say that we've specifically looked at that procedure here, but I can say that that whole Agribond concept is one that's been under a fair degree of investigation for some several months now in conjunction with the federal government.

MR. KOSKIE: — I heard you indicate, in respect to when the farmers can expect to receive cheques through the application here, and you indicated in the new year; and of course that's 1986. Have you any particular deadline as to when you expect this program to be in place? The new year covers any time in 1986.

Are you going to depend on whether you have an early election or a late election this year? Because obviously you're going to have to go to the people of Saskatchewan and it would be a clear . . . I suppose it would be helpful to us if we knew that you're going to go, helpful to the farmers that you wouldn't play politics with this, but put it into place as an organized program.

So can you be more definitive? And don't get up and stand here and say that we would get on with the business if the Bill was passed, because you had all fall, Mr. Minister, that you could have called back the session. And you chose to delay it while you tested the waters whether you could go last fall. So can you be a little bit more definitive as to when this program is likely to be in place?

HON. MR. HEPWORTH: — We hope to have applications available before the end of January. And I say that, and I don't want to unnecessarily raise expectations that I can't deliver on. If, in fact, we had at one point a deadline from the printer, that original deadline has passed. That won't stop us from doing everything we can to get them printed as soon as possible. But I think to be safe, I'll say by the end of January.

MR. KOSKIE: — Just one further clarification. Now you're indicating here, or in your press release you gave, that it applied to all farmers. And what I'm asking specifically: are there any circumstances, financial circumstances . . . And don't stand up and say, if he has land that has been taken away, then of course we couldn't grant it, because obviously if he hasn't got a land base and the program is based on him having acreages . . .

I'm asking you specifically: can you indicate any of the circumstances in which a farmer would be excluded from being able to qualify for the acreage payment?

HON. MR. HEPWORTH: — the other instance I'm advised of, that my officials could think of, would be if there was a farmer who had had a note that the corporation . . . that had been written off. Not somebody who's in arrears or anything like that, but had been written off. That might be a case where, if that was 10,000 and his cheque this time was 20,000, you might subtract the two. Okay? Not anybody who's in arrears; it doesn't affect that kind of thing, and it doesn't jeopardize section 15(1), I think it is.

MR. ENGEL: — That's very interesting, Mr. Minister. You've got two sets of rules again. Peter Pocklington's coming in here to build a pork plant. He's borrowing \$22 million and he's getting \$10 million written off. Are you saying that the people that either put in under the Agricultural Credit Corporation, the old farmstart loans, that had their loan forgivable, you're now going to collect that? Is this what you said by having a written-off loan?

HON. MR. HEPWORTH: — Mr. Chairman, no.

MR. ENGEL: — What conditions would a loan be written off?

HON. MR. HEPWORTH: — If the person has disappeared, for example.

MR. ENGEL: — Well would a disappeared person, — smarten up, Minister — would a disappeared person apply for a loan?

HON. MR. HEPWORTH: — Mr. Chairman, it's, I think, sometimes interesting how people come out of the woodwork when there's something available at very good rates.

MR. ENGEL: — If a farmer has a permit book and is farming, he's not coming out of the woodwork. Now let's get serious in this committee. How would a person disappear and then come up and make an application? I trust the farmers of Saskatchewan. No wonder your job's on the line. No wonder your party's in jeopardy, and no wonder you're . . .

MR. CHAIRMAN: — Order, order!

MR. ENGEL: — I wonder why there's some interference here, when it starts hurting, Mr. Chairman. Mr. Minister, you have proven . . .

MR. CHAIRMAN: — Order. The chairman tries to make fair rulings, and it has nothing to do with hurting in any way. I would just like you to remember that. Just continue with your remarks.

MR. ENGEL: — Why did you switch my light off?

MR. CHAIRMAN: — Because I'm on my feet. That's why I switched your light off.

MR. ENGEL: — I was wondering why the chairman was interrupting me when I don't like what the minister is saying here. He is accusing farmers of showing up and disappearing, and coming on the scene and just all of a sudden leaving, having permit books or not having permit books. I want to tell you, that's a bunch of rubbish! Farmers in Saskatchewan are in trouble because they're hurting, and because they can't make their payments. When you have point (f) here and it says:

consent to a personal investigation of my credit worthiness . . .

Am I worthy, as far as credit is concerned in your banker friend's mind? You have a deputy minister that talks in the language of a banker. What is credit worthiness, Mr. Minister?

HON. MR. HEPWORTH: — To answer the question relative to somebody having disappeared or not having disappeared, I think one of the scenarios that might be possible — if somebody has walked away from the operation, it has been written off and that person may have ended up in another province, another country, and now may end up back in Saskatchewan. I don't think bad accounts are new to anybody. I think what we're trying to do here is prevent — how should I say it? — perhaps cases that might have elements of fraudulent activity, for example, associated with them.

MR. ENGEL: — You didn't answer my question. In point (f) I would like you to define the words 'credit worthiness.'

HON. MR. HEPWORTH: — I'm advised that this, for the most part . . . In actual fact where that clause might come into play would be similar to the examples I gave you earlier where somebody might be in the Farm Land Security Board process and end up coming out of it with no land, if you like. Those cases are few because of the track record, and hence, I suppose, might be seen to be not credit worthy because of no land base.

(1215)

MR. ENGEL: — I'm having problems with your banker's language, because I'm wondering what you consider . . . I'm consenting to a personal investigation to credit worthiness as a farmer for the

purposes of this application and 'authorize my creditors to supply such information as may be required.' I would really think we could expedite the process of this Bill, Mr. Minister., if you'd have some regulations that you're ready to table that the Agricultural Credit Corporation are going to use to determine the credit worthiness.

If you'd have the regulations in place that Agricultural Credit Corporation is going to use to determine whether an applicant is credit worthy.

I'll tell you what, Mr. Minister, I'll tell you something. There's a lot of farmers out there that are worried about their credit worthiness. That's why our party had a 19-point program saying, let's take care of the seriousness of the situation out there. Many, many of my neighbours are concerned whether they're worthy in your eyes, of credit. Are they worthy, in your eyes, of credit?

And I get pretty worried if my colleague from Saskatoon, the deputy chairman of Public Accounts Committee, or your deputy minister, or any other banker that you've got in there for your deputy minister . . . I'm really worried for my neighbours and my nephews and my friends that are in the farming community when it says a banker wants to know if they're worthy of some credit before this application will be proceeded with. And where are you going to stick your dirty, long noses into our credit accounts and our accounts with the banks and our accounts with the pool and the accounts with the co-op that's supplying fuels?

We're maybe not worthy of any more credit, Mr. Minister, under your government. You've stretched the credit to the very limit for fellows who have lost crops for five and six years. And that's why I was concerned about the promissory note. But maybe that's no concern, because they're not going to get any money because they don't think they're worthy of any more credit.

And you say here that you have to consent to a personal investigation of a credit worthiness. Under what condition, when I fill this out and I tell you that I've got 1,200 acres of land . . . I'm going to fill out that I've got 1,200 acres of land. Why would you want to know if I'm worthy of some credit? What terms or what condition would you take and look at the farmer that has 1,200 acres in his quota book, that hasn't changed for five years and he's still got 1,200 acres, why would you look at his credit?

HON. MR. HEPWORTH: — I want to assure the hon. member that is not the intention. We are not doing any credit checks on anybody. And in fact I think if you read through the Bill, we are very clear —very clear — on what we want to have happen to this money.

I want the member to listen to this, but I'm going to give him an undertaking when I finish. It was our view out there that there are lots of people that would like to get their hands on the farmers' money. The banker might be after it. People might want to put assignments on it and liens on it and all the rest of it. It was our view that this should be hassle-free cash. This corporation is not going to go through a credit corp survey or investigation on these people. We're going to make this cash hassle-free. And I give you that absolute undertaking.

We've done it with the cash advance program on livestock, and there's \$130 million out there. Three-day turn-around. Does that sound to you like we're sticking our noses into books and spending two months figuring out whether we're going to send it to them? That's the kind of track record we have, and that's the kind of track record we're going to stay with.

The Act clearly states, a section further along clearly states:

No person shall, without the prior consent of the corporation, assign or otherwise alienate the right to receive the proceeds of any loan, grant or other payment that is payable by the corporation pursuant to this Act.

But having said all that, the clause is in the draft, which is what I told you last night when I gave you this — the draft. I will look at that clause for you and take your concerns under consideration.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — I would suggest if you want terms and conditions of a loan set out in the event of fraud or attempted fraud, I will go along with those kind of agreements, but the average farmer doesn't want to go in and apply and sign for a loan where you have the right to determine whether we're worthy of some credit. You make a blanket application. You leave these terms and conditions out of the way and put them on the conditions of the promissory note and say, if I've failed to pay, that's a different story.

But if you're going to put terms and conditions in there, all the promises you make in the book aren't worth blowing up because they're still there. The intent is still there, and some, in your political wisdom, in your political decision can still have their credit checked out, and the farmer has to sign, that I will agree to my credit worthiness being checked out and 'authorize my creditors' — authorize my creditors.

Why would a person that's going in to borrow some money to pay off his creditors, why would he authorize them to tell him how much it is? Do you claim that you're going to remove this clause from this contract? I see no reason for that clause in there. None whatever.

HON. MR. HEPWORTH: — Mr. Chairman, as I explained to the hon. member just a minute ago and last night as well that these were a draft application, and I've given the undertaking that we will look at it.

I will remind the hon. member, so that he doesn't get wallowing too deep in hypocrisy, that when your administration put a cash advance program in for livestock, it went on to several pages of fine print, and secondly, you required things like chattel mortgages. So don't talk to me in any pious sense about red tape and restrictions. One page — and that's the way the livestock cash advance was. That's the way our programs are — free of red tape because we trust the farmers. A promissory note and she's cash on the barrel head. And if you think farmers aren't trustworthy, then I don't trust you.

SOME HON. MEMBERS: — Hear, hear!

MR. ENGEL: — Well, Mr. Minister, we might have us a little problem here, because if you don't trust us, that gives us reason not to trust you, because you just gone done telling me that farmers disappear and come out of the woodwork when it's time to pick up some money and then they're gone again. That's what you said about the farmers and that's what got up my ire, because I said to you plain and simple: you should have a special program for the farmer who have stretched their credit to a very limit.

Now you're saying '... under the production loan program and if the loan hereby applied for is granted ...' If it is granted. And I'm saying to you, Mr. Minister, that some of these terms and conditions are such that put you in great, great suspicion of the farmer, because you promised a working capital loan and very, very few got it. They had to crawl for it. Now your little cheer-leader said publicly, they're all going to get it.

But now all of a sudden you've got some little lines in there, that maybe if the farm counselling and assistance program's reviewing it, the guy that needs it the worst, the guy that was looking for it two years ago already, now all of a sudden he doesn't qualify. We're going to take a look at him; we're going to wait and see what the farm counselling people told him, whether we'll give him any money or not.

You're out there to shore up success. You're out there to make it easy for the guys that don't need the money. I'm going to get it. I can reinvest it. I'm going to use it like very other farmer will. But there's a lot of farmers out there that don't need it, Mr. Minister. And that's easy for them. But the fellow that's got a little problem with his credit, we're going to determine whether he's worthy of credit from

us or not.

And I think, Mr. Minister, until you consent to remove this line entirely, so we show we have some confidence in them, then we'll start making some progress.

HON. MR. HEPWORTH: — Mr. Chairman, these are draft regulations. I extended the courtesy last night of advancing them to you, and I have additionally given you the undertaking today to actively consider and perhaps pursue your suggestion.

I remind you again, our track record stands. We've put \$130 million out in cash advances on a very similar system already for the livestock producers, and I think our intent is to do that — put cash out there, with nobody else having dibs on it. That will be the intent. That's the undertaking I give you. And that's the undertaking I give you in front of all my colleagues.

MR. LUSNEY: — Well, Mr. Minister, just for clarification purposes — and I don't necessarily agree with you that your track record is that good that everybody should believe you — when you talk about credit worthiness, let me just put it plain and simple to you. In a case where the farmer does not have his land before the courts or being reviewed by one of your programs, but he does have some financial difficulties where the banks won't loan him money at this point, will that farmer qualify for your \$25 an acre loan?

HON. MR. HEPWORTH: — That's exactly why this program was put in place, because we recognized that banks were tightening up out there. At least I would go so far as to say there's certainly a strong perception that they're tightening up out there, that some fares, number one, could not get operating money; and secondly, even those that could were being asked for more security; and thirdly, they were being asked for money at higher . . . or were being extended money at higher interest rates because they were viewed as higher risks.

I think the hon. member for Pelly has hit on the intent of the legislation.

MR. KOSKIE: — I want to continue the clarification in respect to those who are excluded. In other words, I'm asking you to set clearly forward the criteria. And I ask you: are some going to be disqualified? You hedged and you said, yes, there'll be some who have a note written off by the agricultural corporation. You may in fact deduct what was written off previously.

I'm asking you: are the farmers who had received the counselling service and the counsellors that you sent around throughout the province and looked at the financial statement and the financial difficulty the individual farmer was in and recommended against any loan, are those going to be in a special category of exemption? Or are you in fact looking at the results of your counselling service in the past?

HON. MR. HEPWORTH: — No.

MR. KOSKIE: — What is the basic criteria, simply put? Give me the criteria that you're sending forward for advancing the loan. And I want you to clearly indicate any of the exceptions to it.

HON. MR. HEPWORTH: — The criteria are very, very simple. It's \$25 per cultivated acre. There's a verification process that involves the permit book, and the elevator agents make a lot of sense, since he's a commissioner of oaths, to help us in that verification process.

It's \$25 per acre. It's repayable over 3 years. It's at 6 per cent interest rate. There's a maximum of 100,000 for private individuals, and 200,000 for corporations and co-operatives. For example, the exceptions are as I've outlined earlier. I would be those where we have a file that has been written off. Secondly, the other example that has come to mind is those who, for example, might be in The Farm Land Security Act process and might end up with no land; hence there is nothing to pay the \$25 an acre on.

For the most part — and you raised the question, the counselling assistance for farmers — the counsellors and those people there view this as extremely positive, because for them, and for the farmer, this is another tool. They know they're going to have this kind of cash flow and they can pencil it in to those very difficult situations. There may in fact be those cases where we still top that money up with a loan guarantee, and that limit is not in any way jeopardized by what they might get under this program. So I suppose there are some cases out there who might be able to get 400,000 in terms of guarantees and cash.

MR. KOSKIE: — Well you've put down some of the exemptions here, and those where you have files that there has been a write-down or a write-off of a previous debt. I'd like to ask you how many of those cases have you. And also you indicate that there's a number that could be denied the assistance, who are under The Farm Land Security Act, under the process that you put in place — the farm land security. I'd like to ask you how many of farmers fall into those two categories, which could exempt them.

HON. MR. HEPWORTH: — I expect there would be a few dozen. In the case of accounts that have been written off — and I want to be clear: not written down, written off — and in The Farm land Security Act, I could only go by the numbers there. At this point in time one might be able to say zero, because I don't know how many of those cases have particularly been before the courts, even the ones that had negative reports, but it would be a small number.

MR. KOSKIE: — Well, Mr. Minister, you're making exemptions here to some people. Surely to heaven you can stand up and ask your officials how many in each category, instead of, a few dozen; it doesn't really matter, you know — just a few dozen. Don't you know the exact numbers you're going to be potentially excluding?

HON. MR. HEPWORTH: — Mr. Chairman, the hon. member doesn't seem to understand that somebody who's been written off, and if there were 100 of them, at this very day, 99 of them might have quit farming, so it wouldn't matter if there's 100 or 200 of them, because all of them could have quit farming.

(1230)

MR. KOSKIE: — Listen, don't be stupid. I'm only asking you in application to the Act. In application to the Act and to apply under the Act, the program you're putting into place requires that they be farming. So I'm asking you, if you're going to exclude some, talk about those that have a right to apply under the Act. I mean, you're really very, very ignorant or else stupid, because . . .

MR. CHAIRMAN: — Order, order. I think that while emotions sometimes get carried away in debate, I think we should remember that we should moderate our language, not only for the benefit of the people in this House but for the thousands of people who are watching us out in TV land. I think we should be ever aware of that. We should be models of decorum and dignity to the province.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — I would think, Mr. Chairman, after that gracious little speech on behalf of the Minister of Agriculture, I want to say that I think the people that are watching in television land are also mystified by the lack of information of minister after minister. We went through the Energy minister and he displayed the same degree of competence. But I'm going to ask again: in respect to those, how many of those farmers do you know who are still farming and you indicate will be disqualified from benefits under here and you say if they're under the farm land security Bill? You must have some knowledge as to the numbers in respect to that that it may affect.

HON. MR. HEPWORTH: — I've asked my officials to see if they couldn't give me this information based on . . . We have a cash advance program running for the livestock sector now and hence we might have as many in that area that fell into the same criteria that we might have on a program for the crop sector. And they suggested to me that on the basis of about 13,000 cash advances, we had

35 farmers that fell into some sort of disqualification. So I guess one could say that if there were 67,000 farmers eligible, we might make a payment to 66,965 if those numbers held true.

MR. KOSKIE: — You will agree, Mr. Minister, that the statement in your press release, where you announced the program that it would apply to all farmers, is in fact not the truth. Because there are, by your own admission, some farmers who are going to be disqualified. Is that accurate?

HON. MR. HEPWORTH: — Not if they're farming in '86, Mr. Chairman. It may well be that if there is a write-off there for \$5,000, taxpayers' money, and they get a cheque for 25,000, that they have to pony up the \$5,000 first. That seems to make some sense, it seems to me.

The bottom line on this whole program, as much as you may try to twist it — as much as you may try to twist it — is that this cash is going to be in the hands of farmers very few days after they get that application in, and all farmers will get it. It's simple and it's straightforward, and you can continue to try and make some case that you'd be criticizing me for in terms of abuse of the taxpayers' dollar the next day, if we didn't have that condition in there.

MR. KOSKIE: — I would like to ask the minister, if indeed a farmer has foreclosure action in its initial stages or in any stages of proceedings, an application for foreclosure, say, and is in need of some financing, I'm asking you whether a farmer in which any action for foreclosure has been taken, whether that in any way will interfere with his right to receive the assistance under this program.

HON. MR. HEPWORTH: — Mr. Chairman, the only way foreclosures can be proceeded with in Saskatchewan, and I reviewed that legislation this morning in the House, and we indicated our intent to renew that. It's in The Farm Land Security Act, and I've already reviewed what kinds of things we're thinking about when we look at whose cheque might be held in abeyance only, not that they wouldn't get one, but whose cheque might be held in abeyance because of the provisions of that Act.

MR. KOSKIE: — These are obviously the people that are in the most dire stress, and the assistance that you would give, the \$25 per acre, may well be possible to help them to restructure some of their debt, and what you're saying is that you may in fact withhold the funds from them. Are they not the ones who are in the most difficult financial position?

HON. MR. HEPWORTH: — Mr. Chairman, I say again, because your logic astounds me, that is exactly why we're making this cash available. It doesn't require any lending institution to say, yes, no, maybe, yes, but I'll give it to you at prime prime plus eight, or I'll only give you 10,000 when you need 60,000. That's why we've got this legislation is so that he can have the money. And obviously that's the kind of thing that will help keep him going, and that's the intent of the program — not to hinder them.

MR. KOSKIE: — But, Mr. Minister, you are admitting that those that are under the agricultural security Act and being reviewed, those are the very ones which you are going to be holding back the advances on. What I'm saying to you is that what is obvious within your program is that, as I said before, there are a large number of young farmers who are having considerable problems. What they need, many of them, is a total restructuring of their debt, and I don't think you will disagree with that.

Talk to the young farmers out there. A cash advance and more loan, even at the subsidized rate of interest, is not going to be a solution to many of the farmers out there, and you know it. Certainly if you did an analysis of it, if you talked to the young farmers . . . I can tell you, Mr. Minister, I've had a young couple in my office in the farming community, have some four quarters of land, and I'll tell you that what they need is a longer-term restructuring of their debt, and by borrowing on a one-time loan repayable in three years is not going to solve the solution of those particular farmers.

What I'm asking you is . . . I'm disappointed in the performance of your government in that I would have thought that you would have worked with your federal counterparts in order to set up within

the Farm Credit Corporation a possibility of these young farmers who are out there of restructuring at a reasonable rate of interest over an extended period of time, over and above that. And I say that this program, while it will be of some assistance, does not get at the very root of the many young farmers that I talked to throughout Saskatchewan.

Clause 1 agreed to.

Clause 2 agreed to.

Clause 3

MR. LUSNEY: — In clause sub (3)(s.1), it says: ‘net worth’ means net worth as defined in regulations.’ Mr. Minister, are you going to have or have you arrived at a figure of net worth that you’re going to be using where a farmer will have to qualify under to get this loan?

HON. MR. HEPWORTH: — Why this is in the Act is if we were to use the net worth that are in place today, criterion for this program, we would probably exclude half or three-quarters of the farmers out there because it’s a 300,000 cap. So we’re saying for the purposes of this program we want to be able to define our net worth criterion, and in fact, for this program, there are no such criterion. It’s hassle-free cash, as I said earlier.

MR. LUSNEY: — What you’re saying then, is there is no top or no bottom limit to the net worth or high net worth. It doesn’t matter what. There is no net worth going to be considered in this program.

HON. MR. HEPWORTH: — That’s correct. And while I’m on my feet, because in my second reading speech, I got actively and principally mixed up, I want to have the members clear that the Act before us in section 3, (1) and (2), talks about the definition of farming actively. Okay. So I don’t want there to be any misinformation.

Clause 3 agreed to.

Clause 4

MR. LUSNEY: — Just a quick clarification, Mr. Minister, for ‘prescribed purposes’ in 4(1), are you going to define the purposes or what’s going to happen? Where is that going to be?

HON. MR. HEPWORTH: — Mr. Chairman, hon. member, that’s the section that gives us the teeth, if you like, to make the loans to this group or all farmers out there, because the way the Act stands now, it’s livestock, and irrigation, and that kind of thing. So we had to give us the mandate to address this kind of very wide-scale program.

Clause 4 agreed to.

Clauses 5 to 7 inclusive agreed to.

HON. MR. HEPWORTH: — Mr. Chairman, hon. members, before I report the Bill I’d like to, on behalf of all members of the House, thank my officials for their help here today and with that, Mr. Speaker, I move that the committee report Bill No. 117, An Act to amend The Agricultural Credit Corporation of Saskatchewan Act.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 117 — An Act to amend The Agricultural Credit Corporation of Saskatchewan Act

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

its title.

Motion agreed to and Bill read a third time.

(1245)

ROYAL ASSENT TO BILLS

At 12:48 p.m. His Honour the Lieutenant Governor entered the Chamber, took his seat upon the throne, and gave Royal Assent to the following Bills:

Bill No. 118 — An Act to assist NewGrade Energy Inc. in establishing a Heavy Oil Upgrader in Saskatchewan

Bill No. 119 — An Act respecting Saskatchewan Oil and Gas Corporation

Bill No. 121 — An Act to amend The Heritage Fund (Saskatchewan) Act (No. 2)

Bill No. 117 — An Act to amend The Agricultural Credit Corporation of Saskatchewan Act

His Honour retired from the Chamber at 12:50 p.m.

COMMITTEE OF THE WHOLE

Bill No. 116 — An Act respecting the Transfer of Revenues from Oil Resources to Farmers in the form of Refunds in respect of Fuel Costs

HON. MR. HEPWORTH: — Mr. Chairman, and members of the Committee, seated to my immediate right, Jack Drew, deputy minister of Agriculture; behind him, Stuart Kramer, our assistant deputy minister of Saskatchewan Agriculture; and behind myself, Len Rog, director of revenue policy branch, revenue and financial services.

Clause 1

MR. ENGEL: — This Bill seeks to reduce the farmers' input costs in one of the higher items, and that is his fuel costs. And, Mr. Chairman, a couple of areas that concern me in the Bill, in that I appreciate the minister bringing his officials along, and the particular item of concern is that why so little? Why so little?

As I mentioned this morning . . . as I mentioned earlier this morning that oil companies' revenue was just gushing in. They have made more money this year than ever before. And as I pointed out to this Assembly, that the oil industry's profits gushed — you know, they're just literally gushing — that they're higher than they've ever been. And this Bill tags what you're giving to farmers onto that revenue.

Now if, like I suggested earlier, and the same thing applies in this Bill, if the government was concerned to help farmers, why wouldn't we be doing nearly as well as our neighbours are in Alberta? This same kind of legislation in Alberta gives the Alberta farmers a three-fold advantage of what we're getting here in Saskatchewan.

They're not getting 21 cents in Alberta. They were getting 32 cents a gallon when we were asking you for 32 cents. Then you came along with a meagre 21 cents, when Alberta, realizing the pressure farmers were under, realizing the problems they were facing, decided to double the amount they're giving their farmers, and they're giving the farmer 64 cents.

And I submit, Mr. Minister, that if you would have taken and kept the revenues of the oil companies in line with what a good administration was doing in the past, the oil revenues maybe wouldn't . . . the profits wouldn't be gushing into their treasures like they are, Mr. Minister, but they would be more in line.

And just let me read into the record what's happened to the revenue in the oil industry, because this Bill, Mr. Chairman, ties directly the amount, or the meagre 21 cents you're getting, to the revenue that the oil companies are making. And if the revenues would go back up, then this Bill could pay 64 or 65 cents, like Alberta does.

And I want to give the minister a little lesson — a little lesson on the economy. In 1979 in Saskatchewan the production in millions of cubic metres was 9.4. The value of that production was 729 million. Get this number, in '79. The revenue Saskatchewan received from it was 54 per cent of that value; 54 per cent of the value of the production of oil in Saskatchewan, which was 729 million, the Saskatchewan taxpayers were receiving a revenue of \$396 million — 54 per cent.

Now I wish they could just photocopy this little chart and put it right into *Hansard*; it would save me a little time. In 1980 that production went up to 9.3; the percentage revenue that Saskatchewan taxpayers received went up to 56 per cent from 54. In other words, 483 million.

In 1981 the production in metres dropped down a little bit but the revenue went up. The production dropped down in '81. They were shutting in a few oil wells and they were saying, hey, we're paying a little too much. And the oil companies were getting very uncomfortable with us. They gave your party a lot of money to get rid of us and get rid of those socialists. The total value of the oil in '81 was \$821 million, but the Saskatchewan taxpayer got 65 per cent of that. Sixty-five per cent went into our treasury — 533 million.

By 1982 the production came back up 8.1 million cubic metres. The revenue, \$1.1 billion, 189 million was the revenue, the total value. Of the total value, 1.189 billion, 700 million was the revenue that the province received — 59 per cent. In that year we had an election. In that year we had an election. What happened by '82? Production went up to 9.5 million cubic metres. The value was 1.6 billion, but the percentage of the revenue to the province went down to 42 per cent or 685 million. By '84 it went down to 34 per cent to 740 million. By 1985, when we were taking it out of the ground in Saskatchewan — 11.9 million cubic metres; it went from 9.4 to 11.9, about a 20 per cent increase — the revenue dropped from 54 per cent to 27 per cent. And you only gave us 21 cents.

If you would have kept that revenue close to 50 per cent, even close, can you imagine how much money they'd have to put into this Bill, even close to 50 per cent? The total value of the oil was \$2.4 billion. We'd have had \$1.2 billion if we would have been at 50 per cent, anywheres close to what the socialists were doing with oil. Those poor managers, those people that were unable . . . You could have . . . We were saying you're giving the oil companies 300 million. You're not doing that, because that directly affects what you can pay. We're saying you're giving the oil companies only 300 million. Really if you could keep the revenue up there, you're giving them 1.2 billion. That's terrible.

I think, Mr. Minister, if you're tying this Bill to oil revenue, if you're tying this Bill to oil revenue, this Bill will do wonders for farmers because after the next election the oil revenue is going back to 50 per cent, and instead of being at a measly 27 per cent, instead of only getting \$655 million into treasury, we'll get that number back over the billion dollar figure, and that extra \$400 million will finance this Bill and will finance it and enrich it and will help the farmers of Saskatchewan. The point I'm making is, this Bill is starting to do a job for farmers. Twenty-one cents isn't bad. It's better than nothing. Twenty-one cents isn't that bad. It's better than nothing, Mr. Minister, but if you take the figures that the oil industry and you take the revenue . . .

By the way, some time when you're in Assiniboia, Mr. Minister, drop in and pick up a copy of the book, *The Coffee Row Handbook*. I have them in my office. I'm right across from Sask Wheat Pool. Stop in and pick up a book, and there's some very, very interesting figures in there.

And I'd like to say that this Bill is doing a job, but it's only doing a half-assed job. The whole job can be done once we change the government. Excuse the language. But once we change the government, We'll do a full measure. We'll do a full barrel. The farmer's cup will be full and running

over, because he'll get what he has coming to him. He'll get the revenue of the oil that belongs to us. Thank you.

HON. MR. HEPWORTH: — Mr. Chairman, I don't want to prolong the debate that was started in second reading and rightly so, but the hon. member tries to establish the case that the Progressive Conservative government of Grant Devine is giving these massive give-aways to the oil companies, and if we weren't, we would have more revenues which we could pass back to the farmers.

(1300)

Similarly, he tries to make the case that under the NDP the royalties were much higher and the people of Saskatchewan got much more oil revenue. So I ask hon. members if his argument is true. In 1982, when we were elected, were the farmers getting 1 cent back on their fuel costs? Were they getting 10 cents back? Were they getting anything? And the answer clearly is no. Not one penny went to Saskatchewan farmers from their so-called lucrative oil royalty policy that they had in place.

What they did with the oil business was shut the oil patch down, so the oil patch and all the people who worked in it were losers and all the farmers were losers.

And if he wants to get into the size of the rebate, I think 21 cents, today, that is the number, because that is the oil royalties on an average that we take, so we can pass back to farmers. If oil royalties go up, we will pass back more to them. He makes the argument relative to Alberta. I suppose with Alberta's production running — what? — 10 times ours in terms of oil, I suppose one could argue that their rebate should be \$1.20, if you use that kind of convoluted logic.

The point is, Mr. Chairman, it's under the Progressive Conservative government of Grant Devine that the oil patch got going and that the oil patch can now pass back directly to the farmer some of the benefits of a good oil royalty program.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

Clause 7

MR. CHAIRMAN: — I must inform the House that on section 7 there has been an amendment introduced by the Minister of Agriculture which reads as follows:

Amend subsection 7(2) of the printed Bill by striking out 'farmer' (a) in the first line; and (b) the second line of clause (a) and in each case substituting 'person.'

Clause 7 as amended agreed to.

Clauses 8 to 10 inclusive agreed to.

HON. MR. HEPWORTH: — Mr. Chairman, I'd like to thank my officials, and secondly, move that the committee report Bill No. 116, An Act respecting the Transfer of Revenues from Oil Resources to Farmers in the form of Refunds in respect of Fuel Costs, with amendment.

MR. ENGEL: — Mr. Chairman, if he's thanking the officials I didn't thank them because I thought the same officials were going to handle all four Bills, but I would like to thank his officials as well.

The committee agreed to report the Bill as amended.

Bill No. 122 — An Act to amend The Heritage Fund (Saskatchewan) Act

Clauses 1 to 3 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 134 — An Act to amend The Livestock Investment Tax Credit Act

Clause 1

MR. ENGEL: — Mr. Chairman, the comment I would make on this is that this Act that's been in place and during the time it's been in place has failed to do what it was designed to do, and that was to encourage livestock production in Saskatchewan. The miserable failure that we see in this Bill here is it's strictly a lawyers' and doctors' Bill. It hasn't done anything for the farmers that are suffering severely in our area down south.

It's based on the premise that an average farmer can make money raising cattle. They are changing the Bill to open up further someone that the minister may deem to be owning cattle. I don't quite trust him on this one. He says it's for co-ops, and I've had a little problem with the minister. He claims that it's supposed to help someone in a co-op or prove that he actually owns the cattle.

I think that this is a big-money man's Bill from day one. When the Bill was originally introduced it was designed to help those fellows that are making a lot of profit to pay a little less income tax. Any way you doctor that up or any shape that this Bill may take still is under the umbrella of shoring up success, making it easier for those that are wealthy to pay less tax.

And I think this dismal record this government has on the kind of a deficit position Saskatchewan has gotten themselves into shouldn't be looking at ways to give loopholes to those people that could afford to pay tax, but it should rather be saying: how can we collect some money to take care of our deficit?

I think that the legitimate farmer, the fellow that's out there, isn't really worried. I haven't had anybody complain to me about paying too much income tax. Their big complaint is that they can't make any money. And this Bill doesn't put any dollars in to the producer. It puts dollars into the pockets of those that are making money.

It's designed to help the guy that's got a tax problem; it's designed to help the guy that's got a tax problem, not that's got a feeding problem. It's designed to help the guy that's paying too much tax, not designed to help the guy that wants to get his cattle industry.

I think if you'd have a Bill before the House today, if you'd have a Peter Pocklington Bill here before us today, that the rancher could get 21 million bucks and only have to pay back 11, then I'd say you've got something in there that's going to put some money in the pockets of farmers.

But all your concern is to help the rich. And if Peter decides to put some of that profit of that 10 million he's making into tax credits, it helps him avoid income tax rather than . . .

AN HON. MEMBER: — If there's an election, this is your last chance; so get at him.

MR. ENGEL: — My colleagues tell me this is my last chance before an election. I want to tell you this is my last chance to say you could have given the farmers a Christmas present and you didn't. You blew your Christmas present on one Peter Pocklington that the Alberta farmers don't want. You have nothing left for the farmers of Saskatchewan. Merry Christmas, Mr. Minister.

HON. MR. HEPWORTH: — Mr. Chairman, I hate to prick the hon. member's balloon, but on his last chance with the farmers of Saskatchewan, he just struck out.

This Bill here permits, without all the hoops that they go through right now, to pass back the credit to the feeder, and is part of a package of an issue that has been put together by this government to enhance livestock feeding.

We're proud of it, and those initiatives are working. And the concrete proof that they're working is an announcement known to us all that was made in this House just a couple of days ago.

Clause 1 agreed to.

Clauses 2 and 3 agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 116 — An Act respecting the Transfer of Revenues from Oil Resources to Farmers in the form of Refunds in respect of Fuel Costs

HON. MR. HEPWORTH: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

HON. MR. HEPWORTH: — With leave, Mr. Speaker, I move Bill No. 166 with amendments be now read a third time.

Motion agreed to and Bill read a third time.

Bill No. 122 — An Act to amend The Heritage Fund (Saskatchewan) Act (No. 3)

HON. MR. HEPWORTH: — With leave, Mr. Speaker, I move that Bill No. 122 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

(1315)

Bill No. 134 — An Act to amend The Livestock Investment Tax Credit Act

HON. MR. HEPWORTH: — Mr. Speaker, I move Bill No. 134 be now read a third time and passed under its title.

Motion agreed to and Bill read a third time.

The Assembly recessed until 2 p.m.