

The Assembly met at 2 p.m.

Prayers

INTRODUCTION OF GUESTS

Hon. Mr. Blakeney: — Mr. Speaker, it's my pleasure to introduce to you, and to my colleagues in this legislature, a group of grade 6 and 7 students from Wascana School. They are here accompanied by their teacher, Mr. Ingham, and their chaperon, Mrs. Skolmoski. They are attending here as part of their social studies program.

The Wascana School is in the constituency of Elphinstone, and I know a good deal about it since my son David and my daughter Margaret attended Wascana School and have many fond memories. The students here had enjoyed a tour of the building, will be with us during question period. I will look forward to having an opportunity to view the question period and to give yourself an even better understanding of how our legislative and parliamentary system work.

I ask all members to join with me in greeting the students from Wascana.

Hon. Members: Hear, hear!

Hon. Mr. Hardy: — Thank you, Mr. Speaker. It's a pleasure for me to introduce to you, and through you to this Assembly, a group of 50 students from the Sylvania-McKague area just south of Tisdale. They're grade 7, 8, and 9. They're accompanied here by their principal from the Sylvania School, Mr. McGowan, also Mr. Dahlsjo, Mrs. Shirley Dusener — I didn't say that correctly, I know — and Mrs. Loewen, and Mrs. Furber. I don't know who else is accompanied with them, but I understand those are with them.

I'll be meeting with them later at 3 o'clock for pictures out front and in my office for drinks. I hope they find this stay in the legislature both informative, and I'm sure they'll find it exciting at times. I hope they find it very informative also. I wish them a safe journey home, and I ask all the Assembly to join with me in welcoming the students from McKague and Sylvania to our Legislative Assembly.

Hon. Members: Hear, hear!

Mr. Koskie: — Thank you, Mr. Speaker. I wish to introduce to you, and through you to the members of the Assembly, a number of miners and wives from the PCS Lanigan mine. The miners are members of Local 922 of the Energy and Chemical Workers. They are here today accompanied by their president, Mr. Gil Todd. There are some members in the Speaker's gallery, there are some members in the east gallery, and there are some members here in the west gallery.

I want to say that the miners and the supporting members of their families are here indicating their deep concern of not having a contract for over a year and a half, almost a year and a half. I want all members . . . I've had the opportunity to meet with the miners, and I know that I

share their concern in respect to their problem that they are facing, and I want all members to join with me to welcome the miners and members of their family here today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Dispute with Saskatchewan Doctors

Hon. Mr. Blakeney: — Mr. Speaker, I have a question with respect to the Department of Health, and in the absence of the minister and the Premier and the Deputy Premier, I will direct the question to the Acting Minister of Health, the hon. Member for Regina Rosemont.

My question deals with the dispute between the government and Saskatchewan doctors which has resulted in the withdrawal of health care services to members of the public in a number of communities. I ask the minister, or any other member of the treasury benches, whether they could provide the Assembly with a report on the status of negotiations which, I understand, began yesterday and continued this morning in Regina.

News reports indicate that there is a tentative agreement, and I'll ask the government to respond indicating whether or not there is a tentative agreement, and does this mean an immediate end to any planned withdrawals of health care services?

Hon. Mr. Dirks: — Mr. Speaker, my understanding is that there were long and intense discussions that began yesterday and carried on throughout the evening and into the night hours, and that an agreement in principle was reached. I'm not privy to the details at this particular moment, and I would certainly take notice. I believe that the Minister of Health would be able to provide more details to the member opposite and to this Assembly at some further time.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. Mr. Speaker, I'll ask a supplementary. Since these negotiations are very important, not only from the point of view of health services, but also from the point of view of the amounts of money involved, can the minister inform Saskatchewan taxpayers whether the tentative agreement to which the minister has referred will require additional funding for the medical care insurance commission over and above the amount provided for in the estimates which we have already discussed in this House, and if so, can he indicate where additional funds would come from?

Hon. Mr. Dirks: — Mr. Speaker, as I indicated just a moment ago, I was not partly to the negotiation process myself, and I'm not privy to the exact details of what actually transpired during those particular negotiations. I'm sure that dollars were discussed. We all know that there were some differences and some disagreements and that that certainly will have been a focus of the discussions. Exactly what the fiscal implications are of the agreement in principle, I would have to take notice. And I'm sure the Minister of Health, who, I understand, is

opening a nursing home today, is not able to be here, would certainly be willing to provide that particular information at the appropriate time.

I'm very encouraged, as I'm sure all members of the Assembly are, that an agreement in principle was reached. There was previously an agreement reached with the nurses and an agreement with the doctors now, and I'm sure that's something that we all are very encouraged by.

Hon. Mr. Blakeney: — Thank you, Mr. Minister. Final supplementary, Mr. Speaker. The minister will be aware that there were news reports indicating that the area of discussion indicated a settlement of the order of 4.2 per cent plus adjustments for particular groups of specialists.

Can the minister indicate to the House and to Saskatchewan taxpayers whether or not the overall settlement, the global settlement, will involve an increase of in the range of 3.5 per cent gross, or is it going to be 4 or 4.5 per cent, or some figure substantially higher than 3.5 per cent?

Hon. Mr. Dirks: — Well, Mr. Speaker, I'm sure that the Minister of Health will, at the appropriate time, make public the details of the particular agreement. I indicated previously I'm not privy to the exact amounts that were discussed or percentages that were agreed on. I would take notice of that, and the Minister of Health will, I'm sure, make that information available.

I think the fact that we did work long and hard to achieve this agreement indicates once again that health care is certainly a number one priority of the Progressive Conservative government in the province of Saskatchewan.

Strike at Lanigan Potash Mine

Mr. Koskie: — Thank you, Mr. Speaker. I'd like to direct a question to the minister responsible for the Potash Corporation of Saskatchewan, and it deals with the strike at the PCS mine at Lanigan which began three months ago yesterday.

The 290-some employees at that mine have been without a contract for more than 16 months, Mr. Minister, and in spite of repeated attempts to bargain with you and the Potash Corporation of Saskatchewan. The minister should know that this dispute has created a great stress to hundreds of families involved in it and has also had an adverse effect on the economy of Lanigan and immediate district.

And I ask you, Mr. Minister: will the minister not take an active interest in this dispute and instruct his officials to get on with some serious bargaining so that these 290 workers can get back to their jobs?

Hon. Mr. Schoenhals: — Mr. Chairman, I have in fact taken an active interest in this rather unfortunate event. I have met with Mr. Todd; I have met with the townspeople, the mayor of Lanigan. We have been in constant communications, of course, with the PCS management.

I understand that the conciliator has a meeting scheduled tomorrow. Hopefully that meeting will lead towards some settlement of this dispute, but I think the logical progression of events would be to let the natural bargaining process take its place, and that is, in fact, happening.

Mr. Koskie: — Further question to the minister, supplement. Mr. Minister, there was some discussion with the corporation or the conciliator following the strike, and the remarks by the corporations in respect to it is that it was essentially a money dispute.

I want to ask you, Mr. Minister: are you not appraised of the fact that the workers have raised a number of concerns in respect to the health and safety at the mine? Is that not one of the key issues that they have raised? And can you explain why a government corporation like PCS would not want to set an example for health and safety record, and why you would refuse to seriously discuss the health and safety concern raised by the employees and the workers.

Hon. Mr. Schoenhals: — Mr. Chairman, I'm certainly not prepared at this time to get involved in the specific issues which have led to, and are continuing, this impasse. I discussed the health and safety issue with Mr. Todd when I met with him in Saskatoon. In fact, I indicated at that time, if those were the only issues, we could solve them right there, and the strike could end the next day.

Mr. Todd indicated that there were in fact other concerns, monetary primarily, that had to be dealt with, and I think that the process has to take place. The conciliator is meeting tomorrow with the two sides, and as I indicated, I am hopeful that something of a positive nature will flow from that meeting, and we can go on down the path to settling this unfortunate impasse.

Mr. Koskie: — Mr. Speaker, a further supplement. Mr. Minister, would you agree that the meeting of the conciliator tomorrow is a very restricted meeting; that the area of concern is not in looking at the overall attempt of settlement, but confined to a very limited area; and that as a result of that there could not possibly result in resolution of the strike?

And I ask you further, since the Premier and yourself have indicated publicly that you would actively take part in an attempt to settle it, and since the Premier has already taken part in the medical dispute, I wonder whether you, or in fact would you ask your friend, your colleague, the Premier, to take an equal interest in the workers at Lanigan?

Hon. Mr. Schoenhals: — Well, Mr. Chairman, at this particular time I am fully prepared to let the natural process take its course. We have confidence in the conciliator. I think he has a proven record. I think we would like to see him bring the two sides together and see if discussions can be held.

The comparison between the medical association and this union are somewhat different in the fact that it was the first time under the new agreement that negotiations had

taken place, and there was some lack of understanding, possibly, on how that process should work. This process is clearly laid out. The conciliator, I think, will get the two sides together. Hopefully, as I indicated, there will be some movement on both sides, and we can get on to serious discussions to settle this impasse.

Mr. Koskie: — Final supplemental, Mr. Speaker. I'd like to ask — the minister alludes to allowing the matter to go its natural course — I ask you: why did you not, in respect to the medical dispute, allow it to take its natural course? And you had the minister involved and you had the Premier. I say that there's 290 workers in Lanigan that haven't had a contract for almost 18 months. I ask you: will you use your office, or ask the Premier, to bring the two sides together to resolve this matter which, in fact, has to do with a number of safety issues as well as fair return for their labours?

Hon. Mr. Schoenhals: — Mr. Speaker, once again the process is clearly established: the conciliator is in place; there are meetings taking place. I think that the point that the member tries to make is, in fact, an attempt to play cheap politics with the lives of the workers in this province. The member, in his own right, advised this union that it was not wise to go on strike at this time. I think, when you look at the industry there, maybe his advice was not poorly taken; possibly it should have been heeded.

But the point is, we have gone through an impasse. It has been unfortunate. There is blame on both sides. It's not clear-cut, one side or the other. The conciliator will have them together tomorrow. They will begin discussions to try to solve this impasse, and I have confidence that the conciliator will, in fact, see progress tomorrow.

Mr. Tchorzewski: — Supplementary, or a new question to the minister, Mr. Speaker. Mr. Minister, you will recall that executives of SaskTel received a 13 per cent pay increase, and these are people who earn \$75,000 a year in the last . . . In some Crown corporations that's what the increase has been. Can you detail what cuts in pay and fringe benefits have been demanded of all the executives of PCS as part of your restraint measures, Mr. Minister, which you are implementing? Has there been an across-the-board cut in pay for all the senior executives or has there not been?

Hon. Mr. Schoenhals: — Well obviously we have a Crown corporations question, something that . . . (inaudible) . . . The answer is no, there has not been an across-the-board cut, and there is no across-the-board cut being discussed in this strike. The fact of the matter is that potash corporation and all the potash industry is in very difficult times. We've been through that debate a number of times in this House and in Crown corporations. And the answer to the question is simply no.

Funding for CMHC Regional Assistance Program

Mr. Lusney: — Thank you, Mr. Speaker. My question is to the minister responsible for the Sask Housing Corporation. This deals with the serious problem now being experienced with CMHC's residential rehab assistance program, the RAP (regional assistance

program) program, Mr. Minister.

Because your government and your political friends in Ottawa failed to agree on a funding agreement for this important program, and employees of this program are being laid off, Mr. Minister, contractors that usually do this work don't have the work to do at this point. They are waiting to get some funding in place so that they can get some of the applications processed, Mr. Minister, to get the grants and the loans going.

Can the minister explain why he and his friend, Bill McKnight, from Ottawa, have failed or have been unable, for whatever reason, to sign a global agreement on the housing program which would free up some of the funds for the RAP program and get this good program back under way and back on track, as it has been?

Hon. Mr. Dirks: — Mr. Speaker, it's always been my intention to see a global agreement with subsumed operating agreements signed as expeditiously as possible, and that in fact is what will happen. I expect that that will take place in the very near future.

At the same time, we want to ensure that we negotiate the best possible deal that we can for Saskatchewan and for Saskatchewan residents. And it is for that reason that we are in the final stages, and we expect that we will, in fact, be signing an agreement in the very near future with CMHC, and that the activities that the member opposite is referring to will, in fact, take place.

Mr. Lusney: — Question to the minister. Mr. Minister, surely you're aware that all funds have been froze at this time, and we're about two months into the construction season for this year, and you're talking about getting something signed soon.

Mr. Minister, are you not aware that applications are piling up all over this province at this point; contractors that usually do this work are looking for jobs because they don't have anything to do. The programs are not . . . the funding is not being freed up, Mr. Minister. When are you going to get together with your political friends in Ottawa and get this agreement signed so that the program can get back under way?

Hon. Mr. Dirks: — Mr. Speaker, I indicated to the member opposite just a half minute ago that we have been negotiating the best possible deal for Saskatchewan. I suppose that we could have signed a month previously, or two months previously, and then he would have said, you rushed into negotiations; you didn't get the best possible deal that you could have.

Well we want to ensure that we have the best possible agreement that we can have for the province of Saskatchewan and for our residents. And it is for that reason that we will be signing this particular global agreement with the operating agreements as well, and I might add that the first province that will be signing all of those agreements in the very near future. And I expect that the activities that the member opposite is expressing a concern about today will, in fact, begin taking place in the very near future.

Mr. Tchorzewski: — Mr. Minister, Saskatchewan is one of only three provinces who have not signed that agreement. Do you not understand, Mr. Minister, that our very short construction season makes it extremely important that you get together with your federal friends in Ottawa and get this agreement settled as quickly as possible. Normally the money is available in February. It is now the middle of June and the money is not available yet. Are you not aware, Mr. Minister, that there are over 200 people in Regina alone on the waiting list, and another 200 more in Saskatoon, Mr. Minister?

Hon. Mr. Dirks: — Well, Mr. Speaker, if the member opposite wants to take the time of the Assembly to ask the same question which the other questioner asked twice — in essence the question has now been asked three times this afternoon — I will quite readily respond with the same answer, but I thought that perhaps they might want to provide some other question for the Assembly. If they don't have another question, then we will continue to respond with the same answer. And that answer is that we have been in serious negotiations with CMHC (Canada Mortgage and Housing Corporation). I, myself, have personally discussed and negotiated with the federal minister. We are very satisfied that we are going to have the best possible deal for the province of Saskatchewan. That agreement will be signed in the very near future. And the kind of housing activities, the processes that the member opposite is concerned about, that those matters in fact will be taking place in the very near future in Regina and in Saskatoon and around the province.

Now I have answered the question three times. If the members want to ask it a fourth time, I will answer it a fourth time.

Mr. Tchorzewski: — Mr. Speaker, a new question to the minister. And he should keep in mind that as long as he does not answer the question, it will be asked.

Mr. Minister, your dithering is making people have to wait until winter-time, probably, for their grants to be approved, at which time they will not be able to get the work done, Mr. Minister . . .

An Hon. Member: — Is this a supplementary?

Mr. Tchorzewski: — I said, new question, Mr. Deputy Leader, it's good to have you back. Mr. Minister, can you confirm that under the new RAP (regional assistance program) guide-lines, which you are negotiating in order to get the best agreement, that have been suggested by Ottawa, thousands of Saskatchewan people who used to be eligible will no longer be eligible, in fact will be left out in the cold?

RAP used to provide a \$5,000 grant and a further \$5,000 loan to a family with an income of \$13,000 a year or less. And that assistance, Mr. Minister, was gradually reduced as their income level increased to a cut-off point of \$23,000 a year. However, the new guide-lines that are being proposed will cut off all the assistance above \$15,500, because of your tremendous negotiations, in Saskatoon . . . 14,500 in Saskatoon and 15,000 in Regina. Anyone making a dollar above that level will no longer be eligible for assistance.

Do you agree, Mr. Minister, with this decision which you are negotiating to make thousands of Saskatchewan families ineligible for assistance under this very worthwhile program?

Hon. Mr. Dirks: — Mr. Chairman, this particular government, through Sask Housing, is providing far more housing assistance today than the former NDP administration ever did. And that's the first point that needs to be made. And we dealt with this issue, Mr. Speaker, in estimates just a couple of days ago. And I quoted the statistics at that time, the comparative statistics that show that this government is indeed paying much more attention to the housing concerns of the people of the province of Saskatchewan. Our priority is there, rather than buying potash mines and uranium mines like the former government did.

Now I indicated to him that when the agreement is signed, that in fact the information will be made public, and at that time all of the details relating to all of the housing programs will be made public. And I think it's appropriate that you don't make those kinds of things public before you've actually signed an agreement.

It certainly does make sense, Mr. Speaker, to target subsidy dollars — in essence to target the dollars of the taxpayer of Saskatchewan to those lower income people that are most in need of assistance. I think that's a principle that we all would accept, and that is exactly what we are attempting to do through the rehabilitation program.

Now there will be differences of opinion as to where the income cut-off level will be. And as I indicated just a moment ago, I'm not about to talk about the negotiations publicly before we have actually signed an agreement, but I can indicate that this government is spending more on housing and is doing more to meet the housing needs than the former administration ever did.

Cut in Federal Transfer Payments

Hon. Mr. Blakeney: — Mr. Speaker, I direct my question, in the absence of the Minister of Finance, to the Premier, and it deals with the Mulroney government's plan to arbitrarily cut federal transfer payments to the provinces for health care and post-secondary education.

The legislation to make these cuts law, Bill C-96, was approved by the PC majority in the parliamentary committee without amendment on Monday of this week, and it now goes back to the Commons for final approval. It may well be law then in a few short weeks.

Can the Premier tell the Saskatchewan taxpayers what specific action your government plans to take in the next few days to convince the Mulroney government to either postpone this legislation or amend it at the report stage in parliament?

Hon. Mr. Devine: — Mr. Speaker, I can advise the hon. Member what we have done, not only recently, but compared to others. We provided an 11 per cent increase in our health budget in the province of Saskatchewan,

which is very significant. Correspondingly, my colleague, the Premier of Manitoba, provided a 3 per cent increase in his health care budget.

So when we look at the corresponding expenditures in health care, the province of Saskatchewan is very committed to health care — hospitals, nurses, physicians, nursing homes, all the rest. And if we look at the last four years, the money that we've put in there, compared to Manitoba or anybody else that suffers the same kinds of economic conditions, in fact, not even as bad as we did, our record will stand quite clear as one as a major commitment to health care in our negotiations with other provinces and with the federal government.

So let there be no mistake, this is the largest commitment to health care that we've seen in the history of Saskatchewan, and we're very proud of it, and we'll compare it to any other jurisdiction in Canada.

Hon. Mr. Blakeney: — Supplementary, Mr. Speaker. I obviously didn't make my question clear. The question dealt with Bill C-96 and whether or not you were prepared to see the federal government cut back its transfer to the province of Saskatchewan and to all other provinces.

You will be aware, Mr. Premier, that the Government of Manitoba appeared before the parliamentary committee; the Premier of New Brunswick made a submission. Can you, Mr. Premier, explain why your government decided not to appear before the parliamentary committee in the face of the fact that passing this law will mean many fewer dollars coming to Saskatchewan than would be the case if this law did not pass. Do you acknowledge that if C-96 passes, Saskatchewan gets less money from Ottawa; and do you acknowledge that other provinces have appeared before the committee; and will you explain why you have taken no action?

Hon. Mr. Devine: — Mr. Speaker, a couple of observations. The first is that I expressed my concerns with respect to cut-backs right on national television at the first ministers' meeting in Halifax and made it very clear and laid out our position. Secondly, Mr. Speaker, in this province we would have been penalized by the federal government had we not removed direct billing.

Under your administration you had direct billing, and you would have had a penalty, and you would have been charged a great deal of money as a result of that. As a result of our administration there is no more direct billing, and there's no penalties in the province of Saskatchewan; so therefore we don't get that penalty.

When you look at the combination of what we've done with respect to health care, the expenditures that we've put in it, and the deliberations that we've had with the federal government, the health care budget in the province of Saskatchewan will rank with any in the country, and certainly a lot better than it was under a previous administration here.

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Dirks that Bill No. 48 — **An Act to establish the Saskatchewan Assessment Management Agency and govern its activities and to provide for an appeal board with respect to certain assessment matters** be now read a second time.

Mr. Tchorzewski: — Thank you, Mr. Speaker. When I first noted the introduction of this Bill, I was not intending to say much on it. Indeed, I was intending to let it go to committee so that we could consider the legislation. But having now taken a look at the Bill and having, Mr. Speaker, studied the interim report of the Local Government Finance Commission which recommended the agency which is being proposed in this Bill, and having discussed it with both SUMA (Saskatchewan Urban Municipalities Association), SARM (Saskatchewan Association of Rural Municipalities), and with the SSTA (Saskatchewan School Trustees Association), I think it has become clear to me that what the Bill is doing, according to what the minister has stated, is not exactly what was originally intended by the recommendations which were made by the interim report of the Local Government Finance Commission.

And so, Mr. Minister, I think it is important to point out certain flaws that are becoming more and more obvious in this legislation and as my colleague, the member from Shaunavon, indicated when he spoke on it the day that the minister gave second reading; it appears more and more every day that this Bill is intended only to cosmetize a political problem of the government, rather than meet the objective of providing a truly independent assessment agency.

I will want to point out, Mr. Speaker, why this Bill does not provide a truly independent assessment agency as was recommended by the commission, as was requested by local government associations, and, I think, as has been generally accepted by the public.

I find it with some interest that as of yesterday, neither the SSTA, nor SUMA, nor SARM had had an opportunity to look at this legislation. I found that particularly interesting in light of the fact that the minister spent so much time in his remarks talking about the consultation process that had taken place.

And it is true that there was some consultation, and actually very good consultation, with regard to the recommendations of the Local Government Finance Commission on property assessment in Saskatchewan. But the consultations stopped after the consideration of these recommendations. None of these associations ever received a draft copy of the Bill — as far as I know — for their consideration, and some of the provisions that are in it now are of some concern to local government, and so they should be.

And I simply, for the benefit of the minister and the House, want to point out what some of those concerns

are. It was recommended on page 5 of the commission's report, Mr. Minister, or page 43, and it's referred to in the Bill on page 5 to some degree. But in the commission's report it was recommended that there be an independent assessment agency – and I stress the word “independent.”

I find it somewhat interesting and distressing to see in the legislation that there's provision here that in fact a member of the Legislative Assembly could be appointed to this commission. Now how that strengthens the independence of the assessment function when that condition is applied in the legislation, I find difficult to understand, and so do local governments find it difficult to understand.

The commission report had recommended that there be representatives from SUMA, from SARM, and from the SSTA; that there be two representatives from the Saskatchewan Urban Municipalities Association, two representatives from the Saskatchewan Association of Rural Municipalities, and one from the Saskatchewan School Trustees Association. That's what the commission recommended.

Well, the minister who was in charge shakes his head. Obviously, after the report was provided to him, he hadn't read it. But it is right here. The school trustees, Mr. Speaker, with whom you have some understanding, I know, were concerned about the fact that there was only going to be one SSTA member represented. But they compromised, because when the discussions on this thing took place with the commission, they compromised, and they were prepared to accept one representative on this assessment management agency.

When the Bill was introduced in this House, Mr. Speaker, that provision was not incorporated in the Bill. There is no representation for the Saskatchewan School Trustees Association. The Saskatchewan school trustees are concerned, and I support them in their concern.

So what I am saying, Mr. Speaker, is simply that this so-called consultation that took place seemed to be an exercise only, without any final result coming out of it that would meet what obviously were the expectations of the people who are going to be affected most of all.

Mr. Speaker, the independent . . . the property assessment agency, as recommended by the commission, also said that the chairman of the commission should be chosen by the board of directors who are members of that commission. The legislation here indicates that the chairman will be appointed by the minister through order in council, in consultation with the people who are members of the board of the so-called independent assessment agency – another recommendation which is not followed.

I think, Mr. Speaker, if it's truly going to be independent, then the heavy hand of government in the appointment of some of the representatives of this commission, like the chairperson, ought not to be there. If SUMA and SARM, and if the recommendations had been followed, SSTA also – if they had been allowed to appoint somebody, have appointed members along with the government

members appointed by the minister or the cabinet, if they're appointed. I assume that they're certainly people of high quality and ability. It seems to me only fair that they ought to be able, therefore, to get together and choose a chairman among them. I do not see why it is necessary for the minister to appoint the chairman, or the chairperson, whichever the case may be.

And so some of the principles incorporated in this legislation, which was supposed to result in an independent assessment management agency, some of those principles have to be in question, and that's why I decided that some of these shortcomings have to be pointed out.

It is true that the Bill states, Mr. Minister, that SARM and SUMA will be able to recommend members that will be a part of this commission board, but the legislation does not make it very clear. And if we can clarify it in committee – I would appreciate that – whether the people who are going to be recommended by SUMA or SARM – and if the minister will reconsider, hopefully by the SSTA – whether they will then be automatically accepted by the minister and appointed, or whether the minister will indeed be asking for three, four, or five names and then choose his select two that he wants to have.

Governments in the past have made that kind of approach – and will in the future – but I think that kind of approach is not the correct one in this case. Now if I am wrong in my interpretation of the Bill on that, I would appreciate if the minister would put on record when he concludes his remarks, and make it clear that when the municipal organizations nominate two people to go on this board, those two people will be the two people who will be appointed. I think it's important that the minister make that clear because that is of some concern to municipalities. And I have discussed this with several municipal people who have indicated to me that they were somewhat concerned, and I think that they should be.

Mr. Speaker, those are mainly the concerns that I wanted to raise. There are a number of questions which I will want to address in committee, because there are certain clauses in here which I think might be improved, and some of them which are not very clear.

I wanted to raise those issues because they really are issues that deal specifically with the principle of what this Bill is supposed to do, and the Bill is supposed to set up an independent assessment agency. And I'm not sure that, as it is right now, it does that. There is too much government influence in it, and therefore it jeopardizes the independence that it ought to have.

Mr. Speaker, I will therefore conclude my remarks with those comments. And if the minister has any comments that he would like to make to clarify any of the issues which I have raised, I would appreciate it.

Hon. Mr. Dirks: — Mr. Speaker, I welcome the opportunity to make concluding remarks on this very important piece of legislation which indeed does establish an independent assessment management agency in our province, something that should have been established some time ago.

We all recall that, under the former NDP government, they ran the assessment here in the province with an iron glove. There was no independence. There was no involvement of anybody else. They were the ones who directed assessment in the province.

We have decided, after much consultation, that in fact it does make good sense, good management sense, good assessment sense, to establish an independent assessment agency. And that independence is in fact established by virtue of the fact that SUMA (Saskatchewan Urban Municipalities Association) and SARM (Saskatchewan Association of Rural Municipalities) will in fact have a majority of representation on the board of directors of this particular agency.

(1445)

It will be an agency that answers unto itself. It is not an agency or an entity of the government or of the Crown in any fashion. It is separate; it is independent. So we are, in fact, responding to what the various interest groups and organizations here in Saskatchewan have requested. And I think that is a very forward-looking step.

As it relates to the membership coming from SUMA or SARM, the two members that would be nominated by those particular organizations, the members suggest that in the past governments would ask for four or five and then pick the two that they wanted. Well that may have been, that may have been the process of the NDP in the past, where the NDP did ask for four or five, and then decided which two were most acceptable to them.

That is not, that will not be, the process that this particular government will follow. Whoever the Saskatchewan Urban Municipalities Association nominates will, in fact, be what we will accept, and whatever the Saskatchewan Association of Rural Municipalities says with regards to the two that they want on, we will accept. And it's unfortunate that the member opposite would not stand to his feet and say that we have what we have here is in fact a good Bill.

I am very pleased, Mr. Speaker, that we are taking the steps today that we have laid before the Assembly to establish an independent assessment management agency. It is the kind of forward-looking managing of issues approach that we want to see in our province. I'm pleased that it's a Progressive Conservative government which is responding to establish this independent assessment agency.

I do expect that everybody in this Assembly would want to support this particular Bill. It's unfortunate to see that the members opposite have made some of the comments that they have, but we will see. We will see when, in fact, we call for the vote on this particular Bill. I certainly would encourage all members who are here today to support this forward-looking piece of legislation.

Motion agreed to on the following recorded division.

Yeas

Devine	Young
Tusa	Hopfner
McLeod	Weiman
Andrew	Rybchuk
Schoenhals	Domotor
Hardy	Muller
Folk	Glauser
Smith (Swift Current)	Gerich
Myers	Petersen
Dirks	Swenson
Embury	Tchorzewski
Sandberg	Thompson
Maxwell	Engel
Smith (Moose Jaw)	Koskie
Hodgins	Lusney
Morin	Yew
Muirhead	Sveinson
Parker	Hampton

— 36

Nays

— 0

Bill read a second time and referred to a committee of the whole at the next sitting.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Dirks that Bill No. 49 – **An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Assessment Management Agency Act** be now read a second time.

Motion agreed to, Bill read a second time and referred to a committee of the whole at the next sitting.

SECOND READINGS

Bill No. 55 – An Act to amend The Meewasin Valley Authority Act

Hon. Mr. Folk: — Mr. Speaker, I rise to move second reading of Bill No. 55, An Act to amend The Meewasin Valley Authority Act. This Bill is designed to allow for property that is now public and being transferred to private hands to be removed from the Meewasin Valley Authority. No private property in the R.M. of Corman Park is under the jurisdiction of the Meewasin Valley Authority; however, there is some public property in the R.M. that does come under the authority's jurisdiction. Saskatoon Chemicals is owned by Prince Albert Pulp Company Limited and, therefore, on public property. In consultation with the MVA (Meewasin Valley Authority) regarding the sale of the Prince Albert Pulp Company Limited to a private firm, it was therefore agreed that this property be transferred out of the authority so as to be consistent with all other private property in Corman Park. This Bill does provide a statutory easement to the authority for a portion of land along the river bank for their use and their enjoyment.

As I have indicated, this matter has been thoroughly discussed with the Meewasin Valley Authority, and they have no problem with the amendment. Mr. Speaker, I hereby move second reading of this Bill, and I would urge all members to support this piece of legislation.

Mr. Tchorzewski: — Mr. Speaker, I've listened to the minister's remarks. I want to adjourn debate on this Bill until we've had an opportunity to make some contacts with people who are affected. In saying that, I'm not questioning what the minister has said, but I think it's only appropriate we do that. And so I beg leave at this time to adjourn debated.

Debate adjourned.

Bill No. 54 – An Act to amend The Horse Racing Regulation Act

Hon. Mr. Devine: — Mr. Speaker, it's my pleasure today to speak to a small, yet important, amendment to The Horse Racing Regulation Act. As you are aware, our government has a history of responding to the needs of the province's horse-racing industry. Most significantly, in December, 1983 we established the Saskatchewan Horse Racing Commission. This body was created because the horse-racing industry told us they needed an independent and unbiased regulatory agency. We were pleased to respond to that need, Mr. Speaker.

Now with this amendment to The Horse Racing Regulation Act, we are responding to another need. As you know, separate pool wagering is a new fact of life for this province's horse-racing industry. Under the separate pool wagering, racing fans at one track bet on races at another track, but those bets are recorded and distributed separately from the bets at the track where the race is run. This separate pool wagering, which is permitted by the Criminal Code of Canada, was tried and introduced by the industry to add another dimension to the horse-racing industry in Saskatchewan and to help the industry hold or increase to declining revenue.

However, while separate pool wagering is now part of the industry in Saskatchewan, there is no provision for the province to tax betting under the separate pool wagering system. The result is that separate pool wagering now returns approximately 10 per cent more to betters, and is therefore more attractive to the racing public. This in turn puts strain on live racing in Saskatchewan, as betters may move away from betting on live races run in the province in hopes of winning more money on races which take place in other communities across western Canada. Under these circumstances, Saskatchewan's horse-racing industry, which is already facing some difficult times, could find itself facing further hardship.

To improve this situation and to place separate pool wagering on the same footing as other betting, as requested by the horse-racing industry, this amendment will make it possible for the provincial government to tax separate pool wagering at a rate of 10 per cent – same rate at which the pari mutuel betting is taxed.

Mr. Speaker, I believe the amendment we are proposing is fair, and helps address the concerns of the industry. I move second reading of The Horse Racing Regulation (Amendment) Act, 1986.

Mr. Engel: — Mr. Speaker, I and my colleagues want to look at it and just see what is entailed in this, and therefore

I beg leave to adjourn debate.

Debate adjourned.

COMMITTEE OF FINANCE

**Consolidated Fund Budgetary Expenditure
Agriculture
Ordinary Expenditure — Vote 1**

Mr. Chairman: — I'd like to ask the Minister of Agriculture to please introduce his officials.

Hon. Mr. Devine: — Thank you, Mr. Chairman. I would like to introduce to the Assembly and the members of the opposition: Mr. Jack Drew, deputy minister, Saskatchewan Agriculture; Mr. Stuart Kramer, assistant deputy minister; Mr. Henry Zilm, assistant deputy minister; and Mr. Wes Mazer, director, administrative services branch, Saskatchewan Agriculture.

(1500)

Item 1

Mr. Engel: — Mr. Minister, this is a good time to be discussing agricultural estimates. Farmers are anxious to have some of the concerns raised, and we hope that in the next couple of hours in the time we spend here that we'll possibly find some answers to some of these concerns they're raising.

I think there is a larger difference in the philosophy and the outlook and the approach to agriculture this time around than I've seen watching and looking at three different stripes of governments.

I got involved and was actively farming when Toby Nollet was the minister of Agriculture. He was around a long time, a real gentleman, and somebody that set kind of a level for ministers of Agriculture.

Then we had the election of the Liberal government, and I can't really say that during those years in agriculture that they disappointed me in agriculture as much as your government has. I was disappointed in the Liberal's approach to small-business men, and I, as a contractor there rather than as a farmer, was hurt and offended and aggravated enough that I got into politics because of some of the actions that the Liberal government had in relationship to their dealings with small-business men and, in particular, contractors.

But this last term, now that we've watched the four and one-half years that you've had a chance to orchestrate agriculture – you're the third minister we've had in these four years. I think, taking it on yourself and deciding to be the Minister of Agriculture has, I think, been a grave mistake, Mr. Premier. I want to outline some of the reasons why I believe that.

Agriculture is more than just a sideline in Saskatchewan. Agriculture is the number one industry. And with all due respect, Mr. Minister, you can't successfully wear two hats on this one. I noted when you introduced your staff that you introduced the officials, as you have a deputy

minister and then two assistant deputies – I believe you called them assistants – I suppose I can read that in *Hansard* tomorrow and just see what it was.

But the handling of the department and taking it onto yourself . . . I think the thing that most farmers are concerned about, I think, it removes it one step from the political process, and it's a direct comparison; it's a direct comparison to what's happened with our Crown corporations, for example. By not having a minister in charge, and by naming the person in charge and putting a lay person in the position where a minister should be, is moving in the direction where I see politics when I go across and visit with my relatives and friends and people I know down in the United States.

I have a close family, and my roots come from the United States, and my people, my folks, were born down there and some of the relatives stayed there, some came up here to Saskatchewan. And I get down there a lot. And you're trying to identify closer . . . Maybe you should have changed the name of your party and gone along with Dick Collver and Mr. Ham and emulated that position they were offering there. But what I'm basically trying to say, by getting the system in place, where you put the private sector in charge, removes it one step further from where the people can get at their elected official. And I look across the room and I even look at the chairman here, and here's a person that could have been a Minister of Agriculture . . .

Mr. Chairman: — Order. I don't think you should draw the chairman into your arguments in your debate. I would appreciate it if you would leave the Chair as neutral as possible.

Mr. Engel: — Well I was just trying to be complimentary, Mr. Chairman, and I will withdraw that remark. But there are a number of people that could have been involved and been politically sensitive, politically sensitive to the concerns and needs of farmers.

And so when we look at the whole farm issue, and we look at somebody . . . and I read with interest some of the articles that were written in some of our newer circulations. The story was there that this is as much time you give to the Department of Agriculture; this is as much time as it takes to be Premier; and this is as much time as you are in your executive duties. And consequently nobody is that much of a superman that they can do four or three jobs . . . (inaudible interjection) . . . Some of your colleagues say, oh, yeah, and think it's great.

But from that point of view, I feel quite strongly about where you have put agriculture and the priority you have given it. By deciding to keep it yourself it has created some serious problems. Shortly after you took over the portfolio, you still had to send the former minister of Agriculture to a major conference. Saskatchewan's position was given second fiddle and second place. I honestly feel that in the negotiations with Ottawa, and with taking Ottawa on and coming out with some major announcements and major programs that would benefit Saskatchewan farmers, we've been served second rate on this one.

I'm not questioning your ability as you being able to be Minister of Agriculture yourself if you wouldn't have that extra load. What I'm saying is that the issues that are burning in a crisis time we're facing in agriculture are such that that is the one statement I want to make at the outset. And as we go through the rest of the estimates, I hope you will give at least this aspect of it your attention and concern and that we will deal seriously with these questions that are there. But if you want to make a small comment on that issue.

The other starting question, the lead one that I have: do you consider this a serious time for farmers, and is there a crisis? Is there a time when . . . do you expect a major shake-up, or do you think that the average farmer will get through this crisis and will be able to survive with the kind of programs you have in place? With the thrust that you have there, do you feel that we're in a unique time in Saskatchewan's agriculture, or is this just part of a trend? How much of a crisis are we facing at this time?

Hon. Mr. Devine: — Well, Mr. Speaker, with respect to the last question first, we have faced some serious economic problems in agriculture as a result of a combination of things: high interest rates that went as high as 22 per cent; low grain prices; we looked at some weather problems that were very unique – two or three years of drought on my farm and the hon. Member's farm or area; grasshoppers. And the combination of those things did hurt Saskatchewan agriculture, and particularly southern Saskatchewan. And as a result we are carrying a debt, and the debt is on the backs of farmers who had to cope with either the severe economic conditions as a result of high interest rates or the combination of weather conditions that backed them into the corner.

Today I see a little bit of light at the end of the tunnel, and I'm sure the hon. member recognizes that – as a result of we've had good moisture conditions across most of Saskatchewan, particularly south of No. 1 Highway where they need it. I met with the stock growers in Carlyle the other day, and they had never seen it so green for a long time.

So that's one positive factor. The second is that we've got fuel prices now down to where anywhere in Saskatchewan you can buy them for about 22, 23 cents a litre, given the rebates on both sides, federal and provincial and so forth. That's significant.

Interest rates are half of what they were. They were 22 per cent when we took over. They're now running somewhere between . . . well at the financial institutions it'll run 10, 11, 12 per cent; but, with various programs we have, it's either zero per cent interest on cash advances, or it's 6 per cent or it's 8 per cent, and fixed for terms as long as 15 years.

Feed grain supplies are relatively good, and we see good margins in the livestock industry because of the low-priced grain. We see some possibilities coming down the pike with respect to improvements in the grain pricing. Obviously, I think and believe, we're fairly close to higher-prices domestic wheat, which would take it up to about \$10 a bushel. I see some help coming down the

way – and we’ve argued about it in here – with respect to additional help on the export market as we deal with the subsidies that Americans and Europeans are applying.

So if we can look at lower costs and a great deal more moisture, plus higher domestic price wheat and some help on the export market for wheat, and relatively good margins in the livestock industry – and I talked to the dairy convention last night; Carlyle, I was with the stock growers, and I visited with others – that I say, yes, we’re carrying a burden, and while there’s some light at the end of the tunnel, it’s a lot different than it was, say, going through the cycles in the ‘70s because we didn’t have that big a debt. So that’s why, obviously, that we have introduced various pieces of legislation to protect farmers, to make sure that they can help their way through. We’ve got farm panels dealing with farmers – they’re peers dealing with each other – and obviously a billion and some dollars out at 6 per cent money and many other programs. I’d list them all, but I won’t bother.

So we have provided, federally and provincially, across all of Canada . . . various people have done things to cope with the economic conditions. But we see conditions a lot better this year than we did last year or the year before, both in terms of interest rates and fuel costs and moisture, which is very important.

Grasshoppers are bad again this year. It looks as if we’ve had a very large hatch all at the same time – my colleagues and professionals advise me, in some areas, like maybe in yours, 90-95 per cent hatch. It gives us a chance – while we don’t like to see that – it gives us a chance to hit them. And if we can take a good crack at them, it’ll be better than last year where, as you know, they sort of hatched all year long.

So we have put many things in place. We see some net benefits internationally because of lower interest rates and now lower fuel prices; oil prices are down; some support in prices because of stabilization mechanisms; new ideas with respect to domestic-price wheat and some exports. So generally, yes, we have a debt, and that’s what bothers me more than anything with the farmers that are carrying that, because of the former price of land and the interest rates have caught them, and they had to make those payments at higher interest rates, and it’s not easy to get out from under that. Even in better economic conditions you can go into it. If you’re neutral going into them, it’d be a lot better, but you’re carrying that on your back, and it’s difficult, particularly for younger farmers. So I see the seriousness of it, and it is significant, and we do have to make sure that it’s looked at.

Now that leads to the second part of the little difference in philosophy. I believe it’s important, if we’re going to deal with this question of debt, particularly, that we do it at the national level. One of the reasons that I became the Minister of Agriculture is to put the power and the smack behind that portfolio. And I helped – we may argue over how much – but I helped get agriculture on the national agenda.

So at the first ministers’ conference – and I don’t think even I can recall where first ministers has agriculture as

the number one item on the agenda – so it was being discussed in terms of interest rates, commodity programs, stabilization programs, disaster mechanisms, international trade, the farm Bill in the U.S., and other kinds of things. So by having the Premier take the lead in agriculture, you used the words: you maybe put it on a sideline; I would tend to think it’s probably the opposite because you can’t give it any more power than that.

From time to time, premiers have been ministers of Finance – I believe under a CCF or an NDP – or they’ve been ministers of Energy, or whatever. I’ve been minister of energy and negotiations, and what not. You take on a portfolio as if you believe it’s important that you do so, and several administrations from various political parties have done that.

In this case, given the circumstances that we’re both familiar with, and the need to have some action, I believe it was important that I take it on. I’m relatively comfortable with it because of my own background, academically and as a farmer, myself. So I could raise it, and now we’re in a position where we can make the kind of decisions that need to be made. So when you say we need to have this or that or several programs, I won’t go through them, but we have put the pressure where the pressure should be and come out with large stabilization packages, got the feds to take the tax off farm fuel, no capital gains in drought payments and flood payments, and so forth.

(1515)

So in terms of philosophy, agriculture is number one priority, has always been with me, as a professional and as well as a politician, and certainly as Minister of Agriculture and Premier. So I wear all those hats. It is absolutely the number one priority for me here because it’s so important to the province. And I think, symbolically, I showed that by taking on the portfolio.

You mentioned legislative secretaries and whether they should go to meetings and whether they really represent the minister. If I recall, the member from Assiniboia-Gravelbourg was legislative secretary to the minister of Agriculture when he was in government. Well I don’t think that you would want to pooh-pooh your responsibilities at that time, and you would go to meetings, nationally or internationally – I believe that you went internationally. Now the minister would ask you to do that, to speak in his stead, or to attend meetings and so forth, and you felt comfortable about doing it, and that’s exactly what parliamentary secretaries and legislative secretaries do.

And in my case, I’ve a good working relationship with the men that I have around me, working either as my Legislative Secretary to the Premier’s office, or in Agriculture, or the combination thereof, and they understand the industry. They’re farmers, all of them, and they know the industry, and they can report to me – good working relationship. And just as you were legislative secretary, they’re legislative secretaries reporting back.

I’ve had bouquets from the wheat pool, from stock growers, from the dairy producers, from all kinds of

farmers saying, I'm very glad, Mr. Premier, that you took on that portfolio so that we could get it up there at the national level and at the international level, and we knew that you were on top of it and had the power and the stroke in your office to make sure to make some changes. So, it's resulted in a wide recognition of agriculture across Canada, certainly in Saskatchewan, but across Canada as being a very powerful and important issue nationally, locally, and internationally.

So while we have problems, I believe it's one of the other things that we could do to address those problems. I won't get into – at least not yet – a partisan debate about how you look at agriculture philosophically and how I do, your programs versus mine. If we want to get into those, we can; fair enough. I mean, yours speak for yourself and you can defend those, and I'll certainly defend those that I have and quite briefly just say that the programs and the policies that we've initiated fill a book just naming them – fill a book. And you've never seen that in the history of the province, nor the country, for any agricultural minister or premier involved in agriculture in any four-year term that you can think of.

Mr. Engel: — Getting into the general thrust then, where I feel that we have an exceptional change from the direction that Saskatchewan was used to going with CCF and then NDP, and the Liberals a little bit in between there until we got to the situation where you're at – and the distinction that I want to draw and place at the bottom, I think, was best summed up by the former minister of Agriculture when he said that it was his role to (and I want to quote exactly the words he used) that "we're going to shore up success."

And I feel that the successful farmers have been shored up. I'm not arguing that the person that is farming 4 to 6,000 acres hasn't been shored up. I'm not saying that the farmer that decided to get into a feedlot and feed out some cattle hasn't been shored up. Other people have benefited as well from those programs.

And basically, when you get right down to the programs that spell dollars in a pocket, or bring him some net return that he can measure when he's filling out his income tax and take the tax credits and the tax breaks, and the program you mentioned, your \$25 an acre, those are basic programs that to me – and I've had that put to me on a number of occasions. And I had a very interesting debate with some people very close to your home town the other night when I attended a wedding. And the area of concern that farmers are facing, and farmers are facing square on and saying, yes, it's great if you're successful; it's great if you have a decent size operation; it's great if you're farming enough land and you benefit from the big bucks and you benefit from the good tax breaks.

But the main trust I have is that the moneys that are directed to help farmers get into farming, the moneys that are there to shore up those that need shoring up – not those that don't need it – I think this is where we are philosophically different. And I'm saying that the amount of money it costs your administration to lend out a billion-plus dollars to farmers in Saskatchewan, the amount of money that that's going to cost over three years, would have been better directed at a targeted

group that needs it more.

And you have many letters on record that I've sent you about farmers that are just about to go under, and farmers that are really struggling to survive that could have benefited from that kind of program; would have been helped more than the guy that took his \$100,000 and reinvested it in a MURB (multiple unit residential building) or a tax break or something else.

I see that some students from Gravelbourg have arrived. Could I interrupt this procedure, Mr. Chairman? Could I have leave to introduce them?

INTRODUCTION OF GUESTS

Mr. Engel: — Thank you. Interesting that during Agriculture estimates that we have a class here led by the Premier's sister-in-law, Marie-Rose Archambault. I'd like to extend a special welcome to you and your chaperons, Jeanne Brisebois, Elaine Haman, and Paulette Pinsonneault; and 22 grade 4 and 5 students from Gravelbourg.

Welcome here. I hope you enjoy your time with us this afternoon. We're presently doing the Department of Agriculture estimates. We're going to go through some of the expenses on a line by line. At the start of the estimates we have a general debate about philosophical ideas and what approaches we have to agriculture.

So I'd like to extend, and have my colleagues and the members of the legislature join in wishing you a good stay here, and I'm looking forward to meeting with you at about 4 o'clock.

Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I wondered if I could welcome the students as well, not only as Minister of Agriculture, but having a good family relationship with Mrs. Archambault, I'd like to welcome her and the teachers and the students here. I was recently at the graduation at College Mathieu in Gravelbourg and found it very warm and very hospitable. And I just want to say that it's nice to see you here. I'm glad you're able to join us, and I'm sure you'll learn a great deal about agriculture if you sit and listen to the estimates. Welcome.

Hon. Members: Hear, hear!

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Agriculture Ordinary Expenditure – Vote 1

Item 1 (continued)

Mr. Engel: — I suppose if we could involve some of the students here they'd be anxious that I'd ask some questions about grasshoppers and controlling grasshoppers and some of the issues that are facing them. I know that one or two of them, I've talked to their dads just recently in the past couple of days, and that is an issue I intend to get into a little later on.

As I was saying, Mr. Premier, the main thrust of the Department of Agriculture has been one where you're aiming at making it comfortable for those farmers that enjoy the programs. I think one statistic that I might mention, seeing Gravelbourg's here, that I talked to one of the elevator agents there that he personally processed through his elevator about 23 applications that got the maximum. So Gravelbourg is one of the communities in my riding that's made up of fairly reasonably large farms that are doing very well. But then there's a lot of young farmers getting involved that are struggling and trying hard to make a success of it.

So I think that comment as far as what would emphasize the difference in our philosophical approach is, that I think the Department of Agriculture's role should be one not only to look at the segment in agriculture in Saskatchewan that is having trouble getting involved or getting started farming, and on the other hand having programs in place. I think back on programs that have been introduced by former governments – both the former Liberal government and the Blakeney government during those 11 years – that were designed specifically with ceilings. They were programs of design that – saying if a farmer farms eight years, he'll get that much of his interest paid off; if he only stays in the program four years, he'll get half as much.

The grants and the money that was flowing through the Department of Agriculture and using your facilities to make moneys available were usually in the past directed to the half of the population that was considered the bottom half of the income scale. I think if you'd look carefully and step back and look at what you've done in the last four years – the tax breaks to the cattlemen when he got an income tax credit of \$25 a cow and so much for a pig and so much for sheep – those were given. Those were moneys that would flow to farmers that were paying large taxes.

The young farmer getting started that was carrying a debt load like you mentioned earlier, that had the big debt load, and he was in cattle – he wasn't getting any advantage from that program at all; if his expenses exceeded his income and wasn't paying any income tax, there was no way he was going to benefit. But his father, or his uncle, or somebody that's been around awhile and didn't need the money, was getting a real shot in the arm when they were paying their income tax and getting that tax break. The same thing applies for a loan of \$25 an acre. Sure it helped this fall. Sure it was great last fall when . . . especially in the South where they didn't have a crop, and in the North where they couldn't sell their tough and damp wheat, it was nice to get an injection of cash.

But the people that took advantage and got the money that re-invested it and then used it just as an income on the re-investment aspect of it, they benefited from it; but the guy that needed it the worst, and this year when he has to pay a third back and is getting 81 cents a bushel less, it might have been the last straw that's going to sink him and the millstone around his neck where he's got so much debt already. And I think that that kind of money that you put into that program – if it would have been directed to help all those that need it and just help those people that aren't paying income tax and get him into that bracket – I

think, would have been one that would have done an awful lot more good.

I want to get into some of the farm problems after you respond to that aspect of your assistance plan.

Hon. Mr. Devine: — Mr. Chairman, the hon. Member hasn't quite got sufficient information to document his statement with respect to programs that we may have that don't help low-income farmers or beginning farmers. It's precisely the opposite precisely the opposite, and I'll give you the figures here in a minute.

I mean, we talk about a philosophy . . . it may be just fair to point out that you have the philosophy that the government would buy the farm from the land bank. Well it's an NDP policy; it certainly wasn't a Tory policy; the land bank was NDP. So if you shake your head, it doesn't matter. The facts are, and it was very unpopular all across rural Saskatchewan, and it still is.

Now there's a difference in philosophy. You wanted the government to buy the farm from anybody that wanted to sell it to the government or was in trouble, particularly during high interest rates – 22 per cent interest rates in the spring of '82 and not a penny to help the farmers, low-income farmers. Where are all those people you were going to help? I mean, they hit the young people right in the head – 22 per cent interest rates and not a dime out of you guys. Not a dime.

Now you said you'd buy the farm. And you'd go round and say, well, we got it, we bought it for 150 bucks an acre, and now it's 500, and you made some money on it. And the young people didn't like that very much. And I'm sure you recall the spring of '82, what happened in rural Saskatchewan.

Secondly, with respect to the taxation – taxation. I mean, we no longer have succession duties – succession duties – and gift tax on farms. So when farm family members die, there is no death tax. And that was your philosophy, and you imposed it. You imposed it; you brought it in, and you had it there and for farmers all over Saskatchewan. We had young people, and if the dad would die, the young guy would want to take over the farm. Not only didn't you help him with high interest rates, but you charged him a death tax on that family. You charged it for seven years. It's no longer there. And I'll remind the public that you never gave back a cent. So in terms of your philosophy, I'll take on . . . or anybody in Canada can take on the NDP agriculture philosophy. I mean, you're a long ways from the CCF.

And that leads me to the next argument. It's nice for you to stand in the legislature and talk about how the Liberals weren't all that bad. You and I both know you don't win your riding unless there's a split three ways, and I understand that. And you have to shore up the Liberal support a little bit so that they get a little bit more for you to get re-elected. You get elected with 30-some per cent of the vote. In fact, you brag about it in the Moose Jaw paper.

Well, Mr. Chairman, I just want to point out, the member opposite raised it, comparison and philosophy. For his

own political advantage he wants to shore up the Liberals because he can't win unless there's a split.

(1530)

Mr. Chairman: — Order, order. The member from Quill Lakes is interrupting the Minister of Agriculture, and I'm sure that in due course he will have an opportunity to ask his questions. Please refrain from hollering in the House, and allow the minister to answer the question.

Hon. Mr. Devine: — Mr. Speaker, the hon. members don't like to listen. They can raise it and we can listen, but when I raise a response, they holler in their seat. The children in Saskatchewan, every time they come to the legislature, have to listen to these people holler from their seat. They have no respect for the legislature. Their leader has no control over their voice. The member from Quill Lakes has a reputation all over Saskatchewan that all he can . . .

Mr. Chairman: — Order, order. I'm warning the member from Quill Lakes again.

An Hon. Member: — What about?

Mr. Chairman: — To please be quiet and stop hollering from the seat so the minister can answer the question.

Hon. Mr. Devine: — Well, Mr. Chairman, the hon. member raised the philosophy of the Liberal Party and how he supported it. I have to respond to that because my philosophy with respect to agriculture is different than the NDP's. And I went through a couple of them that are extremely different — wide variances. So you raised it; I respond to it.

Now to get on to your allegation that we missed people with our agriculture programs. You couldn't find anything that's farther from the truth with respect to young people and folks that don't have a whole bunch of assets. When I look at the programs we have.. You take the fuel protection — that helps everybody. And we cut the taxes on fuel or have rebates; you took it off. We put it on and made it bigger, along with the federal government. That applies to everybody.

You look at interest rate protection. If you don't think that doesn't help young people . . . And if you look at the 8 per cent money, Mr. Chairman — if the hon. Member is interested I'll give him the reply — on the 8 per cent money, and when we look at the young people that are getting it, 27 per cent are less than \$50,000 in terms of annual income, and another 35.8 per cent are between 50 and 100,000.

And if you look at net worth on the programs we've put together, 36.8 per cent are less than \$50,000 in net worth, and 18 per cent are 50 to \$100,000. So you're looking at almost 50 per cent of the program that we put together are for young people and the low-income people that needed the assistance. When they got hit with high interest rates and there was nothing there before, that's precisely who we went for.

We said, in this province, we will make sure when the

young people buy the farm from, say, you as a father, they will get access to long-run, low interest rates. And that's precisely the people that wanted it. This is not the government buying your land, but we will provide you access to credit. And it was bought hook, line, and sinker all over the province, and there are thousands upon thousands upon thousands of young farmers with low net worth that have access to low-interest money.

When you look at the cash that goes out, Mr. Chairman, the cash advances, like zero per cent interest to the livestock industry, whether they're in the dairy business or the pork business or in the beef business, that applies to everybody. And who was cash poor? The young people that can't get access to credit who were being charged high interest rates in the bank. Never before in the livestock industry was there a cash advance. That applies to the very people that you were talking about.

When we look at the farm land security board, we look at counselling assistance, that's designed for those young people. And those individuals with low net worth and who are having a problem, they can meet their peers; we've got assistance; we've provided thousands and, well, millions of dollars to those very people that you were pointing your finger at, that you say that we didn't address.

So when I go back and look at the net worth, I go back and look at the age, I go back and look at the net income—you look at the demographic distribution of the people that have been helped in agriculture — it's precisely those that need that that are receiving it.

Now if you want to compare that, we can stand in here for a long time comparing that to a land bank system where you wouldn't help in interest rates, none at all; or no help with respect to farm fuel; and no changes in legislation that would allow protection for these young people; no interest rates that were zero per cent or 6 per cent or 8 per cent. I mean, fair ball. But, I mean, you know yourself that the land bank and succession duties and that NDP death tax were not popular and did not help. And as a result, virtually every district, every riding, every constituency in the province opted for 8 per cent money to help young people and the kinds of programs we've initiated.

I'll give you another example. Rural gas distribution cuts the costs in half for energy and farmers. You don't think that helps young people in the livestock industry and others? So I'll just touch on a few of them. But in terms of your statement that our programs are not designed for the young in agriculture, for those who are beginning, I'd stack them up against land bank and succession duties any day of the week.

Mr. Engel: — You have to go back an awful long way in history to come up with your succession duty tax, Mr. Premier. I don't appreciate the personal attack on whether I can win my riding or not. I survived against your brother-in-law, thank you, when a lot of constituencies didn't. And I've won three times as many elections as you did, and you lost more elections than I did. So let's not get into that little political harangue.

And you know, you've been Premier longer in any term in

Saskatchewan than any premier ever was since non-wartime years. You've hung on to power longer than anybody else has, other than during the war and other than when we had the last Conservative government.

And I'd remind the kids, because I don't get political when I visit with them when they're alone – but I'd remind the grade 4 and 5 students up there that the last time we had a Conservative government in Saskatchewan, and the only other time we had it, they hung onto power beyond the fourth year. And when there was an election in Saskatchewan, Mr. Premier, maybe you'll stand up and tell them how many seats they won after that. Not one. Not one seat.

So if you want to get political and you want to talk about it . . . and if you don't want to talk about the programs and the questions I ask you, and you go back to 1977 succession duties, prior to that time, when we took them off; and all over the province, and all over the country all the provinces had them, and Saskatchewan was the first to remove them, then let's talk about that.

But I'd sooner talk about issues that are present today and the amount of money that your government has made available. And what I said is your basic programs that were your root and your party philosophy were designed to shore up success, were designed to help those that didn't need help.

Programs of tax credits. When you're making programs available and you're announcing new programs and you're passing legislation to pass on a tax loophole and a tax credit and a tax discount, you're saying that that program is designed for the wealthy that pay tax and not designed for the young farmer that is struggling, paying his interest rates, paying his debts and making his payments on his land and his equipment which eats up his income and he has no tax to pay and consequently doesn't get any benefit. And all I'm saying is that if you would have targeted your programs to that group, then everybody in Saskatchewan would have benefited.

You mentioned, and I'll get back to it . . . I made a note. If you care to send that paper over with the statistics on how many farmers were involved in the program, I had that down a ways on the list when I go through the various programs that you've got in place. But you were quoting from statistics saying that the money's available on the interest reduction program and what percentage.

If you want to send that over, I'll be getting to that down the line a piece. But seeing you touched on that, I wouldn't mind knowing the numbers of farmers who got access to credit and what income brackets they were in. I wouldn't mind having that in advance so I can look at it because I've got some questions along that line.

The other area I wanted to raise with you, Mr. Minister . . . and that spells out about seven or eight issues here that I have listed that I felt were the farm problems that farmers were facing during this period of time. And I just want to throw in one more comment in the general introductory remarks that we had here before I get into specific areas, and that is that it's strange . . . I find it really strange . . . And I've talked to your president of your party about this who

is a good buddy of mine, a car dealer at Weyburn, and other agencies and dealers around, and it's really strange that when Saskatchewan gets around to electing a right-of-centre government, like Ross Thatcher was, and now again during your period of time, I can't think of a period in Saskatchewan's history that takes in this four-year period or the seven years from '64 to '71 when the business men that's providing services to the farm community, the small-business agency or car dealer or what, those guys were in worse trouble and had a tougher time of it.

And I can't understand why, from '64 to '71, by the time '71 come along the crunch was on. Right after 1971, your present Minister of Finance is the only one that's still around since that time, but your present . . . (inaudible interjection) . . . I'm dealing with Agriculture, Mr. Member from Meadow Lake. And your present member from Finance is the only one that was here at that time, but he was on a committee with me that I chaired. The other Liberal member was Don MacDonald, a vet in Moose Jaw, and then we had some NDP members. And we travelled around rural Saskatchewan meeting with a business community and meeting with the people that are serving the farm sector. And they were in serious trouble.

Today that same group are in big, big trouble. They're having trouble making ends meet, and how do you try and sell this philosophy that you're the friend of the business men, and you're the friend of that person – when you guys get elected, they start hurting and suffering and are in real big trouble. So I think that's just another example that you have to look at the total economy and not just the friends of the Conservative Party, the few wealthy people around, and see how we can shore up those guys.

You've got to broaden your approach and if some advice . . . And hindsight is great. I can give you this advice now because your term has expired and you're not going to be able to come up with those kind of programs, but you've got to use a brush that gets the average guy. You've got to help the young farmer getting started, the small-business men that's getting into it; you've got to direct your programs at them. And I can assure you that those guys that have been around for a long time, those farmers that have been farming for a long time, they'll figure out ways of taking advantage of it. They'll figure out ways of how they can benefit from the program as well, but the program has to be directed and channelled at those people.

Now you use examples and saying how unpopular land bank was, and I'm not going to get into that debate because I'm not going to debate what we did. If you want to talk philosophy and match what we're putting out for the people in the next election and where we're going to go and what directions and what solutions we think we're going to have – but you try and accuse us of not trying and not getting involved and not putting programs out there that were attractive or taken on – you tell me one time in your history as Premier when you had more people in the galleries and had more people up here booing you and criticizing you than even during the time, right at your honeymoon when you were first elected, as you had farmers up here when you destroyed the land

bank.

When you wrote the legislation that did away with the land bank, you had more people in this Chamber, and I counted more than 1,100 people showed up in these buildings, and that's when you came out with the chains and the ropes and tried to limit access to this building, was when the farmers came. And farmers aren't known to be the kind of people that'll get up and carry banners and wave placards and get in line, but the farmers came out to show how surprised they were because they didn't expect you to tear up their contracts that they thought they had, and the agreements they had. And I want to tell you, Mr. Premier, you're going to have to live that one down, because those 2,700 farmers brought their friends with them, and people along that thought they had themselves a rental agreement.

I've never been involved in trying to buy up land. I was involved trying to get a guy on the farm, and the program was designed to help a guy get into farming. And I can give you a list today, Mr. Premier, of successful farmers that wouldn't have gotten into farming if they wouldn't have had a chance to rent some land. And if that were all bad, tell me why under your cousin's government in Ottawa, under the Conservative government in Ottawa, why the Farm Credit Corporation is deciding and talking about and sending out letters and circulars and information, and is talking about a lease option, if it's so bad.

(1545)

If renting . . . You've made leasing land and renting land from the government a swear word. You've made it a bad thing – this is the most terrible thing that could happen, is somebody will rent land from the government.

Well I'll tell you, I can take you to half of my constituency which is Crown land, and fellows like Boyd Anderson and . . . (inaudible) . . . I can name off the most successful ranchers in my constituency. They're on leased land, and on large, large blocks of leased land, Crown land that is now administering and running land banks – so you've got to call those guys land bank farmers, because they've got . . .

They're share-croppers. Like your former minister, the first minister of Agriculture you had, was going on and on about the share-croppers. Well I want to tell you, those share-croppers love the deal they've got. When you put up the Crown land for sale, I didn't see them rushing into buy it. There was no big stampede on. They weren't around, as many people as there were.

In fact, that's another question your staff can start preparing for me: how much Crown land have you sold and under what programs, or the number of acres, and how many people participated in purchasing Crown land? I'd like to get that information – Crown land, meaning both land bank land and lease land that's been under the old lands branch.

And I think that the option to lease – be it my tractor or my combine or equipment, rather than putting out the bucks to buy one – is a viable option, and farmers are

using that as a management tool. And as far as getting into farming, nobody was forced in the past. And I'm proud to say that there's a lot of those guys are still busy farming and are still making their payments and renting their land and surviving on it and growing.

I can name off some of the guys that have criticized you, Mr. Premier, publicly on the radio with your crop insurance program – I just heard, listened the other day – and got his start with land bank land and is a very successful operator, covers a lot of acres in a day.

So I think that making that general assumption that just to lease land is a bad, bad program, and the government shouldn't be involved in renting out land or being the landlord through some kind of an agency or other in making land available on a lease option basis. I don't think that's all bad. I think that if I'd have a son that wants to farm and he'd consider getting involved in a lease option, I kind of think that wouldn't be a bad deal at all.

But some of the things that I have listed here right off the top of my head that I think are really serious farm problems that exist today . . . And I've made a little table here where I've got problems, and on the other side it's government's response. And that half is blank. You know, the government response side of it isn't that well taken care of.

But when I look at farm problems today, the number one thing that farmers are talking about are costs – be it fuel, fertilizer, chemicals, pesticides, taxes, drought, farm supplies, price of equipment. And I should have brought it along and I've got it in my brief case – but I've got an O ring that I paid for yesterday, a little rubber neoprene type O ring. And even the member for Kelvington-Wadena wouldn't believe what that cost me.

And I don't know if there should be a study on gouging on farmers or not, but I paid \$30.30 for an O ring yesterday. And I didn't buy it at the Co-op; I had it shipped out on the bus from Regina from one of your best friends, Mr. Premier. And I think that's gouging. And somewhere along the line we should get into Consumer Affairs parallel with Agriculture and talk about how do we control that . . . (inaudible interjection) . . . Shopping around is . . . if you have an exclusive distributorship, you can't shop very much.

To tell the farmer that the option for low prices last year was to make a loan, I felt didn't hit the target. And last year when our prices were down and we were getting 4-something a bushel, we decided to borrow some money. This year with 80 cents a bushel less, we're going to have to pay a third of that back. That's even going to hurt some of us guys that have been farming for 30 years or more.

I, for one, think the commodity price thing when the price is going down on one hand . . . and you mention that there's a possibility of getting a domestic price up around \$10 that's been recommended.

The other recommendation that came there, and I think we need to talk about, is how do we get onside and come across from Saskatchewan's point of view and say, in no

uncertain terms, look, you've got to put up at least \$2 billion to shore up the price of grain on the deficiency payment end of it. I think you're only half there, Mr. Premier, on the request you're making. The commodity price issue is a big one, and when you look at the cost . . . You say you think you've got fuel costs in hand. We're still a far cry from what my buddies are paying down across the line in United States.

Our chemical and fertilizer costs, we had some solutions before you. In all the emergency debates in any situation we've had, we've yet to have the government agree that we could come out unanimously having a resolution from this legislature saying that we agree that this is how you can control that cost.

And the number one that's affecting farmers now, in spite of you answering the other day that they all hatched at once, I talked to an awful lot of farmers in the last three days that have sprayed more than three times. And how many times are they going to have to spray before you decide to go beyond the 1 per cent of the land that's on the road allowance when you get down to the larger acres?

I've had a farmer show me this morning where he looked at a field on Monday morning, not a grasshopper around; came back this morning and the field's gone. The crop was about 3 inches high, and it's off. He said, now if they'd have got it when it was about 2 inches high, it would have come back. But once it's in that third-leaf stage, I don't think anything but a re-seeding is going to be the solution there.

I'm not sure, Mr. Chairman, how we can deal with this. I brought my questions for crop insurance along as well, and I was wondering if we can parallel some of these questions and talk in the general aspect of this; if we can cover some of the issues that farmers are talking about crop insurance, along with this general debate. Have you some crop insurance people along with you that you can answer some of these, or should we go through this same thing again there? Could I get a decision on that?

Mr. Chairman: — Well, Saskatchewan Crop Insurance is a separate department whose estimates will be coming up later. So I believe they'll have to be very, very strict with any introduction of questions as they relate to crop insurance.

Mr. Engel: — Because I was just thinking that during the general questioning of this aspect, crop insurance estimates would go that much quicker if we'd have dealt with them as part of the farmer's costs and his input and the problems he's facing right now.

And a simple question I wanted an answer for was: if a farmer re-seeds, does he have to wait till it's adjusted before he can go at re-seeding? You know, can I get that one little question in and then we won't ask any more crop insurance questions related to that.

Mr. Chairman: — Well, that's very much a crop insurance question — very much so.

Mr. Engel: — But it's very much an Agriculture question

too.

Mr. Chairman: — I understand that, but all crop insurance questions are Agriculture questions, as you well know. So I'm afraid I'll have to rule that question out of order.

Hon. Mr. Devine: — Well, Mr. Chairman, my hon. friend has been all over the map here. I'll attempt to kind of tighten it up. He said we should have a broader philosophical approach to appeal to people in Saskatchewan, particularly in agriculture. I mean, despite how he wants to describe prices and economic times and drought and so forth, our broad philosophical approach was quite popular in 1982. And in rural Saskatchewan, particularly in agriculture. I mean, despite how he wants to describe prices and economic times and drought and so forth, our broad philosophical approach was quite popular in 1982. And in rural Saskatchewan, I will just venture to say, Mr. Chairman, that it's still quite popular. Virtually every seat but four in rural Saskatchewan adopted our program of 8 per cent money and loan interest loans over land bank.

I can also say that when we look at the problems we face in agriculture, if — if — you and your administration had been a little bit more sensitive to the high interest rate problems in 1981 and 1982, we wouldn't have half the problem today. If you would have had an 8 per cent program for young people or some interest rate protection so they didn't have to go from 8 per cent to 20 per cent, as your relatives and neighbours did — if they would have had some protection, we would have alleviated half the problem in agriculture.

So we're looking at repairing the damage caused by the latter years of your administration. And that's very important, that we . . . We saw, as most rural people did all over Saskatchewan, all over Saskatchewan, that it was important to deal with those interest rates. And as a result — you didn't — and the problem compounded year after year, and you wouldn't deal with it.

Now your solution was to sell your land to the government. You're wrong on two counts with respect to land bank. One is you said that we cancelled the contracts, and that's not true. So don't misled anybody. We did not cancel the contracts. If you had a contract with land bank, you've still got the contract. The only way you can get out from under it is if you wanted to buy the land or you wanted to move yourself. But we honoured every single solitary contract. So don't misled the public and say we ripped up all the contracts. That's not the case.

So when we look at it as an option, we have Crown land that is here and it's leased out to people. That's quite different than the government going out and buying a million acres more of people who are in some trouble and say, I'll take your land and I will own it now, and watch the land values go up from \$100 an acre to 500, and then go around the province saying, well isn't this pretty smart on behalf of the government to make all this money. Well that's why it was so unpopular.

And today you stand in the legislature, and I know you kind of get a little ornery and you say, well I got to defend that land bank system. Well, frankly, I could take what you've said in *Hansard* and I'll take it to any riding anywhere at any time and say that you think the land bank system is an answer over low interest loans, or the kinds of

programs we've come in to help people, and . . . Well, we'll let the people decide.

But you have said now you want to get back into the land bank system. You endorse it, and you said that it's a good idea. And I'll just take that at its face value because I'll tell you, from one end of the province to the other, or to the country, that you can say that you are . . . In fact, that's what's on the people's minds when they think about you. They say, you know what, he really does want to have land bank land. He will go around the province, say, oh, we got a new program, something else, and we'll copy the Tories. But really, in the back of his mind, he really does like the government owning the land. And they believe that from a democratic socialist, because that's your bent, that the government should own it. And they know that. And they know deep down in your gut, when it comes to what you really want to do, it's to take control of the farm.

And I was going to add, if you hadn't spent all the money taking control of the potash mines, you'd have had an awful lot more where you could have helped them in interest rates, put some money here in the bank so we would have some to help others. But your philosophy caught you, and it's still catching you. And it catches you today in the legislature, despite being universally thrown out as a policy to save young farmers, or any farmers, you still have to come back to your old philosophy that says, you know, really that's a good idea that the government should own the land and the government can lease it out, and so forth.

Now you went into it because you can't help yourself from defending. Well fair ball. That's the way . . . what you believe. And the people really know that's the truth, anyway. You can say, well I've changed, I now will go for low interest loans, or I'll do some other things. But they know in their heart of hearts that you haven't changed; you're set in your ways. And fair enough. I grant you that you can believe whatever you like, just as long as we're clear: you endorse the land bank system as an answer to farm problems, and I don't. And philosophically, we disagree. Fair enough. I mean, we'll agree to disagree about that agricultural solution.

With respect to programs, if I could just share with you what an average farmer, a farmer that has a section to a section and a half, say a little bit of pasture land, 500 acres, has 100-and-some cows, 125 cows, and any kind of a note that he might have, say, on his farm purchase program at 8 per cent money and operating account of, say, \$100,000, if he was living in your area, what he's got in 1985 and '86, and you – when I get finished, just take a minute – you tell me that this doesn't help young people.

The drought assistance was \$48 per cow — \$6,000. The livestock drought assistance in '85 was \$60 per cow; that's \$7,500. Cattle movement for average farmers, low income or high, was \$1,000. Cash advance at \$125 a head, saving of 12 per cent, \$29,000 in cash flow, a net benefit of \$3,500. Production loan, 6 per cent money, \$25 an acre, \$25,000; a net benefit of \$1,500. Farmers oil royalty pass-through, 650 cash net saving. Cow-calf to finish market insurance plan, net benefit \$67 per fed

animal, pay-out \$149; \$13,881 cash flow for a net benefit of \$6,000. Farm purchase program of a 4 per cent saving is 8,000 net. Agricultural credit loan, 4 per cent on a 100,000 is \$4,000 net. Livestock investment tax credit – and I will touch on that tax credit – is \$2,325. And the natural gas energy program that used to cost \$2,000 would now only cost him 1,100.

(1600)

Mr. Chairman, and my hon. colleague, when you add that up for an average farmer in southern Saskatchewan, that amounts to \$98,993 a year. The net benefit, when you add it up, is \$41,718 for an average farmer with a section and a half and 500 acres of pasture and 125 cows and a normal sort of loan arrangement, as a result of the things that we've done.

Now we didn't see any of that in your administration at high interests. You didn't see any protection of high interests. You didn't see those kind of cash advances. You didn't see any of that protection. I'm talking \$98,000 in cash flow above what he would have normally got – a net benefit of \$41,718 if he took advantage of the programs that were there. In your area, in southern Saskatchewan, and you're saying we got a philosophical problem – well that doesn't include obviously, expenditures on crop insurance or the new ag college or some other things.

If we go back and look . . . And you mentioned the tax credit, and I'm glad that you did, and I'll send you this information if you like. You said the tax credit only goes to those that have a whole bunch of money. Well we've broken it down with respect to who got the benefit. Forty-nine per cent of all the 1985 tax credits for livestock were less than \$500 per applicant or 20 head or less – 49 per cent. So these are small producers, young people, and 49 per cent of that tax benefit went to families that had 20 head or less.

Seventy-seven per cent of that tax credit went to people who had 20 to 48 head or less than \$1,200 per applicant. Well, Mr. Chairman, it seems to me – I'll send that over – it seems to me that the hon. member's argument that this was designed for anybody that was not in trouble is just not the facts. The case is that our programs are designed, if you take the average farmer in southern Saskatchewan, in Assiniboia or Gravelbourg area, you could get cash flow up to \$98,000, and obviously that was most important to young people or those who were in some trouble, because they could apply for it.

And if you look at even the tax incentives which all the farmers have asked for, a tax incentive to give them a break to feed cattle and hogs here as opposed to shipping them outlive or as feeder cattle or feeder pigs, it's a good idea to do that. Those tax benefits, 77 per cent of it – 77 per cent of those tax benefits in 1985 went to people who had less than 48 head to market. Now what that shows me, as well as the income distribution of our loans and so forth, we targeted it at the very people.

Now I go back. You talk about broad appeal. Don't you ever believe that we didn't do a lot of homework in designing these programs to appeal to the very young

people that you are talking about; the people that I used to teach at university; the people that I went to college with and the people that I grew up on the farm with. We went to the kitchen table and we said: what kinds of things would help you? And you've never seen anything like it in your life with respect to help and assistance and incentives and encouragement to the livestock industry.

So again, I would be glad to compare the programs with – I know your philosophy, that it's different than mine. Yours is that the government should buy the farm, and mine isn't. Mine is that the government should help people when they're in trouble so that they can own their own farm. And it's a significant difference. I believe that industry should own the mines, industry should drill the holes, industry should create, and small business should.

When you talk to the farm machinery dealers . . . and you go back and say well if you have low-priced grain or a drought, that's Grant Devine's fault; it's the Premier's fault because the price of wheat went down or the grasshoppers come. That's about as much association or common sense in your association. You can't do that.

And you can try it on children, if you like, you can try it on them, but normal people don't. They know if you try. They don't judge a government on good times or bad times, because you lost in the good times. You know, everything was rolling: \$7 Durum, high-priced, all this, and you lost every seat but eight. It's not on the good times or the bad times, it's on how you deal with them and if you're fair to people and you can bow your neck and listen and respond.

So if we have some difficult times, we respond. If things get better, obviously you take advantage of that, you put some money in the bank so you can do some other things. You didn't do either, in my view. You didn't help them when they were in trouble; you bought their land – and that was all that they had – you did the wrong kinds of things with your money. You bought potash mines, borrowed the money, and we're still paying the bill. And you could have used that money in agriculture – a different philosophy.

So philosophically, I suspect, we'll always be quite a ways apart, not in wanting to help people, but in how you help people. And how we help people – and I'll go through these packages and others – is significantly different. And obviously it was well accepted. And today again, I remind you if you are haunted by that old feeling that you want to go back to land bank and you've got to defend it, I understand that. But make sure that you know as well that the people of the province understand it too.

Mr. Engel: — And that's exactly right, Mr. Premier. We'll write and we'll advertise and we'll put our program out to the people, and you put yours – and you put yours. And on that basis, if yours is so good, if you're so good, how come you didn't call an election this spring? How come you didn't call an election this summer? If your program is so acceptable amongst the farm community and amongst farm people, how come you're afraid to call an election?

Now I know why you'd like to drag in all kinds of stories and try and say . . . and I want you to show me in *Hansard*

where I said we're going to get involved in one or the other, in any kind of program, be it land bank or whatever. I want you to show me where I said that that's our solution, because I didn't say that. I just said that you tore up the land bank contracts. You changed the agreement they had, and what their rents' going to be, and what kind of a program they're involved in. You changed that contract for them, and they came in by the hundreds telling us you did.

And the question I'd have for you, that you can get the information across to me: how many people of the 2,700 that were involved and got farming and were on land bank land are still farming today? You know, or how many of those aren't farming today, that were renting their land rather than buying it at the big price?

There was an option out there. And then when I'm the next minister of Agriculture, if the next premier decides to appoint me to that, there'll be an option, there'll be an option out there. And if we want to take the time of this Chair to outline what our agricultural policy will be, I'd love the opportunity. But that's not what we're here for.

We're here to say basically why the people of Saskatchewan are so upset with you that you would be afraid to call an election. There's a reason for that – there's a reason for that, Mr. Premier – and that difference will always be out there. And the people will say – and I'm glad your party spent all the money they did, saying that the NDP haven't changed. Because I want to tell you, that's the best news that Saskatchewan would ever want to hear – we're the same. We're the same as we were when there was Coldwell and old Dr. Susey in Gravelbourg and those people that were the founders of our party. I'm made of the same stuff and I'm glad you recognize that.

I'm glad you recognize that, because there's a philosophical difference there, that you haven't told me. You haven't told me why you decided to increase every farmer's tax he pays on his land, you know, the municipal tax that these small farmers are paying. That tax benefit's gone. I met with a reeve – two Reeves, in fact; one of them's a director – and they were telling me that one of the key issues in helping them determine what their mill rate's going to be is that they know that the farmer gets that benefit back and he saves that amount of tax.

And in a lot of cases in those two R.M.s, those two R.M.s down in my constituency, they claim that that was a 30 per cent discount in their municipal tax. You took it away from them. It didn't benefit . . . The percentage benefit to the guy with 6,000 acres of land, on the property improvement grant and on the home quarter tax, was less than 1 per cent; it was meaningless. So you decided to take it off. You took it off because it didn't mean anything to the guy that had 70 sections, or some 70 quarter-sections of land – it wasn't meaningful to him.

But the guy in your average case here . . . And it's interesting that you'd use that kind of an example, as an economist. Because the numbers you use, you say a whole bunch, and that's great. But I asked you for that . . . there's two papers you promised to send me across, I still haven't got. But the numbers you gave in your example of

that farmer that benefited to the tune of 40,000 or 40-some thousand, as you said, how come he isn't of the majority where you said that 49 per cent of them had 20 head or less? Why did you use an example with a guy that had many cattle if the majority of the people that applied on the credit had 20 head or less? So that kind of throws a monkey wrench into the numbers you're using.

You know, I don't see how you could match those two numbers up in saying that 49 per cent of the people that got the tax credit benefits had 20 head or less, and yet the example you use was the guy with 150 head of cattle. You know, anybody with 150 head of cattle – any management scheme at all will sell more than 20 head a year.

So I think that you can put together as an economist . . . And then this is an example that lots of people use – that figures don't lie, but liars figure – and I'm not sure which category our agricultural economist fits into. But you can put a little package together that says that we get \$49,000 benefit to a farmer, and then turn around and say that the program we had benefited the guys with 20 head or less, 49 per cent. So, you know, unless you give me some concrete answers and some definite examples, that bragging of that kind of program . . .

Most farmers are saying to me, oh for the days when we had \$8 durum and \$7 wheat. You know, they were the ones that then were voluntarily anxious to grab up more money, and the banks decided to charge more and more interest rates, and they still borrowed more to buy this machine and that machine. That enthusiasm and that activity isn't there any more, even at the credit union's normal rate being 11 per cent, half of what it was when you took over – the bank rate's half of what it was.

So that enthusiasm to get out and to show a profit and to count on the future as being great, something happened in the meantime when we finally got a little cheer-leader that's patting Brian and Reagan on the back saying, keep up the good work boys, you know; what you're doing to us is great. I think our farmers are saying that that's the time they want some argument with their returns in a concrete way that brings some results. Show us some results. You said you got some results.

I would like to use one more example, Mr. Premier, and then I'm going to let one of my colleagues in for a few questions here while I meet with some students. But the one example that I want to use that points to the philosophical difference between your party and our party is this little book right here. And I don't know if you read it or not and if you've familiarized yourself with "A study team report to the task force on program review on agriculture"; short title, "The Nielsen task force report."

This is the section here that deals with agriculture – just this section. There's two or three other sections that I haven't studied in detail as much as I've looked at this one. But this book here should have had the same title and the same colour as your estimate book, because the real Tories are showing up in this book here.

The committee that Nielsen put together to draw up this report, and the study team that's involved in doing the

report, the terms of reference, and the list of team members, are prominent in your party, Mr. Minister of Agriculture; the private sector members that are involved and the public sector members; the professional support people that Nielsen put together. This book speaks Tory language. And I want you to stand up and say that and tell me where you've publicly denounced this report and where you have indicated that you don't agree with, and you're going to fight the changes that are proposed by Ottawa in this report.

I think some of the first ones that you'll know and the recommendations in there: does your government support the Nielsen report's recommendation to have farmers forced to change from a cash basis of accounting to an accrual basis? Do you support that concept, and do you think that that's the way we should go as far as the farm income tax is concerned?

(1615)

Hon. Mr. Devine: — Well, Mr. Chairman, the hon. member has again wandered all over the place. Maybe we could just bring him back. He said he liked it when there was 7 or \$8 wheat. And that was quite nice to have on the international market so that we could sell our wheat for that amount of money. Well, who's going to argue with him. We like to have \$7 wheat. I can certainly say that no NDP administration in Canada has ever caused wheat to go to 7 or \$8. They had nothing to do with it.

So for him . . . He might fool a few kids, or some children by saying that it's his responsibility, that when at some point in time when the NDP were in power, there was 7 or \$8 wheat, and it's all to their credit. I mean you may fool a few people some of the time, but you won't fool the majority of them when you're trying to leave that impression. So I don't know why you brought it up. You said you liked it. Well fair enough, you can like it.

Secondly, there's no inconsistency in me going through programs that take the average-size farmer, which is a section and a half, and a pasture land that is 500 acres, and a herd of cattle. I can take the herd of cattle out of there if you like, and I'll just base it on 20 head if you want, and go through all the programs that we can have for people in your area or mine or any others, and they're both as accurate as you can find. And you'll get access to all of them and you can make up your own because you know what the program is. You can apply for it and you've probably done the pencilling yourself. So whether you're small or large or whatever, it was a significant amount of money.

With respect to the Nielsen task force. I mean, if the hon. member wants to spend – for his own, I suspect, partisan reasons – Agriculture estimates on the Nielsen task force, as if it's going to be part of his campaign platform, well look, I can go through them. And there's some things in there that I don't like at all and I've told him. I disagreed with him on Churchill, for example, and what happened – what happened? The Minister of Transport says we're going to spend more money on the Churchill port, and we did. So you can't say that there will not be action on any one of them because already the governments of western

Canada, and certainly this province and the federal government, have taken a diametrically opposite view with respect to Churchill and put money into it.

With respect to changing the accounting system, I don't agree with it. And I've told him so. So I mean we can go through them all and you can add them up and we'll have a check list.

So with respect to . . . (inaudible interjection) . . . Well, the hon. member was sort of all over the map. He's now leaving to take a break. I'll just let it go at that and respond to any other questions.

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Premier, I want to indicate to you that certainly agriculture is facing one of the worse crises today since the great depression. And the Farm Credit Corporation indicates that a quarter of all Canadian commercial farmers are indeed in severe financial difficulty; 21 per cent of the Farm Credit Corporation loans are in arrears — 21 per cent — over 10,000 farms are technically insolvent; and the number of farm bankruptcies has more than tripled since 1979, to over 500 per year in 1984-85. And we find also that the value of Canadian farm equity fell more than \$3 million in three years while the total farm debt remains in the area of \$21 billion. Those are some of the statistics that have been brought forward in some of the research that has been done by Farm Credit Corporation and other organizations.

I guess what I want to ask you, Mr. Premier . . . As Minister of Agriculture I'm sure that you have done an analysis here in Saskatchewan. I wonder whether the statistics which apply generally to agriculture across Canada — my statistics are not restricted solely to Saskatchewan, but I'm sure that you have had an opportunity to look — and I wonder whether you could indicate to us here how many farmers, what percentage, or how many farmers are indeed in arrears in respect to the Farm Credit Corporation, whether you have that information; and whether or not you could indicate whether you have any idea in Saskatchewan of the number of farmers that are essentially in an insolvent position? In other words what I really want to know is whether you can give us sort of an analysis of the general financial picture in the agricultural field because certainly across Canada I think it's a very serious problem.

And as I talk to my constituents, one of the very major problems — and I know you have no control over it — is the continuing falling price of their commodity and the ever-increasing input costs, and the provincial government can do some things in respect to it. But I talked to one of my very most successful farmers and he took in his quota this last fall, and he indicated that he had about the same delivery — he keeps good records — and he said, his income on his return was about one-third less than what he had the year before, and the margin is every decreasing.

And I don't think that we can stand by and watch a major sector of our economy be destroyed. And we can debate what policy should be in place and we can discuss the merits of some of the programs that you've put in, and we will, but I think the problem is of such magnitude that we

have to, as a nation, own up to the responsibility. And that is the federal government, I think, has to come to grips with it, some way of supporting similar to what they're doing in United States and in the European Common Market. I don't think . . . As efficient as our farmers are, I don't think that they can continue on that basis to compete where there's huge subsidies being paid to the European and the United States grain producers.

I guess what I would like you to do is: if you would in fact, in a factual way, indicate an analysis of the relative health or position of the farmers here in Saskatchewan; whether you could indicate whether you have any statistics to indicate the number of farmers that are in arrears, the number of farmers if in fact there are, who are basically in an insolvent position. And I ask you, I guess, do you agree with the general principle that the magnitude of the problem is such that we need immediate response by the federal government.

Hon. Mr. Devine: — Well, Mr. Chairman, I can respond in three or four ways. And my first response — and I don't mean this in an antagonist way, and I'll say that right at the outset, but when the problem was developing in the late 1970s and early 1980s when interest rates went from 10 per cent up to 22 per cent, we got into a problem where if we'd of had some action at that time, it would have made it much easier to people to live through drought and grasshoppers and so forth. And I raise that with the hon. member because while we may have some difference in philosophy, it's just the question of the hurt. The international interest rate of 22 per cent just cut into people's incomes, and that's when you saw the margins go, regardless of prices and others.

With respect to bankruptcies, I have figures. Saskatchewan, despite the drought and the grasshoppers, has the lowest farm bankruptcy rate in Canada. The province's bankruptcy rate is less than one per 1,000 farms. This compares with Alberta with over one, and Manitoba, over two. And I'll give you some numbers: 1985, Saskatchewan had 41 bankruptcies, Manitoba had 69, and Alberta had 82. Now obviously we have almost half the farmers in the prairies, so on an percentage basis, we're very low. And in 1984, Saskatchewan had 48 bankruptcies, Manitoba had 62, and Alberta had 74. So on a percentage basis on a relative comparison in terms of drought and grasshoppers and so forth, the bankruptcy rate in Saskatchewan was not only the lowest in Canada but significantly lower than you would expect under conditions that we've experienced.

When you look at wheat prices — I believe that you touched on it — we're likely to see higher domestic-priced wheat which would run in the neighbourhood of probably \$10 a bushel which could add 70, 80, 90 cents a bushel to the overall crop here in Canada. At the same time we're looking at additional funds to compensate for the export subsidy, and that's what the western premiers obviously asked for in terms of \$1 billion up front.

Finally you mentioned the federal response and if we should see one. Briefly in my representation to the federal government in agriculture, I've asked him to reduce or take off the tax on farm fuel. I asked them to raise the

domestic price of wheat, and I asked him to freeze freight rates and elevator tariffs. I asked for at least \$500 million in a western grains stabilization package. I wanted to see 6 per cent money in farm credit, as we see it here. I wanted to see a drought payment that would be large, a flood payment. I asked them to have the capital gains tax removed. I wanted him to take some action to restrict beef imports that were subsidized from Ireland and the EEC (European Economic Community); and I asked for assistance with respect to crop insurance.

Now on those dozen items and in response to your question, if the federal government has been responding, we got about 2.2 billion in response. They took the tax off farm fuel, and that's worth about 80 million to us. The wheat prices are raised, I mean, we're looking at domestic price, and that's worth a couple of hundred million dollars. Freight rates are froze; that's worth about 40 million to us. Elevator tariffs have been frozen; that's worth 10 million. The western grains stabilization package was 580 million, which we got the lion's share of, and I expect another significant payment this fall. We did receive 6 per cent money in the Farm Credit Corporation – although I'm not totally satisfied with the way that's being put together with commodities – but it's 6 per cent money. Our drought relief was about \$58 million; flood was a 14.8; the capital gains tax removal was worth about 40 to \$50 million a year to us on an annual basis; and the crop insurance payment recently was \$640 million. Now that, plus the billion dollars that we've asked for, you're looking at not 2 billion and not 3 billion, but indeed \$4 billion.

So, Mr. Chairman, with respect to the co-operation and the action from the federal government to farmers in the Quill Lakes area, or farmers in Assiniboia-Gravelbourg, or farmers any place, the programs we've initiated that I outlined, that were worth \$98,000 in cash flow or \$41,000 net on an average-sized farm, plus what the federal government has put together here – 12 things that add up in my calculations in excess of \$3 billion, plus the billion that we have asked for in terms of export deficiencies.

I mean, Mr. Chairman, in all respect, that's . . . you've never seen such action with respect to either co-operation or direct assistance to farmers. And quite frankly, I hear that when I travel in the Quill Lake area or when I travel any place else in rural Saskatchewan, and many other jurisdictions are looking at the same things that we do.

Farm credit numbers, in terms of those in arrears, I don't have it because it's FCC; it's federal, but we'll endeavour to get it for the hon. member.

Mr. Koskie: — Well I really want to get not to a regurgitation of what you've been saying all afternoon. What I really want to do is to get at the crux of the question, and that is the economic status or situation of farmers.

I'm asking you: surely, as Minister of Agriculture, you can indicate some of the statistics as relates to how many farmers, who have Farm Credit Corporation loans, how many of those are in arrears? How many are considered to

be in substantial arrears? Are there any estimates of so many X number of farmers which are in fact in an insolvent position?

What I want to get at, Mr. Chairman, and Mr. Premier, is: you have the research capacity and staff and you're here at estimates; and what I'd like you to indicate, out of the total number of farmers here in Saskatchewan, some of the statistics relating to their financial position because that's the basis under which we have to start operating. It's no use of you standing up here and patting yourself on the back and saying, good work, Brian, also and at the same time that the basic problem of our farmers – and I think particularly our young farmers – many of them are still in serious problems.

(1630)

I don't think that it is possible for people, as good farmers as we have here in Saskatchewan, to be able to produce wheat and sell it at \$3.18 at Watson, and they're getting over \$6 in the United States. I don't know how you expect them to compete on that basis.

So what I'm asking you is, first of all: can you generally indicate the nature of the financial position of farmers in Saskatchewan, and can you, in particular. . Have you done an analysis in respect to the young farmers in Saskatchewan which I feel are having the particular problems because many of those have bought land at a relatively high price, and also high interest rates, and as a consequence with the decreasing price for commodities are finding problems? So can you just, in a way, indicate what the banks are saying, those that hold the mortgages, the position of the mortgages, and also the farm credit report.

Hon. Mr. Devine: — Well I will endeavour to get the farm credit numbers because this is a provincial estimate, not federal, and I will as quickly as we can get . . .

In terms of the numbers that I can provide you right off the top of here, we have about 65,000 farmers in Saskatchewan, give or take a few. We have in the neighbourhood of 1,000 people who have applied for the guaranteed operating loan, and those are people who are in some financial trouble and have applied for that new source of funding, and about an additional 500 who have been to the farm land security board that were in some difficulty and said, we have to have one avenue or another, either we're going to go out of farming or we're going to have to have some help, and so forth.

Now that's 1,500 farmers that have applied in sort of the real bankruptcy cases, or those that might be close to bankruptcy, and said that if you can give me some help, I can stay alive. They've had some judgment; they've had some . . . (inaudible) . . . in terms of their peers. A guaranteed operating loan, a farm land security board, about 1,500 people. Okay, 1,500 out of the 65,000 is a percentage of about 2 to 2.5 per cent of the population that were strapped into a situation where they had to go before a board and get assistance because they were in financial difficulty, either with a credit union or a financial institution, and so forth.

Now in general terms, we've had about 5,000 new farmers come on with respect to 8 per cent money. And these are young people that are using this program to access long-term, fixed rates of interest so that they can apply that money to buying mom and dad's farm, or the family farm, and so forth.

In a ballpark situation, I look at it out there and I say that we've got somewhere between 10 and 15 per cent of the farmers who were in a position that they are going to need some help, and they're looking at various kinds of programs. You've got another 25 or 30 per cent that are sort of flat, that are saying I don't know whether I'm up, down, or sideways, depending on market prices and input costs. And then you've got probably well over 50 per cent of them that don't have any difficulty. And you have a large per cent – I'm not sure what it is – that don't have loans at all . . . (inaudible interjection) . . . Pardon me?

An Hon. Member: — A third.

Hon. Mr. Devine: — About a third of the farmers that don't have loans.

So you've got that ball park range. So you've got about 2 – 2.5 per cent that have taken access to the various kinds of programs we have. Our bankruptcy rate is lower than anybody else's in western Canada, and indeed the nation.

We look like we've got about 5,000 new farmers taking advantage of the 8 per cent money, and that's our new people that weren't in agriculture before. So that gives you a ballpark.

And with respect to the FCC, I'll get the number.

Mr. Koskie: — Well what we're looking at just from the statistics that you have is not a particularly rosy picture. We're looking at 1,500 farmers, on your own admission, and a very, very severe financial position. That's what you've said.

You've said another 10 to 15 per cent of them have some considerable difficulty. And I have down here another 25 to 30 per cent that aren't quite sure here which way they're going. And some 50 per cent, or whatever figures . . . It didn't seem to add up to 100, but I don't suppose that matters, with the degree of accuracy of facts of the Premier.

But in any event, what I'm saying, and I think I concur: can the Premier, in his analysis as Minister of Agriculture, be more specific as to the particular classification of farmers who are more likely to be in difficulty? Is my assumption correct that it's many of the younger farmers who are having severe difficulty, not because of their managerial skills but because of the circumstances in which they found themselves in the economy?

I wonder if you have done any analysis of the situation in respect to those that find themselves in either severe or rather difficult circumstances financially on the farms?

Hon. Mr. Devine: — Well, Mr. Chairman, difficulties in agriculture are not limited or isolated to one age category.

It will go across ages, and it will go across demographics and go across regions.

Where we find farmers in difficulty – and I go back to the very cause of the problem – is that where farmers had large operating loans relative to the size of their operation. Whether they were young or middle-aged or senior, if they went out and bought land or bought machinery or borrowed money to build something in the middle to the late 1970s and got hit with 22 per cent interest rate, it didn't matter what age they were, they got into trouble.

And that's where I throw the ball back to 1979, '80, '81, and '82, when we were seeing that problem emerge and develop. If something would have happened at that time to protect them, we wouldn't have half the problem we've got today because we would have allowed them some breathing room so they wouldn't have to face a doubling of the interest rate.

Now I mention this to the hon. member because he was a cabinet minister at that time, and he watched interest rates go from 10 per cent to 22 per cent, and he didn't do a thing about it – nothing. Now that had a major impact, not only on young people, on people all across the board. And as he knows, his government bought land from people of all ages – seniors, moms, dads, middle-age people, relatively young 30 to 40, and from young people – who got in trouble because of high interest rates.

And my argument goes back, if he would have provided interest rate protection rather than buying the farm, we wouldn't have half the problem we've got today. So in terms of who's in trouble, it's anybody that didn't receive help when interest rates were 22 per cent, obviously got a monkey on their back and it was a financial burden, and we've had to deal with it as a result. And any other administration that dealt with it earlier obviously looked at some benefit as a result of it showing up.

Now despite that – despite the 22 per cent that was there in '82 that nobody did anything about – we have the lowest bankruptcy rate in Canada in agriculture, and we have obviously the lowest in the prairies, despite drought and grasshoppers, as a result of the programs that we've put together.

Default with respect to our loans was 19 per cent of the clients last year. It's down to 16 per cent this year as of May 31, 1986. So obviously the impact that we're having in terms of farm land security board, the various kinds of legislation, the 6 per cent money, the zero per cent money, and the various kinds of programs they can access, is having a significant impact.

Mr. Koskie: — One of the programs that you introduced was the production loan program, and I was just wondering, did the government do a study into agriculture for a determination. Did you do any investigation? Did you do a study which you might be able to file supporting the need for the production loans program, the \$25 per acre? I was wondering what were the statistics that you looked at in respect to the general farm condition at that time which triggered or initiated the \$25 per acre.

Hon. Mr. Devine: — Mr. Speaker, it was in response to the very serious question of a shortage of cash flow across agriculture, and it was not limited to areas that either were flooded out or froze or dried out or eaten up by grasshoppers. It was across the board.

So to address that cash flow problem that resulted from 22 per cent interest rates which nobody would do anything about, it carried on, and then you look at the drought and the frost and the midge and the various kinds of insect problems and so forth, that it applied right across Saskatchewan. And as I said, there's no demographic description. There's no geographic isolation. There's no age discrimination when applied across agriculture.

So we said that we would go and help the cash flow problem of farmers that you've talked about. I mean, they didn't have a drought in the Quill lake area, but farmers that you've just mentioned are having some difficulty. Well I suspect that the program we designed helped farmers in the Quill Lakes. Some might have suffered from frost, a large number of them might have been disappointed that their once cabinet minister didn't protect them against high interest rates; then they have a problem.

So you know what it's like in terms of reduction and margins. The very margins that you mention are the reason that we have applied it right across the board to agriculture, to make sure that we could help people in all commodities, not just hogs, not just beef, not just grain, but in all of livestock and in all of agriculture and in all of grain, right across the board. Because those interest rates did not discriminate, they applied to everybody in Saskatchewan, and therefore to be fair we applied the 6 per cent money to all legitimate, bona fide farmers in the province.

Mr. Koskie: — Well, let's take a look at the Grant Devine, Premier Devine's fairness. Let's take a look at it. Let's say how you're out there really helping those that need it. Because you have said in your own admission here that 33 per cent of all farmers have absolutely no debt, no loans. And do you know what you did. They have cash advances if they're farmers, and they can take it in and they can get cash advances to get money. No interest whatsoever.

And you gave them the same amount as you gave to someone who is having difficulties. And you say, I am fair. Yes, you're fair. Do you realize that the people of Saskatchewan, many of the farmers are laughing at you.

I have farmer after farmer in my constituency who has taken this money — \$25 at 6 per cent — and they said, we don't need it but we're going to have to help pay for this, this mismanaged program, because there are going to be many who are not going to be able to pay. And many of the farmers have actually said, I've taken it. And I'll tell you they've gone to the credit union and to the banks.

And you'll know some, Mr. Chairman, who have taken this money. They needed it so badly that they took the money at 6 per cent, and they walked across the street after they got it and they gave it to the credit union manager. And they said, invest this for me for three years

at 10 and a half per cent. And I'll tell you, Mr. Premier, I can get affidavits if you don't believe it, because that is what's happening.

Now you say you're addressing and you're helping farmers who need assistance. Well I'll tell you, this program here doesn't help the people who need it. I wrote a letter to you in respect to a young farmer who is having problems. I'm not going to mention the name in the legislature, but you'll know it; you'll have correspondence. And I'll give you what they . . . This farmer has problems, there's no doubt — financial problems.

But do you know what they say? Mr. X's financial affairs have been under review by counselling and assistance for farmers, and a group of his peers have been unable to determine viability to his farm operation. Agricultural credit corporation has an obligation to be responsible in the use of taxpayers' money, and under these circumstances we will not be providing a production loan.

You deceive the people of this province. You announced the program; you said it applies to all farmers. That's what you said. You weren't fair. But those lowest on the economic scale and that need the help, you have abandoned. That's what you've done. And wealthy farmers have gone into banks, have taken this money; and they don't hid the fact, nor are they ashamed of it. But they are ashamed to have a Minister of Agriculture and a Premier that would put out a program so basically unfair.

With a province in debt by \$2 billion, this man says, I'm going to help agriculture, and he goes out and he gives to the good operator with no debt whatsoever. And there are, in his own admission, 33 per cent of them.

(1645)

They walk in and they can make money from the money that they receive—invest it and you can actually make money on it because they don't need it to operate. There are farmers after farmer who said that. I've talked to people in the rural areas who say, how can you believe that there would be no evaluation of whether or not they have any capacity to pay back.

The other fear is that 20 per cent of the money that has been passed out will not ever be repaid. But what you've done is you haven't analyzed and you haven't addressed the problem areas in agriculture. That's what I was asking the Premier for. Find out who, in fact, are beyond saving and I don't say that you should be throwing money at those that are beyond saving. I'll say that. That's fair enough. But I'll tell you there's a group of farmers — if we had taken that money and analyzed those that needed it most, I'll tell you we could restructure some of their debt and help them into a viable position, rather than having the 33 per cent; can take them into the credit union and to the banks, invest it for me for three years compliments of the Premier, compliments of the people of Saskatchewan, because the taxpayer has a \$2 billion debt under your lack of management.

I'll tell you, out in Quill Lakes they are laughing at you. But they're laughing at you more than in Quill Lakes, that's the problem. You can't run a province; that's what they're saying. There is no administration in this government; that is the problem.

So I say to you, how do you justify, Mr. Premier, many of the . . . A significant percentage of the farmers do have indeed some financial problems. This is not going to save them. But what you have done is take a large amount of money, and many of those with absolutely no debt have been able to take it and invest it and make money.

I took a look at it, worked out a bit of an example, and I guess anyone can figure it out. But you say that the average farmer across Saskatchewan got about \$20,000 under your program. That's what the press release says – about \$20,000. As of April 11, a total of 50,000 Saskatchewan farmers had received \$991 million – averaging out to \$19,800 per farmer.

So taking it on that basis of \$20,000 rounded off, for a given farmer at \$25 an acre, it would be about \$800 a farm. And I want to say, Mr. Premier, that the total saving on interest would be, if we calculate the \$25 at 6 per cent, and assuming that the farmer could get it at 10 per cent, the 4 per cent difference, it would come to about \$800 saving per farmer on a \$20,000 loan, on a 4 per cent difference – from 10 per cent down to 6 per cent; if the farmer could have gone out himself and got it for 10 per cent, but he's getting it for 6 per cent. So on that he saves \$800 on that 800 acres on that \$20,000 that he gets under your program.

Well, you know, what you have done is you announced a big program and you say: billions of dollars into agriculture, Mr. Premier. But you keep deceiving the people of Saskatchewan and I'll tell you why. You know what, on this 800 acre of farm, do you know what it comes out to on the calculation of a subsidy to help farmers, to those at the bottom that really need some help? One dollar a day. That's what they say on the example that I use. That's what they would be getting as a subsidy from the provincial government, from the Premier, from the Minister of Agriculture, who is standing up and saying, oh, I am doing so much, I'm pouring a billion dollars into agriculture. You aren't.

You know, what you gave to the farmers? One dollar per acre. That's approximately what they're getting. Maybe a dollar and a quarter. I give you . . . stretch it, but that's what it comes to. It's an acreage payment of \$1 to \$1.25. That is what you're giving to the farmers – not helping those who have . . . not those at the bottom who have some problems. You haven't analyzed. You won't even own up to the fact. I don't think it's different in other constituencies than in mine and some of the other ones that I visited across the province in a tour.

But I do find that many of the farmers that are in trouble, be it all there are some at all age levels, as you said . . . But let's be frank. It's more of the young farmers and those that got started with the difficult circumstances of the economy. So let's not fool ourselves, but we can take this example . . .

Though first of all, if you break it down on the average of 20 — \$20,000 — that means you could have eight payments of \$25 on 800 acres. And if the farmer had to borrow it on his own at 10 per cent, but he's getting it now at 6, he saves about \$800. That's what he saves. And he has an 800 acres, is his coverage. So it's \$1 per acre is what he's saving.

Now if you take the farmer who doesn't need it, what can he do? Well what they have done . . . and many of them have, and maybe you say there's nothing wrong with that. And I'm not . . . I want to make it perfectly clear to you, I am not . . . And don't stand up and say that I'm accusing farmers of abusing a program, because you better not. Because I talk to farmers, and I'll tell you what I told them. I told them, yes, if that Premier is prepared to put out that money of that nature with no strings attached, and you're going to be responsible for the mismanagement of this province because you own property, I said fine, you can take advantage of it because this guy is not going to be around very much longer because the mismanagement is so great. That is the concern, Mr. Premier, is that you do not have any mismanagement.

I can venture that those farmers, the 33 per cent which you say have absolutely property free farms, totally paid for, do you think that they actually did not have the capacity to raise cash to put their crop in? Are you telling me that or are you saying that the farmers that come to me . . . And I'll tell you, one of the best Tories in Quill Lakes — and there's not many of them but there's one — he's a brother to a candidate that ran for you federally.

And I'll tell you, he said I really have to question this program, Murray. He said, the problem with this program is that all you do is walk into the elevator, sign a note. And he said, you know what's going to happen with such a loosely administered program? He said, all of us who are good managers, built up, we have no loans — what he has done he hasn't targeted, he has no direction to this program; he's throwing it out.

And they know the community. And he says, that money, much of it, some of it will never be repaid. And they say, who will repay it? It's going to be the ones who survive; the ones who are going to have to pay it are those with the property.

And so what they are saying in respect to this program, it's not a billion dollars help to the farmers. What you have done is encouraged and enticed them into a billion dollars of additional debt. That's what you've done. You haven't helped those at the top of the ladder who are debt-free because they didn't need help. They didn't need help. And what they have done is taken it and they said, well since you can't even manage the affairs of the province—look at the financial mess, look at the basis of this program, this pretense of being fair, with no red tape — they said, we have to take advantage of it.

They have debated it. Go into coffee shops across this province, and I'll tell you, they're saying, sure. But take a look. Those that are thinking are saying, imagine, in four years \$2 billion of debt. And those that take a pencil and analyze it, do you know what they say? There is \$1 to \$1.25 subsidy per acre. Well, isn't that a massive infusion

of assistance to the farmers of Saskatchewan?

You haven't analyzed the position of the farmers. You haven't taken a look to see whether there is a group of good operators that an infusion of cash or restructuring of debt could be of great assistance to. Why would you pay to those, who have no debt whatsoever, the same amount as those who are in need of restructuring of their debt but are good operators?

And you know, you talk about other ways. You put in 8 per cent money for farmers, you said. Well, I'll tell you, farmers aren't buying much land today. That program is still. There may be . . . Sure, you can bring up statistics with the big operators, including sons, and doing the transfer and restructuring of their debt through your program, and you can call them new farmers, but the farmers know full well what you're doing. And so what I'm really saying, Mr. Premier, is that you haven't put a billion dollars into the farming economy.

So I say, Mr. Premier, essentially there are . . . a crisis situation. Let there be no denying. It has been said by farm credit, it's been said by some of the banks and said by some of the research, and the major problem is that we have to . . . It's no use you saying, keep up the good work, Brian. What we need to know and farmers need to know is whether or not, and whether you are onside for federal support in a deficiency payment. You won't keep farmers in production, a sufficient number of them, by only the \$10 domestic wheat. That will help, but realize it only covers 10 per cent of the total production — about 10. That's right. So as a consequence, it's not going to solve the problems. You know it.

And so what we're asking you, and I've asked you here and the major farm groups have said, what we support is a deficiency payment. We tried to carry on here in the session with a resolution and a sensible debate on the crisis in farming, recommending that the federal government bring in a deficiency payment, and we couldn't even get your support, Mr. Premier. I say to you, Mr. Premier, that it's absolutely important, absolutely critical, that the farmers get a commitment from the federal government.

I ask you: will you use your good office . . . will you in fact push hard to get the commitment from the federal government for a deficiency payment? Because agriculture, after all, is the heart of this province. It's the essential generator of the economy.

I want much more to say on this here, Mr. Premier. I intend to . . .

Mr. Chairman: — Order.

The committee reported progress.

The Assembly adjourned at 5:02 p.m.