

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

**PRESENTING REPORTS BY STANDING, SELECT, AND
SPECIAL COMMITTEES**

Non-Controversial Bills

Ms. Simard: — Mr. Speaker, as chairman of the Standing Committee on Non-Controversial Bills, I present the first report of the said committee which is as follows:

Bill No. 29 — An Act to amend The Legal Profession Act

Ms. Simard: — I wish to report Bill No. 29, An Act to amend The Legal Profession Act, as being non-controversial.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

**Bill No. 38 — An Act to amend The Prairie and Forest
Fires Act, 1982**

Ms. Simard: — Thank you. As chairman of the Non-controversial Bills Committee, I wish to report Bill No. 38, An Act to amend The Prairie and Forest Fires Act, 1982, as being non-controversial, Mr. Speaker.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

**Bill No. 39 — An Act to amend The Law Reform
Commission Act**

Ms. Simard: — As chairman of the Non-controversial Bills Committee, Mr. Speaker, I wish to report Bill No. 39, An Act to amend The Law Reform Commission Act, as being non-controversial.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in the Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — I move the said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

**Bill No. 40 — An Act to facilitate Economic and Social
Development in Rural Areas**

Ms. Simard: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 40, An Act to facilitate Economic and Social Development in Rural Areas, as being non-controversial.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Speaker, I move the said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 54 — An Act to amend The Vital Statistics Act

Ms. Simard: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 54, An Act to amend The Vital Statistics Act, as being non-controversial.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 59 — An Act to amend The Animal Protection Act

Ms. Simard: — As chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 59, An Act to amend The Animal Protection Act, as being non-controversial.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in the Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Speaker, I move that the said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 61 — An Act to amend The Department of Parks and Renewable Resources Act

Ms. Simard: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 61, An Act to amend The Department of Parks and Renewable Resources Act, as being non-controversial.

Hon. Mr. Andrew: — Mr. Speaker, I move that second reading and consideration in the Committee of the Whole of the said Bill be waived.

Motion agreed to.

Hon. Mr. Andrew: — Mr. Speaker, I move that said Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 53 — An Act to amend The Uniform Building and Accessibility Standards Act

Ms. Simard: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 53, An Act to amend The Uniform building and Accessibility Standards Act, as being controversial.

Mr. Speaker: — Controversial. Second reading next sitting.

Bill No. 58 — an Act respecting the repeal of The Agricultural Research Funding Act

Ms. Simard: — Mr. Speaker, as chairman of the Non-Controversial Bills Committee, I wish to report Bill No. 58, An Act respecting the repeal of The Agricultural Research Funding Act, as being controversial.

Mr. Speaker: — Second reading next sitting.

Bill No. 72 — An Act to amend The Land Titles Act (No. 2)

Ms. Simard: — I wish to report Bill No. 72, An Act to amend The Land Titles Act, as being controversial.

Mr. Speaker: — Second reading next sitting.

Bill No. 73 — An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Land Titles Amendment Act, 1987 (No. 2)

Ms. Simard: — And I wish to report Bill No. 73, An Act respecting the Consequential Amendments to Certain Acts resulting from the enactment of The Land Titles Amendment Act, 1987 (No. 2) as being controversial.

Mr. Speaker: — Second reading next sitting.

Bill No. 60 — An Act to amend The Forest Act

Hon. Mr. Andrew: — I understood that the committee also dealt with Bill No. 60, An Act respecting The Forest

Act.

Ms. Simard: — Mr. Speaker, there is a member who wishes to make a comment on that on third reading, who is not prepared to do that at this time, so I thought I would report that Bill next week.

ORAL QUESTIONS

Hon. Mr. Andrew: — Mr. Speaker, by agreement of the House leaders, both sides have agreed to waive question period for this day.

Mr. Speaker: — Question period is waived.

INTRODUCTION OF BILLS

Bill No. 87 — An Act to amend The Planning and Development Act, 1983

Hon. Mr. Klein: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Planning and Development Act, 1983.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 88 — An Act to amend The Local Government Elections Act (No. 2)

Hon. Mr. Klein: — Mr. Speaker, I move first reading of a Bill to amend The Local Government Elections Act (No. 2).

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 89 — An Act to amend The Controverted Municipal Elections Act (No. 2)

Hon. Mr. Klein: — Mr. Speaker, I move first reading of a Bill to amend The Controverted Municipal Elections Act (No. 2).

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 90 — An Act to promote Regulatory Reform in Saskatchewan by repealing Certain Obsolete Statutes

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to promote Regulatory Reform in Saskatchewan by repealing Certain Obsolete Statutes.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 91 — An Act respecting the Consequential Amendments to Certain Acts resulting from the Passing of Certain Acts resulting from the Passing of Certain Orders and Regulations pursuant to The Government Organization Act

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill respecting the Consequential Amendments of Certain Acts resulting from the Passing of Certain Orders and Regulations pursuant to The Government

Organization Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 92 — An Act to amend The Matrimonial Property Act

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to amend The Matrimonial Property Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 93 — An Act to amend The Reciprocal Enforcement of Judgments Act

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to amend The Reciprocal Enforcement of Judgments Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

(1015)

Bill No. 94 — An Act to amend The Saskatchewan Medical Care Insurance Act (No. 2)

Hon. Mr. Andrew: — Mr. Speaker, I move first reading of a Bill to amend The Saskatchewan Medical Care Insurance Act (No. 2)

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Bill No. 95 — An Act to provide for the Registration and Regulation of Persons Engaged in the Real Estate Trade

Hon. Mrs. Duncan: — Mr. Speaker, I move first reading of a Bill to provide for the Registration and Regulation of Persons Engaged in the Real Estate Trade.

Motion agreed to and, by leave of the Assembly, the Bill ordered to be referred to the Standing Committee on Non-Controversial Bills.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

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

Item 1 (continued)

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, when we last were considering agricultural estimates I asked for information regarding your staff salaries, the polling, aircraft charters, and advertising. You've seen fit to say that they are in orders for return, and I don't find that acceptable, Mr. Minister, because I think it's important that I have that information now so that I can

ask you the questions in these estimates.

So I would ask you again if you would table these documents this day or at least before . . . this day.

Hon. Mr. Devine: — I don't think that that's possible, because you may get them within days, but they're in orders of return and that's normally where they're provided. So the process is pretty clear and has been followed.

Mr. Upshall: — Mr. Minister, I definitely do not agree with that. I'd asked you over a week ago for this information. You have taken it upon yourself to conceal this information so that the people of Saskatchewan, who should know and who should be able to receive answers, through me to you, on the costs of running your department, specifically with regards to, let's say, polling, how much money you've spent on polling; or advertising, how much money that you've spent on advertising in agriculture; or aircraft flights . . . So I think that this is basically a cover-up of information. And I don't think this government and this legislature should run this way.

So I would ask you again, considering the fact that you have had ample, ample time — and I'm sure if it takes that long to get this information out of your department, then I question the runnings of the department — so I would ask you again: would it be possible to have this information later this day?

Hon. Mr. Devine: — Well, Mr. Chairman, in a spirit of co-operation, I don't think that this information has ever been asked in this basis. But I will, in the next few minutes, try to get you the information on staff salaries so that the hon. member can have them. I will say that to the best of my knowledge there was only one aircraft charter and that was to Swan River, Manitoba — chartered from the department is the information that I have, for about 200 or \$300.

Polling — I don't have the specific numbers. And advertising — all the advertising is going to have to wait for orders of return, and that is in returns no. 525, 351, 216 and 204, respectively, for staff salaries, polling, aircraft charters, and advertising.

The total cost of AgNews, which I believe that you wanted specifically, was \$91,295 for 10 releases with a per copy cost of approximately 12.5 cents. And I'll get you that information with respect to staff salaries right away.

Mr. Tchorzewski: — Mr. Premier, that's just not good enough. You are standing here and you are deliberately withholding information as you have done on previous occasions. I want to remind you and the committee that prior to the spring session of 1986 you withheld, for two years, information ordered by this Assembly on your travel by orders for return.

That's clearly what kind of game you're up to here. You're trying to use the order for return process in order that you will not provide timely information to the House so that the committee members can question you on it. It is not

unusual to provide this information. Other ministers have been able to come to this committee and provide that information on request because they got ready for it. As late as last night, your Minister of Finance, who has been known to be fairly lax on some of his other activities, was able to hand across the floor, when asked, some of this information.

I fail to see why you can't do likewise, Mr. Minister, if you are doing your job. You've had a week. You've had a week to prepare. I submit to you, if you spend more time doing some of the work of your department and less time visiting Reno and other holiday spots out of the country, we might be able to get the job of your estimates done in this House expeditiously.

Mr. Minister, you are deliberately withholding information. It's got nothing to do with what the procedures are because we know what the procedures are and they are to provide this information. Now you can go ahead and do your traipsing around the continent but surely your departmental officials don't go with you, and they should have had that information because they knew it had been asked. And if they don't have it they haven't done their job, but I don't believe that to be the case. I think that they have done the job and you're not doing your job because you're refusing to provide that information in the House.

Now will you explain, Mr. Minister. If you say that your officials don't have it, will you explain to this House why they don't have it.

Hon. Mr. Devine: — Mr. Chairman, I just said to the hon. member that . . . And then he just used the term, he received some of the information he asked for immediately from the Minister of Finance, and some of it he didn't. And I will say, as he knows, with request for my information on travel. I mean, you looked at all the information on my travel and it's certainly public, and you didn't do anything with it because it was all just fine. Right? So, I mean, there's no indication at all that information . . .

Mr. Chairman: — Order. Order. order. I'd ask members to allow the Premier to answer the question. Everybody has a chance to get into this debate so allow the Premier to answer the question that he was asked by one of your members.

Hon. Mr. Devine: — Mr. Chairman, let me just say to the hon. member that we can provide some of that information today, and some of it you will get later.

An Hon. Member: — Why later?

Hon. Mr. Devine: — Because that's the way it is. Some of it we'll get later because it's orders for return and that's the way that we have provided that kind of information. And you know it's 1986 information — '85-86 information.

So, I mean, it's in the process, and I said I will get the salaries to you as quickly as possible. I gave you the charter airline. So, Mr. Chairman, I'm giving him most of the information right now.

(1030)

The '85-86 information with respect to advertising is going right through the process. He'll have access to it as he has had every year. And he's had access to my travel information every year and he can do whatever he likes with it. They've had it before, and they've made no issue of it because it's been above reproach. So I just say that we'll provide that information and you're getting most of it today. And the rest of it you'll get through orders of return.

Mr. Tchorzewski: — Mr. Minister, you display once again your total disrespect for this legislature with that kind of a comment — total disrespect for the process of being accountable for your actions and your government's actions. The issue isn't whether the information is so bad that the opposition might want to do something with it; the issue is, providing information that the public has a right to know.

An Hon. Member: — We're getting it.

Mr. Tchorzewski: — Well you're getting it, Mr. Minister, but you were in estimates a week ago. These questions were asked a week ago. Why haven't you got it today?

An Hon. Member: — I gave you some of it today.

Mr. Tchorzewski: — We want all of it, Mr. Minister, because you've had time. And it's not as if it's a surprise. It's not as if it's a surprise question because this kind of question has been asked of every minister in his estimates or her estimates during this session and in previous sessions, and even those of your ministers who may be not quite as competent as we would like have been able to provide it, Mr. Premier. That doesn't speak very well for you. That does not speak very well for you.

Can you ask this question . . . since these questions were asked a week ago, can you explain why your officials have not been able to prepare it, having been given a week's length of time, so that we could get it today? Would you explain that please?

Hon. Mr. Devine: — Well, Mr. Chairman, I'm giving them most of the information today. and for the hon. member I will give him today the salaries that they asked for.

An Hon. Member: — Pass it over.

Hon. Mr. Devine: — All right. I'll pass it over, Mr. Chairman. I'll send a copy over so that the hon. member can have the salaries. With respect to airplanes, I've advised him there's been one charter. And with respect to advertising, I said that it would be in orders for return, and they can receive it like they normally receive it.

So he's getting three-quarters of the information today, so he's not giving me a fair side, Mr. Chairman. So I will pass the information over with respect to salaries so the hon. member can review it and examine it.

Mr. Tchorzewski: — Mr. Minister, it's not for you to decide how much information you provide on a selective

basis. I mean, your answer is like the Minister of Economic Development and Trade saying to the committee in answer to the travel questions: I'll give you all the travel that I did except my trip to Calgary to go a relative's wedding. That's what kind of an answer you're giving this committee today, and that's quite inappropriate.

Mr. Premier, we appreciate you're going to give us two items of information, but I want to ask you again, because you still haven't answered my question, is why have your officials not been able to prepare the information on the advertising question having been given a week to prepare it?

Hon. Mr. Devine: — Mr. Chairman, the information is coming and it's in the process and it's in orders for return, and the opposition will have it for the next four years to use, or the next eight years. So it's not being confined; it's just not ready Saturday morning. So it's in orders of return. You'll have it; you'll be able to . . . if there's anything in there, you'll have the full information, and you can look at it, and you can examine it. You can take it to every town in the province, if you want to. It's in the process. It isn't here this morning, but you will get it through orders of return, and you'll have it in detail.

Mr. Tchorzewski: — Mr. Premier, let's talk about the orders for return. The orders for return were ordered on September 15. That's a month and a half ago. The question was asked here last week in the committee a week ago. You weren't able to, in a week's time, prepare a specific answer. The orders for return were asked on September 15, a month and a half ago, and you're still sitting on them. Not one single order for return of your government has been tabled in the House that's been asked. Mr. Premier, what is it that you're afraid of, that you're hiding, so that this information cannot be provided?

Now I know that there were a lot of orders for return, but you don't have to wait until they're all prepared to table some of them. And you could have, you could have prepared this one on advertising and the other questions that my colleague asked for, because you've had sufficient notice on polling. And the only thing that we can conclude, and that the public can conclude, is that you refuse to provide this information because you're trying to hide something.

Some Hon. Members: Hear, hear!

Mr. Tchorzewski: — You're trying to hide something and that's not unusual. Your record of hiding something is pretty wide and broad. The record of your deal with the Prime Minister to withhold the announcement of the CF-18 contract because there happened to be an election going on, that was hiding something. And the list goes on and on and on.

Mr. Premier, you have had since September 15, knowing that your estimates were coming, to be able to provide this information. I ask you again, why have your officials, since you are the one who's blaming them — I'm not; I think they have it — but since you're blaming your officials, will you explain why they have not been able to

provide that information in a month and a half?

Hon. Mr. Devine: — Mr. Chairman, I will just say again that the request for information from the opposition is very large. It's volumes and volumes. We are providing that information as we always do through the normal process, and I've even by-passed the normal process this morning and given them three-quarters of the information right now, and handed them the stuff on salaries, told them about charter airplanes. The additional information goes through the process as it usually does.

If I could finally say, Mr. Chairman, the hon. members stood in their place and said I was hiding my travel information because I was hiding something . . .

An Hon. Member: — Two years.

Hon. Mr. Devine: — Two years, he says, for two years. And they get the information and they don't ask me a question on it.

Well, Mr. Speaker, I mean they've said the same thing every year. I will provide the information; you will get it. I'll give as much as I can today and the rest of it quickly as we can.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, the record that you have of keeping people wondering what's going on in this province is a real legacy. People don't know, and they want to know, and they have a right to know. This is a prime example of withholding information that the people of this province have a right to know about.

And I'll just shift into another example, Mr. Minister. That's the \$25 production loan that your department put out. Right now people in Saskatchewan are two months away from this loan maturing, and they don't know what to do.

They don't know if you're going to take their land from them. as you said the other day in Agriculture estimates, land was their security. If they don't pay, you can take their land. They don't know if you're going to forgive the loan, as the rumour that the Tory government put out before the last election — because I heard it on doorstep after doorstep, and it was heard right around this province. And now the farmers of this province are wondering what is going to happen.

So, Mr. Minister, we're in a stage of agriculture now where farmers have to know what lies ahead. And time after time, whether it be the \$25 production loan, whether it be the deficiency payment, or whether it be a program for alleviating debt, they don't know because you can't make the decision as to what to do. And because you can't make a decision what to do, they are going to be in the dark and wondering, day after day, what lies ahead.

And I say to you, Mr. Minister, farmers have to know, not day by day, they have to know year by year or further, what the policies of this government are so they can plan their life around it. And until you come forward and tell them ahead of time, how can I, or anybody else as a

farmer, expect to budget, to plan crop rotation for two or three years? It's impossible to do. And you won't tell us what you're doing.

So, Mr. Minister, I ask you: what is your proposal? What do you plan to do with the \$25 production loan when it comes due, beginning in January of next year?

Hon. Mr. Devine: — Well I thank the hon. member for that question. I agree it's important to provide farmers with as much information and as much help as possible. As the hon. member knows . . . and I believe he attended the last two days agriculture symposium to look for alternatives to help farmers.

In terms of decisions, I think it's important to remember, and the hon. member would probably agree, that we made the decision to provide \$1.1 billion to farmers at 6 per cent money. We made the decision to say that they didn't have to pay the principal in the first year. In fact, we postponed it and they could only pay the interest. And we made the decision to go to bat for a deficiency payment, and the federal government made the decision to pay \$1 billion out. And we've made the decision to ask for 1.6 to \$3 billion again, made the decision to beef up the western grains stabilization payment, made the decision to expand the cash advance system for livestock and to expand it for grain producers, and made the decision for drought payments.

I mean, to be fair, I think, Mr. Chairman, we have made a large number of decisions with respect to agriculture. I won't list more, but in terms of things like rural distribution programs and communication systems and so forth, many, many decisions were made.

Now as the hon. member knows, farmers appreciate the fact that on average they received, in the month of June this year, about \$10,000 cash in terms of western grains stabilization payments and deficiency payments, and they are looking forward to something similar.

So when you look at the announcements to come out from the Canadian Wheat Board . . . I believe I heard the minister say yesterday that he will be making announcements with respect to the size of the western grains stabilization payment. He has made an announcement with respect to larger payments on oats right now because of market improvements. And towards the end of the year, I expect you will hear the decision regarding the size and the amount and the timing of a deficiency payment.

Now all that, in terms of billions of dollars, will have an effect and some impact on the decision we make. And in talking with farmers . . . And we're going to have a group of MLAs go across the province and talk to farmers about the production loan so that they can give us their best advice in terms of how capable they are of paying it. Some are capable of paying it all right now; some aren't capable of making any more payments than probably just the interest.

We want to examine that in the light of grain stabilization payments and deficiency payments and interest rates, generally, that are going down — thank goodness — and

we will put all that information together in making the appropriate announcements and decisions for farmers.

But if I could say, in all fairness, that we have made a large number of decisions, and large financial decisions, for farmers in the last few years, and we are quite prepared to make more of them and provide as much information as quickly as possible to farmers in the future.

Mr. Upshall: — Mr. Minister, you didn't answer my question. Again you're saying that you're going to be going around the province to consult with farmers and ask them what they think. That doesn't help now. You've had ample time to do that. How much time do you need to support the rural economy out there and let farmers know what they're doing, what they can expect? You've had ample time to let them know.

The two most important things to farmers right now is the deficiency payment and whether they're going to pay the production loan, because they have to know if they're going to have that cash in hand so they can tell their banker, who is hammering on their door day after day, whether or not they're going to have any cash flow. But no, you're going to go around and ask the farmers what you should do with the production loan.

Well I say, Mr. Minister, you've had long enough to make a decision. Perhaps if we had a full-time minister of Agriculture, we'd have some of these decisions made, instead of gallivanting around the world doing whatever you do. The farmers and farm groups can't even get in to see you. A common complaint among the agricultural groups: we can't get to see the Minister of Agriculture. And you say you're going to go around the country to see what farmers are saying about the production loan. Well, Mr. Minister, when they can't get in to see you, that doesn't make sense to me, and that's the common thread. Accessibility is very, very limited.

So, Mr. Minister, I ask you: what is your policy with regard to the \$25 production loan when it starts coming due in January of next year? What is your policy on it — that some of those loan are going to come due, and you're not going to know from the reports around the province what the farmers are saying? But I'd like to know right now what your policy is.

(1045)

Hon. Mr. Devine: — Mr. Chairman, I think the hon. member knows that it will have the month of November and the month of December and probably till about January 16 when the first payment is due. During that time we are going to hear information with respect to the grain stabilization payment and with respect to deficiency payments most likely.

I have had good discussions with the SARM (Saskatchewan Association of Rural Municipalities), for example, and they recommend certain things be done with production loan and other agriculture policies, with respect to deficiency payments, grain stabilization, crop insurance. The wheat pool board of directors, I've met with, and they've given me their advice on the same thing. Now the advice differs from group to group, and I

do consult with them. And that's why it's important to talk with them about the kinds of things that they think is important.

I met with SARM last week. Within the last several weeks, I've met with the wheat pool directors. I've met with the livestock organizations. So it's important to consult. And they have advised us in the past about the production loan program.

That's where we got the idea, from the people. They've given us examples of how we can protect the interest rates — write it down to 6 per cent, lock it in. That's where you get the ideas, from talking to the farmers.

Let me just say, with respect to the United States, the number one problem in Canadian agriculture is with the U.S. farm Bill. And I think it's a good idea that we have some attempt to try to change that. I chair the Canadian side of North American agricultural policy group called NASDA (National Association of State Departments of Agriculture). So if I can be there in the United States — in Nevada or in Atlanta or in South Dakota or in Washington and in Reno — to convince agriculture people in the United States that the farm Bill and their subsidies and their protectionism are hurting us, then it's a good idea, I would think, for Canadians to be there to have some impact on them.

Now if you disagree with that, that's fair enough. But it's important to consult with local people, and it's also important to consult with the people and advise the people that are wrecking the industry, like American treasuries and European treasuries, because the problem is not just in Davidson and it's not just in Humboldt; it's in Washington and it's in Paris and it's internationally. And the hon. member, I'm sure, must appreciate that, and certainly the farm organizations appreciate that. And they advise me, yes, we've got to defend our market share, and yes, we have to do the kinds of things that will defend farmers.

So decisions now with respect to the production loan program, as with other things, will come together as we get this information. And I would say to the hon. member, we have almost three months before the first decision is going to be made in terms of payments on the production loan program. And I will remind him, the last time we did postpone it so that we only had to pay the interest. And people know that we're sensitive. And we're going out into the country to talk to groups, listen to them. We met . . . You and I met with them yesterday, several farm organizations and farm groups — different advice. So I think it's a good idea to listen to it.

Mr. Upshall: — Mr. Minister, you didn't seem to have a problem making a decision before the last election. And you've had one full year to decide what you're going to do with the repayment of that loan, and farmers in Saskatchewan have not heard a peep out of you. You've had one solid year. All of a sudden, just before the loan comes due, we're going to make this sweeping tour of the province to hear what the farmers say, then you'll make the decision. That's not good enough.

Farmers should have known last January what they were going to be expected to do this January. And the doubt

that was put in their mind was put in by you and your fellow caucus members over there, because the rumour was put out that you were going to forgive the loan.

So, Mr. Minister, I say to you: the biggest problem is in Regina, sitting right across the House from here. That's the biggest problem the farmers have, because they don't know; they don't hear you saying anything. Over a full year you've never said anything about the production loan, and all of a sudden now, you're going to do it, just to prolong it a little further — putting stress on the agriculture community, adding stress to that community. They have to know.

So, Mr. Minister, I ask you — you're going to consult, you've been in Washington. Mr. Minister, what is your perception of what should be done? What is your personal idea of what should be done with the production loan?

Hon. Mr. Devine: — Well, Mr. Chairman, maybe I can help speed it up here. I will say this. It was a good idea to help the farmers in providing it. It was a good idea, with a smaller initial payment for wheat, to postpone the principal payment. I will say all those kinds of things are being considered.

I will say this as well. It will not be forgiven — will not be forgiven — because people obviously have to pay their bills. So that at any time in the future . . . I mean, if you want to have any sort of integrity in any financial system, people must pay their bills. What farmers are asking us is, look at that program, it was a great deal of help; if some of us can't make all the payments all the time, would you look at some alternatives? And I said, yes, I will. Give me your best examples; suggest things to me; and I will look at them.

The SARM has suggested things, Wheat Pool has, and other organizations. And the farmers know that I'm looking at those. So you can count on this: it's repayable. Secondly, can we look at alternate ways of repaying it as we did in the past? Of course we can.

And we're going to be examining those, but I'm not prepared to do that today. I don't know what kind of quota's coming down. I don't know the size of the cash flow coming in from grain stabilization deficiency payments and/or the market from the wheat board. And we'll be putting that information together, which I think is fair, for farmers to examine.

So they say, well here's the size of the cash payments; here's how it fits; and it's only been six months, again, since we've got the last payments, in terms of July, August, September, October. I mean it's been less than that that we've received western grains stabilization and deficiency payments.

So just to be helpful, yes, we'll look at it, and we are examining it as we have in the past. I mean, we have really looked at it to even give it \$1.1 billion out at 6 per cent. But I mean . . . nothing that . . . I don't think that they've ever seen before. And we've said, we'll even consider how you pay it back. But let me say very clear just so you and I both understand, it will be paid back, as I

believe any program has to be. Financially, to maintain the integrity, it has to be paid back.

Mr. Upshall: — Well I thank you for that, Mr. Minister, and I'm sure the farmers will thank you for that too because it's been a long time coming. And the word and the rumours out in the country and the uncertainty propagated by your government about forgiving that loan have been running rampant. And I'm sure that's it's finally time that we have heard at least one thing now about the production loan that we know.

Mr. Minister, I would ask you: in your estimation, should the loan be repaid back over the three-year period or should that period of pay-back be extended to, let's say, 10 years?

Hon. Mr. Devine: — Mr. Chairman, we've had several recommendations on that and we're examining them all. The SARM recommended, for example, that the pay-back be extended from three years over to a longer period of 10 years. Other people have said five, some have said, you know, various combinations. Maybe there should be an incentive for those that can pay it back quickly to get it back; those that are in some difficulty, give them more time, look at the combinations.

You know, the hon. member from the Quills has suggested, and I think to be fair that maybe we should target some of this for certain kinds of farmers. Well there have been several suggestions with respect to the production loan or other programs, so we're examining them all.

And again, to talk to farmers, they'll tell us what they think is fair. I believe they'll say: it should be paid; (2) for some people they may need more time, and; (3) that you could look at various combinations of things to allow the payment to be made depending on their financial circumstances. I think that's reasonable.

Mr. Upshall: — Mr. Minister, you mentioned some incentives for quick pay-back. I'd like you to explain to me what, just what you had in mind with relation to those incentives. Would it be a reduction in the payment if you paid it back, or less interest, or could you explain to the people of this province just what you mean by incentives for quick pay-back as opposed to a longer pay-out period?

Hon. Mr. Devine: — Right now there's an incentive to pay it back quickly because you pay less interest and it's like any other loan. So while some will want some benefit by paying it off quickly because they can save themselves money, others say, look it, I'll pay a little bit more for it but can you spread it out so in fact I can have the benefit of time?

And that's precisely the alternatives you could look at. It's always in your interest to pay it as quickly as possible. And for others who may not be able to do that, it's obviously going to cost you more, as it does in any program, to rewrite it or reschedule your loan. So that's the basic economic differences and that's what I'm referring to.

Mr. Upshall: — Mr. Minister, so what you're saying, then, potential is there for . . . If a farmer pays his production loan back over the three years, it will remain at 6 per cent interest. And what I hear you saying, then is, if it's going to be over a longer time he's going to be paying more interest.

So the question I would ask now: will that 6 per cent interest remain over whatever length of time that you stretch the production loan out, if you do? Or will that interest rate be going up to current market rates?

Hon. Mr. Devine: — Well when I said he's going to pay more interest, anybody that prolongs it at the constant interest rates pays more interest dollars. Okay, that's the point. So right now it's all the same to everybody — three years and you pay it back at 6 per cent. If you pay it quickly, you save money; if you pay it over the six years, it costs you more interest. It's still at 6 per cent.

My intent is to keep the interest rate the same for everybody, but the advantage is to pay it quickly as opposed to . . . If we did extend it out it's going to cost you more in real dollars to pay off the loan at any interest rate.

Mr. Upshall: — Just let me get this quite clear. You're saying that the interest rate will remain at 6 per cent, regardless of what the term is?

Hon. Mr. Devine: — Well, that's where it is now, at 6 per cent. And as I envision it, if you did expand it or you did reschedule it or anything else — as we did by saying you only have to pay interest one year, keep it at the same interest rate, keep it at the same interest rate for everybody — now if you stretch it out for some that can't pay, my only point is, it's going to cost them more money because you've rescheduled it and they've got to pay more interest because they're doing it more years, not because of the level of the interest rate, but because of the number of years they have to pay the interest.

Mr. Upshall: — You're not answering my question. My question is . . . Let me put it quite simply. Will the interest rate, will the interest rate go beyond 6 per cent, Mr. Minister, even though the loan would be paid back in three years, or whether the loan's paid back in five years, or whether the loan's paid back in 10 years? will the interest rate remain at 6 per cent?

Hon. Mr. Devine: — Well, Mr. Chairman, that's what I'm trying to describe to the hon. member. I think he believes that the only way that you pay more interest is if somebody raises the interest rate. And that's not the case. But I could just describe it to him.

If you had a 10-year program at 6 per cent, and if you paid off your loan in the first year, you pay less interest to the bank or to whoever than you did if you had to pay it over 10 years at 6 per cent. Okay? So what I'm saying is that if we extend it from three years to six years, or to five years, at 6 per cent, the people that pay and pay and pay, over time are going to pay more interest. Okay? It's my intention to leave it at the same interest rate for everybody. It's at 6 per cent right over the three years. As it was now extended to four, we left it at 6 per cent. I mean how much clearer can I get? It stayed the same.

It's three, it's six, or it's 10 years, it's at 6 per cent money, but the people who take longer to pay will have to pay more money to . . . What else can I say? It's at 6 per cent now. When we extended it the last time, we left it at 6 per cent. As we extend it into the future and leave it at 6 per cent, those that pay longer are going to have to pay more interest, even at 6 per cent.

Mr. Upshall: — Mr. Minister, here we go again. You won't tell the farmers of this province whether they're going to have to pay 6 per cent or 10 per cent or 14 per cent.

Some Hon. Members: Hear, hear!

Mr. Upshall: — They have to know. They have to be able to plan their future and you won't tell them. so I'm reading between the lines, Mr. Minister, that you will be increasing the rate from 6 per cent.

An Hon. Member: — Well you'll tell them that anyway, so what the hell's the difference?

Mr. Upshall: — Well, I will tell them that, Mr. Minister, because you won't tell me any different and I've given you ample opportunity to do so. so we'll just leave that one and we'll have to assume that the farmers of this province are going to pay a higher interest rate than 6 per cent on their production loan. And if that's not true, Mr. Minister, I invite you to get up and tell me it's not true. And if it is true, I assume you will sit in your seat and say nothing.

Mr. Minister, last year the interest was paid by most farmers. I would ask you, in how many cases was the interest not paid? And in how many cases have you proceeded with legal action in those cases?

(1100)

Hon. Mr. Devine: — Approximately 4 per cent of the individuals who took the production loan did not make some of the provisions of the pay-back. Some were more or less, but about 4 per cent didn't make any significant contribution.

Mr. Upshall: — Could you give me the numbers, Mr. Minister? How many farmers paid nothing on their production loan? How many in arrears? And how many have you proceeded with legal action against?

Hon. Mr. Devine: — The information I have here with respect to arrears, for the hon. member is, as of August 31, 1987, 6.24 per cent of the loans, or 7.59 per cent of the loan volume, is in default. If I can give you three categories of how people might be in default, the delinquency under this program represents individuals who may have the following circumstances: have less than the required cultivated acreage upon which the loan was based — so a mistake's made; have failed to sign a payment extension form and have not made the one-third principal payment — so just failed to sign the form and just didn't communicate; or have failed to make all or part of their interest payment on the production loan. Some, for example, have made partial interest payments as we

postponed the interest payments. So, again, as of August 31, 1987, 6.24 per cent of the loans were in default.

Mr. Upshall: — Mr. Minister, I asked for the actual number of cases. When I'm finished my comments, I would ask you to give me the actual number of cases, the number of loans that were let, and the number of loans that are not current or in arrears. I assume the 6.2 per cent . . . I would like to know the number.

And, Mr. Minister, just so I have it straight, if a person has signed a document saying that they have an orderly payment of the interest, they are also included in that 6.2 per cent. If a person has made no attempt to pay, they are included in that 6.2 per cent. Is that true?

Hon. Mr. Devine: — Well just a calculation of 6.24 per cent of the loans on 57,000 loans is about 3,500 farmers who have been in default in one fashion or another of the three things that I have listed in terms of the ways that you can be in default: not making the total or large enough payment on the interest, or not renegotiating, or having mistakes made with respect to the land and the amount of money.

Mr. Upshall: — Just so I'm quite clear on this. You said, if they didn't make a large enough payment on their interest. Does that mean that if they have arranged an orderly payment of the interest from last year, that they have not kept up to that deal, or does it mean . . . does it include those farmers who have made an agreement for an orderly repayment of interest and have met the criteria in the loan?

Hon. Mr. Devine: — If they've met their obligations, I mean, if they've rescheduled it and met it, they're not in the defaults.

Mr. Upshall: — Well, Mr. Premier, I would then would ask: how many are making orderly payments of the interest over a scheduled period, as opposed to those who have made their interest payment when it came due? So I would like to know, on top of these 3,500 in default, how many are making an orderly repayment? How many are just paying the interest over a period of time, rather than paying the interest in a lump sum when it came due?

Hon. Mr. Devine: — When we postponed the payment and people only had to pay interest, there was still 10 per cent that prepaid principal, paid principal or paid part of the principal. I mean, they're under no obligation to because we extended the program so you just had to pay the interest.

About 10 per cent paid the principal regardless, and then the remaining 90 per cent broke into the categories where most of them paid interest, and then 6 per cent of the entire bunch, you know, had some sort of problem with respect to default.

Mr. Upshall: — I just want to get this clear. We had 6.2 per cent in default — we've established that. And I may be a little thick sometimes, but I also thought that there was a number of people who have made arrangements to repay their interest over a period of time, and they were not included in that default number. So what I want to know

is, how many . . . is that 6 per cent you mentioned the additional number that is making their interest payments over a period of time?

Hon. Mr. Devine: — Maybe this will help. There are, of the 3,500 that have a problem, there are about 945 that have had their payments rescheduled. So they're included, I guess you can say, in that 6 per cent. So that's what you were looking at.

Mr. Upshall: — Mr. Minister, we have about 3,500 people in arrears with their interest. Will that process continue? These farmers have to know now what will happen to them if you extend the period of the loan. They have to know what they're going to be looking at. Will they be put back into the, sort of, the pot of everyone when this loan is . . . if you restructure this loan to everyone, or will they be handled separately than the rest of the people involved?

Hon. Mr. Devine: — Well of the three categories, if they've got the wrong kind of acreage, they've got a problem, and I think you'd appreciate that. If they've failed to sign up for any sort of extension form, then they're, you know, they're not trying, and it's pretty difficult to deal with them.

But if they've just failed to make part or all of their interest payment on the production loan and it was rescheduled for another year or for five years or 10 years, then we would put them into that rescheduling program and allocate it appropriately.

If they haven't made any payments and you extent it for a few years, then you just work it over a regular basis on an annual payment.

Mr. Shillington: — Mr. Minister, I want to describe to you how I think this program's operating, and I want you to correct me where you think I'm wrong. I don't pretend to represent a rural riding; we do, however, have a rural practice, so I see this as a lawyer.

In my view, people who are indebted, who are having trouble with the agricultural credit corporation, are a lot worse off than if they'd borrowed the money from the local credit union or the Royal Bank. You are, Mr. Minister, in my view, suing people who are in arrears.

Let me go back one step. If you were in arrears and you've got a problem, then the interest rate goes up. The last thing that farmer needs is to have the interest rate go from 6 to, I gather, 11 per cent. So you add to the woe of this person.

Then the next thing you do, Mr. Minister, is you're suing them. It appears to me you're suing everybody in arrears. And every lawyer who has a rural practice has several of these clients in their office who are trying to ward this off. Mr. Minister, you seem to be blindly suing people who are in arrears without regard to whether or not they have the means to pay, will pay. You just seem to send the whole . . . as soon as the loan gets into arrears, you send it off to the law firm.

And as I say, Mr. Minister, you're doing a great disservice

to the agricultural industry. They'd have been far better off if they'd have gone to the Royal Bank and borrowed the money. At least the local manager exercises some discretion, knows whether the person's honest, whether the trouble's temporary. This doesn't happen with this program. Some letter comes out of Swift Current to a law firm in Regina; a letter comes out of the law firm in Regina to the farmer, Coronach or Cupar or wherever it is — he's had nobody local to deal with.

And, Mr. Minister, the collection of the arrears on this loan is aggressive, it's simplistic, and you're driving people off the land. It seems to be some sort of view in Tory ranks that the farmers who are in trouble are bad managers, and therefore the industry would be healthier without them. Nothing could be further from the truth, Mr. Minister.

The clients who come into my office, who have trouble with the agricultural credit corporation, aren't the older retired farmer. They're the younger farmer on whom the future of this industry depends. And I have had more clients in my office with statements of claim from agricultural credit corporation than I have from all the other lending institutions combined.

It's just a blind, bureaucratic system. They've fallen into arrears. Somebody in Swift Current sends a letter to a law firm in Regina, the law firm in Regina sends another letter out, and the farmer has no one with whom he can really deal.

Mr. Minister, you're pushing farmers off the land. I have one client, who will go unnamed, but this was the straw on the camel's back — it wasn't the beginning of his problems. Mother Nature was probably the beginning of his problems. But this is the straw that's going to push him off the land, and there's simply no discretion exercised.

You got your forms, you fill them out, and you pay it. If you can't fill them out and pay it, then they get a judgment. And I think most rural solicitors have the same experience. They're getting more farmers coming in through the front door with these statements of claim from the agriculture credit corporation than all the other lending institutions combined.

And it's a serious problem. A serious problem created, I think, partially by your belief that the people who are in trouble are bad managers and the whole industry would be better off without them. It's also because you can't properly administer the program. You got the people in Swift Current who have no contact with the farmers, the law firm in Regina who aren't being paid to solve the problem, and the farmers all over the province. If you set up a different system so that there'd be some local discretion involved, it wouldn't be nearly as serious.

But this, Mr. Minister, is a very serious problem in rural Saskatchewan. And I think any solicitor who has a rural practice would vouch for that. It is a very serious problem. It's very poorly administered, and it's causing some real problems. And it's going to drive some farmers off the land.

Hon. Mr. Devine: — Well let me say just a couple of things. One is, it would be even more serious if we didn't have \$1 billion out to help farmers.

An Hon. Member: — That's not relevant. It's there.

Hon. Mr. Devine: — Let me finish, okay? I mean, because . . .

An Hon. Member: — I'm just giving you a hand. Try to keep you back on the question so we don't . . .

(1115)

Hon. Mr. Devine: — I'll get right to the question.

It is helpful, and every organization will tell you, it's helpful to have that \$1 billion out at 6 per cent money. I mean, SARM and other people are saying, thank goodness it was there. Fair enough.

Secondly, the problem of high interest rates. The hon. member knows when he was a cabinet minister . . . The problem today in agriculture is, when interest rates were 21 per cent, the NDP didn't do a think to help folks. And just when they were getting going . . . 21 per cent interest rates and not a dime. I mean, you have relatives who farm and you went through that, and your law firm must have saw that. Well I guess you were a cabinet minister then. But at 21 per cent interest rates, there was no 6 per cent money for anybody. You just kept hitting them and hitting them and hitting them.

And now, if I could say to the hon. member, we've got NDP law firms representing . . . and you're defending today, saying, better have the banks lend them the money than have the government give them 6 per cent money. NDP law firms are defending the banks . . . (inaudible interjection). . . No, but you're going to get caught in your own petard here young fellow because the NDP lawyers are defending banks against farmers, and farmers are talking about it across the province.

So first of all, when you raised this 21 per cent interest rates under the NDP administration — and not a dime — and so when we got a billion dollars out at 6 per cent, and recommended by the wheat pool and other, you're saying, by gosh it isn't enough, or the payments aren't long enough . . . (inaudible interjection). . . All right, but you raised 20 per cent interest rate, and 6 per cent, there's quite a difference.

Under your administration it was over 20 per cent to farmers; under this administration it's 6. Let's just make that clear. Sustained years of 20 per cent interest rates have caused the problem today as it does in terms of the deficit — as it does in terms of the deficit. If you hadn't borrowed all that money and be charged 20 per cent interest rates on the potash money, we wouldn't have a deficit today.

And you're sitting over there saying 20 per cent interest rates wasn't the problem, and now you stand up and defend the banks . . . (inaudible interjection). . . Well I must be touching a nerve when you're sitting there defending banks at 21 per cent interest rates, and your

law firm defends them today — NDP law firms, okay.

I will say, 6 per cent money and a billion dollars is not perfect. And as I said to the hon. member from Humboldt, we will review that as we have in the past. They didn't have to make any principal payments, isn't that true? No principal payments, just interest at 6 per cent, better than any bank rate they've got. That's true, isn't it? And it's better than any 21 per cent interest rates that the NDP offered, and that's true.

So you tell me about your problem about money out there in defending farmers and providing lower interest rates. And you say, well, Mr. Premier, it's not perfect. Well you've probably got that right, it isn't perfect, but it is a quantum leap ahead of what was there before and at any other interest rate.

And clearly, and you've had enough experience in government — I mean, years and years as a cabinet minister - to stand there and defend banks at 21 per cent interest rates. I mean, you've been there, you've been there. So you may be trying to . . . Look, the production loan program is a lot of money out and we're trying to schedule the payments to be fair. And we know that there's problems with it. It's better to have the money than not have the money out there.

The 6 per cent . . . we said, don't make a principal payment, just interest, and we've done that. And we're considering other alternatives because the wheat pool, the opposition and others are looking at alternatives as well, and we will look at them.

So, I mean, we can have a long song and dance about your law firm defending farmers against high interest rates, and that'll get us no place because we've been there for years and we understand the two different philosophies with respect to interest rate protection. We protect them and you did not, and you're on the record for that. So your law firm is in some trouble now because people can't make their payments. I think you better defend farmers rather than bankers.

Mr. Shillington: — Mr. Chairman, and Mr. Premier, this is a serious issue. It deserves something better than the intellectual dishonesty in which you just engaged, and that's all it was. I didn't say that, and that is not the issue. The issue, Mr. Premier, is that your administration is woefully insensitive, it is totally inadequate to deal with this problem.

Let's just go back and talk about the \$1 billion. It was needed, but you were warned at the time that another \$1 billion in debt wasn't going to make the problem any easier, and it hasn't. And now you've got farmers, Mr. Minister, Mr. Premier, who can deal with the credit union because there's a manager there. They can deal with the bank because there's somebody locally. But you have a bureaucratic set-up which results in everybody in default getting sued, Mr. Minister. The problem with this whole program is it is so badly administered, Mr. Minister.

The farmer starts with a problem — he can't make his payments. You add to that problem by increasing the interest rate from 6 to 11 per cent, and it makes an awful

difference to the farmer. And then you make his problem that much worse by automatically suing him. Somewhere in the department there's a little book which says, give him the letter, give him 30 days, and then give him a statement of claim. And that's your system, Mr. Minister, and it is doing a lot of damage.

Mr. Minister, I tell you, unless and until you set up a more sensitive administration, Mr. Minister, you're going to be the . . . the agricultural credit corporation, at the moment, is the single most serious credit problem that the farmers in rural Saskatchewan have, and I think most people who are familiar with rural Saskatchewan will vouch for that.

That's just happened this summer, but that's the case. It's the agricultural credit corporation which is breathing fire down the farmers' necks this summer.

And I suggest to you that you cease engaging in the intellectual dishonesty of putting words in my mouth which I didn't say, and you deal with what is a very serious problem, that is, your own sorry administration.

Hon. Mr. Devine: — We can differ . . . Let me put it in perspective. We will try to be as co-operative as possible with respect to the loans. Two-thirds of 1 per cent, two-thirds of 1 per cent of farmers are having legal problems in the production loan. Less than 1 per cent — okay? — two-thirds of 1 per cent are having legal problems.

Now to put it in perspective, we are providing farmers, by just asking them to pay the interest this year, \$38.338 million benefit. Payments in terms of the farm purchase program benefits are \$19.15 million. That's \$56 million in interest benefits this year alone, which is almost equivalent to your entire agriculture budget in 1981-82. So in terms of interest protection and relief, we're providing the same amount of money right now, this year, on interest rate protection, as you spent in your entire agriculture budget when the interest rates were running at 21 per cent.

An Hon. Member: — You might try living in the present and not the past.

Hon. Mr. Devine: — Well I know you're afraid of the past, because you're responsible for the problems of 21 per cent interest rate. And you're responsible for the deficit because you bought the potash mines and never paid for them, and we're paying the interest. Well those two things are true.

An Hon. Member: — I'll give you 100 bucks for every farmer who believes that.

Hon. Mr. Devine: — You would give me \$100. Well let's get this on the record. You're going to give \$100 . . .

Mr. Chairman: — Order. Order, please. I think we should give the minister the opportunity to answer without continuous interruptions.

Hon. Mr. Devine: — The hon. member says that we should be more sensitive with respect to those that are in arrears. I will say I appreciate his concern, and I will take

it at face value that we should be as co-operative as we can and as careful as we can in dealing with people who have financial difficulty.

I just say in defence, we have \$56 million out protecting them right now. Fifty-seven thousand farmers are receiving \$1.1 billion, and we haven't even asked for a payment except for interest — no principal.

So I know that it's difficult for some, but two-thirds of 1 per cent have legal problems on the production loan program. I mean, that isn't unreasonable even for any financial institution. Look at the credit unions or look at the banks or look at others — very, very big problem. In this one, I mean, if it's only two-thirds of 1 per cent that has a legal problem and we're writing down interest to 6 per cent . . . I mean, it's not perfect but it's a major contribution.

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Premier, I want just not to go through the details and the philosophy behind whether the production loan should have been targeted — we've gone through that — but today in this Assembly you're indicating that you're looking at extending the period of time of repayment. And what I'm saying to you here is that you say that two-thirds of 1 per cent is all that are legal actions. I think that's what you indicated.

The problem that I see with your approach and your forward-looking administration of the program is that those who need the help the most, what you have done with them, you've said all they had to do was pay the interest. And that's fair enough. I appreciate that. But there are those farmers, and the crisis is great, and what you have done is about 400 . . . The last figure I saw, close to 400 were being . . . Legal action was being commenced.

Now take it this way. If you then consider renegotiating that loan over an extended period, say at the same percentage, what you have done is two standards. Those who are in the worst financial shape, you have taken legal action. That's what you've done. And you said they're cut out of any possibility of renegotiating it over a longer period. I don't think that's fair. Because that's what you told my colleague. You said those that the legal action had been taken and they're into the higher interest rate, those who needed it most, and if you have subsequently renegotiated, you won't include those which you have already commenced legal action.

That's concern that I have with it because if you're going to renegotiate the term of the loan over a longer period of time, then it seems to me that those who needed it most should have been given the first opportunity, not the court action. And that's what you did, you gave them the court action — to those who are in the most need — completely demonstrating my fact that when you put out the production loan you gave it equally to all, and all didn't need it equally. And by the very demonstration of that, what you have is, you're suing 400 farmers and they're going to wipe them off the farms — no doubt about it — because you won't even let them back into the renegotiated production loan which you are indicating. That's what you said, and I don't think that's fair.

I think what you should have done is look at the assessment of the different positions that farmers are in. I think if there's a third that are about to lose their farms, they might need a renegotiating term somewhat longer than those that have no problem. But you won't stand up here and defend those who have the major debt. The only one conclusion is you're going to let and wipe out the one-third of the farmers or more under the programs that you put in here in the production loan.

And so I say to you, Mr. Premier, if you are going to extend the loan, why are you proceeding with court case and actions against the poorest of our farmers in the worst financial position? It's not consistent. If you are going to renegotiate it, why don't you cease these actions, put them into the renegotiated loan — all of the farmers, indeed, those who are poorest off? Will you consider doing that — suspending your legal actions, setting up if you're to renegotiate the loan, and allowing all of them the equal opportunity when they renegotiate? And secondly, will you give special terms to those who are in greatest difficulty as opposed to those who are in good shape?

Hon. Mr. Devine: — Mr. Chairman, I will say to the hon. member that those that have either, or would like to contact the government and just say they're interested in a rescheduling, I mean that's what we're after.

It's the people that don't even apply for rescheduling and won't come into consideration or — let me just make this clear for the hon. member — those that didn't give us the right information in the loan to start with, they said they had more acreage than they had.

And most of the 394 that we've got these problems with didn't give us the right information . . . (inaudible interjection). . . No, no, no, come on, they did not. They gave us too much acreage; they said they had too large an acreage. And we're saying, let's get this accurate. Okay? I mean, we can pretty easily measure the acreage they farm.

So we're saying, on those cases, I mean at least come in and reschedule your note, or at least work out a payment. And I agree with the hon. member. Let's work it out so that they can pay it. But if they won't talk to you, if they've given you the wrong information, if they got too much money because their application was wrong, I mean we have to talk to them. And we have to say, look, come on, we've got to straighten this out. We can't allow people to get the wrong amount of money. You wouldn't endorse that — I don't think you would.

(1130)

I mean if you get \$25 an acre, then you've got to have the right acres. If they got \$40 an acre and somebody didn't, you'd be on my case for that. So it's got to be right and it has to be accurate. In most of these 394 cases that we're talking about, they gave us the wrong information and they've got too much money. Now we should expect that back.

And I'll be glad to work out a rescheduling, but we can't

let it go because it's wrong and it's not fair to all the rest of them. The 99 and one-third per cent that did it right cannot be hurt because we've got two-thirds of 1 per cent that perhaps didn't provide at least some of the information in an accurate sense.

So I don't want to argue with you. I agree with you. We'll reschedule. I mean that's what we've been trying to do, to get people to talk about, let's work it together. That's what we've done with even changing the principal to interest.

So don't leave with the impression, please, that we won't talk to people or reschedule loans. I mean that's what we've been doing, and we did it for everybody the first year and we're still prepared to look at it. But people have to co-operate. And I think, even from a legal point of view, they have to be accurate and they have to be fair, and you have to come to some consensus on how you're going to repay and restructure a loan.

Mr. Koskie: — Well in respect to your information, I just want it accurately provided. Of the 394 that you commenced legal action, you say it was essentially a majority was wrong information. could you break it down for me and provide me with the information? Out of the 394, how many of those was wrong information; how many of those are . . . legal action has been commenced as a result of no payment?

Hon. Mr. Devine: — Well I could put it this way, that over half of them have a combination of those three problems that are rescheduled, or haven't made any payment at all, or have the wrong acreage, or the combination of the three things. Now I'm advised I don't have the breakdown of individuals. Some individuals have all three problems, some individuals have two out of the three, some have one out of the three problems, that put them in default. And I don't have the breakdown of the individuals that have all three problems, individuals that have the two problems, individuals that have the one problem. Out of the 394, it's not available today.

Mr. Koskie: — Well I think it should be available because it's a very important problem. and I would request that you provide that information, and you can put them in different categories because I want that information.

I want to ask the . . . Because of the crisis that we have in agriculture, Mr. Premier, I'm wondering what is your intention in respect to The Farm Land Security Act, and whether you intend to have it continue to function, because I know that there are millions of acres held by the financial institutions, or at least the prospect is that about a million acres will be held by financial institutions. The Farm Land Security Act certainly provided some delay, some protection. And I'm wondering if you could indicate whether you intend to continue The Farm Land Security Act or will you be following your cousins in Ottawa, where they lifted the moratorium on foreclosure in respect to the Farm Credit Corporation.

Hon. Mr. Devine: — Well as the hon. member knows, when we extended it the last time through legislation we left the possibility, through order in council, to extend it for two more years. And it is now before cabinet and we will be examining that, as we do the production loan

program, and in the light of several other financial pieces of information like the grain stabilization payments and the deficiency payments. So it's part and parcel of the decisions that are before cabinet with respect to timing and amount, and whether or not that particular piece of legislation is extended into 1988, and indeed into 1989.

As the hon. member knows, we extended it out one more year the last time, so that if you could look at the history of it, we have been quite prepared one, to introduce it, and two, to extend it. And it's before cabinet now, and we will make the decision there in the light of several other things that are being discussed with farmers in tour and with farm organizations, and in the light of financial revenues that are coming in from various kinds of payments.

Mr. Koskie: — Mr. Minister, I find that hard to believe, that in the crisis that we have in agriculture today — the number of people that are in arrears, and actions are either . . . they're just farming the land without actions being taken by the financial institutions — that if The Farm Land Security Act was needed last year, it was needed the year before.

Mr. Minister, I don't think you have an option, because I think the financial position of farmers today are worse than when you invoked it. But I don't think you can deny that. And you're sitting there saying now that you're going to open the floodgates of foreclosures by putting aside this Act. I don't think there's an option, Mr. Premier, and you're saying that there is.

What are the other considerations for not invoking that Act this year when the financial crisis on agriculture has reached the proportion, as you know, far beyond what it was the years that you had The Farm Land Security Act in place? So what options are you looking at? What considerations could possibly prevent you? Why haven't you in fact indicated here today, why haven't you invoked The Farm Land Security Act? Because the farming community is in much worse shape . . .

An Hon. Member: — It's invoked; it's in power; it's an Act.

Mr. Koskie: — Yes, and are you extending it? That's what I'm asking you, and you say you're considering. I don't think there's anything to consider. Why can't you stand up here and say to the farming community that, I'm not going to let the financial institution take your land away; I'm going to defend the farmers? Why don't you say that?

But you got another scheme, and we'll be getting to it, and that's the equity finance corporation for your real estate and your doctors and outside investors. That's the scheme that you're going to do, but direct help to the farmers that are on the land, you're hesitant; I know that, and we'll get into the farm land equity financing corporation and some of the details.

What I want to ask you, in respect to the committee that you had of your caucus last year, just before the election I guess, the input cost committee . . . You had a committee of, I think . . . I don't know the make-up of it. You can give me the make-up of that committee that went around the province. I would like to indicate whether a report was

prepared and whether that report is public and whether you'll table it. And also I want to know what costs were associated and who paid them in respect to that committee.

Hon. Mr. Devine: — There were five members on the committee, including two cabinet ministers. The report is public. It was presented to the Standing Committee on Agriculture in Ottawa. We will provide you with a document as quickly as we can. And I don't have the cost but we'll get it as quickly as we can.

Mr. Koskie: — Thank you very much. In respect to the MLAs, I want a breakdown, whether they were legislative secretaries, all of them. And I do need to have the cost, who covered it.

Hon. Mr. Devine: — The members on the committee were the MLAs from Redberry, Morse, and Kelvington-Wadena, and they were legislative secretaries. And the two cabinet ministers were the members from Melfort and the member from Kelsey-Tisdale.

Mr. Koskie: — And in respect to that committee, were any payments and expenses of the MLAs, from the government side, covered directly?

Hon. Mr. Devine: — The legislative secretaries' expenses were paid by their departments. And if they were responsible, say, to the water corporation or to the minister in charge of water, then that would be the department that paid. And the departmental expenditures were paid for the cabinet ministers from their departments and their portfolios.

Mr. Koskie: — And the MLAs, their expenses and/or per diems?

Hon. Mr. Devine: — Well the three of them were legislative secretaries, and they were paid for . . . their expenses were paid by their departments.

Mr. Koskie: — Okay, I . . . And on the input committee then, just so I'm sure, two were cabinet ministers — and I can understand that — and three MLAs and each and every one of them were legislative secretaries. Can you give me, Mr. Minister, the breakdown of the expenses in respect to the total operation of the input committee? Because it was ordained, it seems to me, by your department, commissioned by your department, and I wonder if you could provide me with a breakdown of the total expenses. Not just a global figure, but I'd like a breakdown of the total expenses. Not just a global figure, but I'd like a breakdown in respect to the various items, the rooms and meals and travel and those types of things. Can you provide that information?

Hon. Mr. Devine: — Well not today. We'd have to go to department by department by department and get the information from perhaps half a dozen different departments as it was allocated by minister and legislative secretary by department, and we'd have to bring that together. This is Agriculture estimates, and we will get in touch with the various departments that paid for the expenditures of their appropriate people.

Mr. Koskie: — I would appreciate that. I would have thought that, being the minister commissioning, you would have had that information. But I appreciate that that is not something new that you don't have the information.

On the equity finance committee that you have commissioned now, you have another road show. And could you give me the make-up of that? Have you any approximation of the cost of that? And also indicate in respect to the MLAs who are not in fact members, legislative secretaries and/or cabinet ministers, the proposed method of payment in respect to their expenses.

(1145)

Hon. Mr. Devine: — Mr. Chairman, that committee and that process is in the process of being determined and there may be several MLAs on it, and they . . . (inaudible interjection) . . . Well they may vary. So it's up to the cabinet minister . . . (inaudible interjection) . . . Well if you know who they are, then I don't have to give them to you. But I'm saying, Mr. Chairman, that it can vary because I've made the decision that it can vary.

So if there are names of MLAs who will be travelling across the province, I'll say now, if you want the news this morning, the news this morning is that there may be additional members or there may be substitution of members depending on where we go and depending on the interests, whether it's a livestock person or whether it's a grain person or whether we're in an industry of mixed farming or an area of that. I mean, we want some flexibility.

In terms of how they will be paid, I don't know today how we're going to allocate that, but I certainly will have to design a mechanism that is appropriate to pay for cabinet ministers, the appropriate expenditures; and parliamentary secretaries or legislative secretaries, the appropriate expenditures; and MLAs. And they all have different rules, and we will apply the appropriate rules to the appropriate people.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, we've certainly heard a lot of rhetoric coming out of your side today when talking about the past, but we don't seem to have many solutions for the future, and that's what farmers need. You have to let farmers know what's going on and you're not doing that. you're withholding information, putting the instability . . . adding to the instability of the agricultural community.

As I've said, we've taken one year to find out that the program . . . that there was going to be no forgiveness of the production loan. We have taken a full year to find out that the 6 per cent interest rate will be jacked up if you stretch it over a few years.

You say, Mr. Minister, that you have less than 1 per cent or two-thirds of 1 per cent of the farmers in trouble with the production loan. Well I say to you, Mr. Minister, that's simply a figure. There are a lot more than that, when you start calling in that loan, and you know there's going to be a lot more than that who are not going to be able to repay it, a lot more than 1 per cent who are in trouble.

And add on top of that another aspect of insecurity, and that is, The Farm Land Security Act. Why can't you tell the farmers what's going to happen with The Farm Land Security Act? They have a right to know. And I'm sure all your rhetoric about 1982 and before is of great concern to them at this time, but I say it isn't. They're concerned about what you are going to do with the problem that's facing this agriculture community.

If you don't extend The Farm land Security Act, this barrage of foreclosures . . . a barrage of foreclosures will occur. And just let me say this: when that happens and the banks take over the land, that fits mighty handily into your whole scheme of equity financing because the banks will own the land and they will be able to put that as an asset into the corporation.

So I am sitting in back in waiting to see if you have the gumption to stand up and maintain that moratorium, or if you're going to let the farmers' land slide into the hands of the banks so the banks can have that equity to pump into a corporation — equity finance corporation — so that they can make more money on it. We'll see if you're standing up for the farmers or the bankers.

While I'm talking about the equity financing program, Mr. Minister, I would like to know from you what your idea is with respect to equity financing. I would like you just to briefly outline the major components of an equity finance corporation. I would like you to briefly outline the need of the corporation, and who you think the corporation will most . . . benefit most from it.

Hon. Mr. Devine: — Well, Mr. Chairman, the hon. member was with me yesterday for a couple of days with the other members of the agriculture community to review all the financial opportunities, problems, and new ideas that are before Canadians, and indeed, Americans. In fact, Australia was there to represent their views on what we might be able to do.

I can think it's fair to report — and the hon. member can give his summary of what he thought was outlined — but we discussed everything from moratoriums, to rescheduling, to deficiency payments, to new kinds of equity financing to get money and cash in the place of debt, and looked at several alternatives. We did review the Australian alternative, the New Zealand proposal, what's going on in the concept by the credit union here in Saskatchewan, by the Farm Credit Corporation, and several alternatives that farmers could review, and then they were discussed.

I think it's fair to say that most farmers there recognized that if the financial institutions, and particularly the banks, have more and more of the farm, that the banks' head offices don't happen to be in Saskatchewan. They are in Toronto, most of them, or certainly down East. And the financial institutions from down East are going to have a larger and larger share of the land here in the province of Saskatchewan as we move farther and farther into the debt problem, unless we do something about it.

And so they are asking what possible alternatives could we design? And I was very careful to say, farmers should

suggest what they think is possible. And one of things that are being considered by the Credit Union Central, which gave a very good presentation as you know, and the Farm Credit Corporation, is that maybe we can get some of the savings we have here, and some of the pension money, and some of the cash in the province of Saskatchewan and in Canada, invested into agriculture, so it isn't just the banks that own the land, that are from Toronto but, in fact, Saskatchewan people could invest in agriculture here, and relieve some of the debt, and provide lower interest rates to farmers, and be a partner with the farmers because right now the only partner we have is the financial institution, and the financial institution is even going to have more land.

So I know, philosophically, that you would rather have the banks from Toronto have control over all this than have anybody in Saskatchewan invest in it.

But I would think, at least, for the general public, and if I could get the attention from the member from Regina Rosemont, maybe he'd learn something about agriculture, the financial institutions that lend money . . . Mr. Chairman, the financial institutions that lend money to farmers in Saskatchewan have their head office outside of Saskatchewan. And I want him to know that.

And if he . . . If the NDP lawyers are going to defend banks from Toronto against farmers, and they do, and they do. NDP lawyers, NDP law firms defending banks right across Saskatchewan, defending them against farmers. And they're saying no, we can't let Saskatchewan people with their savings and their pension funds, or Canadians with savings and pension funds invest in agriculture in Saskatchewan, but we let banks from Toronto do it. But you can't let other Canadians or Saskatchewan . . . Then they're saying they will defend the banks, and their record in agriculture will be just where it's been for the last 10, 20, 30 years — 10, 20, 30 years — 20 per cent interest rates. The NDP said, no help, we'll just defend the banks.

I will point out, Mr. Speaker, Mr. Chairman, that we reviewed all the options. And we're going to be taking this committee around talking to farmers, and they can advise us the kinds of things they believe would be appropriate to help them restructure their debt, to get some cash instead of just debt, so that in fact they can own the farm, pass it on from one generation to another, so that in fact young people can retire and young people can have access to money, and in fact the ownership can stay in the province of Saskatchewan and not be concentrated as it is today by the financial institutions some place in Toronto or Montreal or other places outside the province.

Mr. Upshall: — Well, Mr. Minister, that was a lot of rhetoric, not much substance, and it totally ignored my questions. So I'll just take it one step at a time. Do you, Mr. Minister, agree with the equity financing proposal put forward by Peat Marwick in Edmonton, a proposal that you paid for? Do you agree with the substance of that report?

Hon. Mr. Devine: — I will say, Mr. Chairman, that the report put forward by Peat Marwick to us was to examine the possibilities of allowing money to be invested in agriculture to remove some of the debt. The report given

by the credit union offices across Saskatchewan and Credit Union Central, the report given by the Farm Credit Corporation on providing joint ventures, agricultural people investing in agriculture, non-agriculture people providing some equity as opposed to the debt, and the suggestions and the operations of these kinds of corporations in Australia, New Zealand, all presented — all presented — some interesting possibilities for farm families facing a burdensome debt that they can't get out from under.

The point was made, more and more debt isn't going to solve their problem. We can restructure some, but if we can replace some of that debt with cash in a partnership, a new joint venture, and still leave the farmer the option to own the farm and to take hold of it, then, Mr. Chairman, we're going to explore those alternatives with farmers.

So I think all of them — all four or five of those reports that were given to us the other day — have potential for review. And we're going to explain them to farmers and let the farmers decide. And for some it may be quite appropriate to have that loan which they are now burdened by replaced with some sort of cash so that they can reduce their interest payments and be able to own the farm over time as opposed to losing it to financial institutions, banks, or credit unions.

Mr. Upshall: — Well, Mr. Minister, I can see we're getting absolutely nowhere. Again, the people of this province don't know what the Premier is thinking about equity financing. Just had a conference on it, and I just asked the question if you agreed with the presentation made that you commissioned, and you didn't say anything. So we're no wiser. I mean we heard all the rhetoric again and that's great, and I'm sure that really puts a lot of comfort into the hearts of those farmers today, looking for something that they need in order to keep them on the land. I'm sure it really is reassuring. So I will not dwell on asking you again because I'm sure we'll get the same speech.

Mr. Minister, I think I would like to know, as a start, would you table or make available to me the cost of the Peat Marwick proposal, and the cost of the symposium, and the cost of your road show, when you have those costs available to you? Because I think it's very important for the people to know what you're going to pay, especially with the fact that you don't know yourself what you're going to be doing yet. So could you make that available to me when it's ready.

Hon. Mr. Devine: — We'll provide that information when it's available. I don't have the costs of the symposium, but I suspect we'll have the costs for the Peat Marwick study, and we'll provide that information.

I just say to the hon. member, I mean, people want to know about alternative ways of providing some benefits to agriculture in terms of finance. That's why we had the symposium. One of the concepts is equity financing, which means people can invest in agriculture, not just banks, but other people can invest, as they do with their savings and their pension plans. And we had a conference to review all those. I mean, that's what you do when you want people's input, is you invite them in. And we had cattle men and the wheat pool and banks and

[NOTE: Due to a typesetter malfunction, this portion of the verbatim was originally omitted at the end of page 3784. See corrigendum on page 3818.]

credit unions and people from across the country. We brought them together and said, could we explore these opportunities?

Now I don't know how you could knock that. You were interested enough to attend yourself. So you may give it credit by showing up and saying, well here's some good ideas; this wasn't; combinations of these may be helpful for some people. So that's why we do it and, I mean, that's how we initiated The Farm Land Security Act, the 6 per cent money, the deficiency payments, the drought payments, was go to the farmers and ask them.

So, Mr. Chairman, I'm saying that if we hold a symposium to provide new kinds of money to agriculture, the NDP's against a symposium. I don't know why you'd be against it. We had people there exploring all the possibilities. If we can get investment money, if we can get savings of other people, or retired farmers to invest in agriculture so that young people have less debt, and if they can get a reasonable return, that would be a good idea if there are ways to do that. We're trying to get new money into agriculture to replace the debt.

The NDP's against that because they're philosophically bound to the fact that it can only be banks. Well it doesn't have to be just banks. It could be people like you and me, other farmers, people in the community — invest in agriculture. Well, Mr. Chairman, we're prepared to look at those alternatives. And that's how we've come up with the other programs that are popular and useful, by talking to people. That's why we held the conference, that's why we'll hold hearings with farmers all across the province, to get their views and their suggestions how to design the programs.

(1200)

Mr. Upshall: — Mr. Minister, I think you're being irrational. Sometimes you say that the NDP is tied to the government owning everything; now you say the NDP's tied to the banks owning it. I mean, it's totally irrational.

And the problem is, the problem is that you don't know what direction you're going. And the common underlying theme of that whole conference was, open the borders; a buck is a buck; let's get money from wherever we can. And we've heard from Australia. Australia came and said, here's what we have — an equity financial proposal.

But who do Australia allow in their program? They allow only areas with 15 per cent rainfall or greater, and they allow people only who have had a plus balance. They look at their records for three years and make sure that they've been making money or else they're not allowed in the program. Is that what you're saying you're going to do in Saskatchewan?

And also coming out of that symposium, a number . . . The majority of the people were saying, the bottom third or the 20 per cent, whoever's in deep trouble, are gone. This program will not address their problems.

But, Mr. Minister, if that's the case, we also heard a speaker from Montana — Montana, who's lost a huge number of their farmers. And they're going . . . He was telling us, well we have the same problems. We have the same problems in Montana.

So the whole argument about losing the third of the people is redundant because all you're doing is cutting a third. When the next third get in trouble, you cut them. When the next third, you cut them, until you got a half a dozen farmers farming the country. Corporate farms. Large farms. And that's the direction you're going. And that's what you got out of that symposium.

So I tell you, Mr. Minister, we see a situation here with your symposium that you do not know the direction you're going. You're going to be picking and choosing the farmers who are allowed to go into an equity finance corporation, and you're going to supply them with the money to expand, to buy up the land from those other third that are in trouble, so you're promoting the large corporate farm.

And I say that is not what we need. The social fabric of this province is family farms. The most efficient operation is a family . . . (inaudible interjection) . . . The minister says the people don't believe me. Well I am sure that you should know, if you're in touch with the community, but obviously you're not, because that's what the people out there are saying, and you know it. But you're going to go directly against that.

And another one of the criteria that was involved in the symposium is: how do we convince the farmers that this is right? This is a major thing to convince them that they've got to be a large corporate landholder. So we're going to go out in the community and we're going to convince them, we're going to have a campaign to convince them that this is right.

What kind of responsible government management is that, Mr. Minister, to drop the bottom people who are in trouble, to expand those who are only the viable operators — to expand them, to bail out the banking community? To bring in foreign investment fits in quite nicely with your free trade when we asked you whether the foreign ownership of land was going to be changed.

And here's another thing: everyone in there said, if you're going to have this type of a program you've got to get rid of the farm security Act. That's very, very nice and tidy when you get rid of the farm security Act, to allow outside investment to invest in capital, in an equity financing corporation, not mentioning about the other people who may invest in land directly. That's a tidy little package you're putting together.

And I'm telling you, the people of Saskatchewan will not accept it because the people of Saskatchewan will not accept it because the people of this province know that the best producer is the average-size producer on his own farm with his family, and you're not addressing that problem. You're taking it upon yourself to restructure the social fabric and the socio-economic infrastructure we have in this province.

But, Mr. Minister, I ask you, in the farm equity finance corporation, or whatever is set up, will you be changing the farm security Act, the farm ownership Act, or will you be leaving it the way it is now?

Hon. Mr. Devine: — Well, Mr. Chairman, let me make it very clear. From any vantage point at all the member opposite must check with their now new spokesman in ag policy, Mr. Bob White, to find out if it's going to be workable. Every NDP in the country is now listening to Bob White in agriculture policy, in trade policy, and so forth.

And if you think, if you think Bob White is going to tell us what to do in agriculture, and tell us what to do in trade, and tell us what to do in oil, you've got another think coming. I mean, Bob White can go out and campaign in the Humboldt constituency all he likes, or he can go all over the province of Saskatchewan . . . I'll tell you. I'll tell you, bud, okay? I mean, he saying it would not . . . Trade would hurt agriculture. Trade would hurt agriculture, and he looks for example, and he says, well General Motors, American firm, has invested \$4.8 billion in Oshawa in the last . . . since 1980, 4.8 billion — two and a half billions in the last two years. And Bob White says, oh my gosh, we couldn't have free trade with the United States because they'd invest American dollars across western Canada.

Well who represents Oshawa? Who represents Oshawa? The leader of the NDP party represents Oshawa, and he's telling us what to do in agriculture out West here. He said there'd be too much investment, and he's got tens of thousands of jobs in Oshawa as a result of American investment. And the NDP say, oh no, we'd better not trade. It's just fine for Oshawa. The union leader says, oh gee, we better not do this because we got \$4.8 billion of new money coming into Oshawa in Ontario. But they'll tell us what to do in agriculture.

The NDP here will stand and defend the banks on one

hand by letting them charge 21 per cent interest when they're in power, year after year after year. And that's the reason there's a problem today. The NDP will say, well I'll borrow money from the banks and I'll buy the potash mines because the union leader says, buy the potash mines. And then go around say, well if that's not the case I'll borrow the money and I'll buy the land from the farmers in land bank.

Now you listen to those policies. Is land bank policy popular with Bob White? You bet. Nationalizing potash industries popular with Bob White? Right on — nationalize the industries.

This, young fellow . . . You won't buy any changes in agriculture unless you check with Bob White, right? Bob White calls the shots right across the country now. You phone Bob White and you say, Bob, could we have a new policy with respect to agriculture and trade? Because each and every one of you say the very same things when it comes to agriculture policy. You say the very same things: don't trade with the United States; don't do any business; oh my gosh, they're going to hurt our sovereignty.

What has \$4.8 billion of GM money done for Oshawa sovereignty? You tell me that. Are people in Oshawa less Canadian? Are people in Oshawa less Canadian because Bob White can enjoy \$4.8 billion of GM investment? Tell me, are they less Canadian?

Well I'll tell you, Bob White is not going to dictate policy in agriculture, he's not going to dictate policy in trade, he's not going to dictate policy with respect to new farm finance mechanisms — he's not going to do any of that. He may run the NDP party, as union leaders across the country run the NDP party, and we all know who pays the piper calls the tune. But when it comes to agriculture policy, Saskatchewan people will decide, and that's why we're going to the country.

And we will ask them whether they like to have new money in agriculture, whether they want their loans extended, whether they want deficiency payments, whether they want interest rate protection, whether they want all this stuff. We'll ask them. And that's what we've done in the past and that's what we'll do in the future. But I'll tell you, we're not going to be asking Bob White what's good for agriculture in Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Upshall: — I'll have to check with *Hansard*, Mr. Chairman, to see if I asked the question about Bob White, but I'm sure I never.

Mr. Premier, you keep talking like that and I won't have to say another word because you'll talk yourself right out of office.

Some Hon. Members: Hear, hear!

An Hon. Member: — Best speech you've ever given for us.

Mr. Upshall: — That's exactly right. I'm sure every farmer

agrees with you. It's a sign of a desperate government. The sign of a desperate government when you . . . The arguments maybe worked in '82 for you, Mr. premier, but they're not working now.

Mr. Minister, that type of rhetoric again does nothing to help the farmer who has to know what you plan on doing. I will ask you again, and I would encourage you to use all your powers to answer the question as directly as you can. The question was, and the farmers have to know: will you be changing the farm ownership Act in order to facilitate an agriculture equity financing proposal? Will you be changing the farm ownership Act?

Hon. Mr. Devine: — Mr. Chairman, we haven't introduced any legislation with respect to an equity corporation or anything that's associated with it. We may or we may not. That's why we're going to the farmers to ask them what they'd like to have. This is clear. I mean, you were at the symposium. You said, well in Australia they can't help the bottom third. Well that doesn't mean we can't. We can design it any way we like, and that's what we're going to do. If there are ways that we can help people in certain circumstances, we're going to do that. We are only limited by our imagination.

I mean, that's what happens when we introduced many of our programs. We went out to the people and said, what would you like to have? The opposite was the NDP who looked at the banks at 21 per cent interest rates and said, well we'll just let the banks collect. And that's what you did. And you put all these people in trouble. You didn't do a thing. And here when we got 6 per cent money out, you're on my case because we're not providing enough help. I mean, how hypocritical, how pathetic, can you be?

And at the same time, you're talking about agriculture and trade and the things that we make a living at here. The leader, the existing leader, of the NDP agrees on a free trade deal in potash with United States and Canada and has said so. But you're all singing the tune of Bob White, saying, you can't do this because it'll wreck agriculture and it'll wreck marketing boards and it'll wreck the oil patch and wreck investment. Actually Americans would invest here, when he's sitting on 4.8 billion in Oshawa alone, in the last six years. I mean, what hypocrites.

You don't care what's good for the country. You just care what's good for the NDP. You don't care about Canada. You don't care about the jobs. You don't care about the future. You don't care about farmers. When there was 21 per cent interest rates, you didn't care at all.

I mean, why don't you come clean? When tariffs go down, jobs go up, and history supports that as long as you can remember. In 1929-30, they passed a Smoot-Hawley Act. You saw tariffs double and there was depression world-wide.

When you want to hurt a country, you apply sanctions against them to hurt them, to stop the trade. Everybody knows that. What fool would apply sanctions to themselves? Why would you apply sanctions to yourself? Well Bob White would apply sanctions to western Canada. Bob White would supply sanctions against

everybody in this country. Well let me just say, he's not going to apply sanctions to western Canadian agriculture. And if you boys listen to him, you've got a bigger problem than I thought.

Some Hon. Members: Hear, hear!

Mr. Upshall: — So I think we've got a little bit further. There's a good possibility you're saying, Mr. Minister, that the farm ownership tax is going to be removed, leaving Saskatchewan farm land wide open to anyone who sees fit to come and buy up the land at a time when the farmers have no choice but to divest of it because they're in so much trouble. This is what you're saying. You're going to open her wide up; don't worry about those people.

Mr. Minister, let's take this example. Let's take this example related to an equity financing corporation. In 1978 or '79 or '77, whatever, a farmer has four quarters of land and he buys four more quarters. Land was selling for about \$100,000 a quarter. Okay? So he's got eight quarters of land.

(1215)

Now he's in financial difficulty and for many of those farmers their debt is about the same as when they started in, or very little less. So now you're going to say, okay, that farmer can sell his land or a portion of it to the equity finance corporation. So he takes those four quarters — because you say he needs this cash in hand to continue farming — so he takes those four quarters and he sells it to the equity corporation. The equity corporation is going to buy it at what price, Mr. Minister? Maybe 50,000 a quarter, or half what he paid for it? But he's got cash in hand, \$200,000, and his debt's \$400,000. So a few more years will go by because he's still carrying this debt and it's going to get worse and worse, and the next thing you know, the corporation is going to have all his land.

And here's my point, Mr. Minister. With all the deliberations that we've had the last couple of days, the majority were saying, and your own commission report said, that the land would be placed on the stock market. So what kind of intelligent process are we looking at here, where we're going to take the farmer, slowly push him out, put the land on the stock market? Who in Saskatchewan, which Saskatchewan farmers tell me, Mr. Minister, are going to agree to that?

And that's the kind of thing you're proposing. That's the direction you're going — putting the land on the stock market, open the borders for outside investment. It's a great thing. A buck is a buck, but it's not going to work for the farmers in this province, and you know it's not going to work.

So, Mr. Minister, do you deny that it's a possibility that the land will be placed on the stock market through an equity financing corporation?

Hon. Mr. Devine: — The NDP administration borrowed \$184.436 million from the banks . . .

An Hon. Member: — Where?

Hon. Mr. Devine: — From central Canada, from Toronto, and bought land across Saskatchewan, pushing up the price of land — neighbour against neighbour against neighbour — forcing it up. The government was in there buying land from farmers and bragging about it, that they're going to buy it at this, and that it would appreciate, and the more they bought, the higher it would go up. And the former minister of Agriculture, Mr. MacMurchy from Last Mountain Touchwood, bragged about all the money he was making because he was buying low and he was going to be able to sell it high some day. And he bought over a million acres and he borrowed the money. And not a cent has been paid back, and it costs us 20 million a year just on the interest on that.

And you're sitting there talking about some kind of new agriculture policy. Your record is so pathetic . . . Keep it up. I mean, what do you . . . You provide 20 per cent interest rates to the banks and you defend them. You've got NDP lawyers running around defending banks now against farmers. You won't let us trade with the United States. You let Bob White have all kinds of American investment for jobs in central Canada, but not here.

And you're saying, well it's fine for the banks to own the land because they're here; they have a little office here. But their office is in Toronto, their head office, and they're traded on the stock market. Then you're going to go out and mislead the public and say, all the land in Saskatchewan is going to be traded by banks on the stock market. I mean, they don't buy that . . . (inaudible interjection) . . . Well I know what you mean. You don't want to tell them the truth. You didn't tell them the truth about land bank, and you didn't tell them the truth about 21 per cent interest rates. You didn't care. Why wouldn't you care for them? You didn't care.

I never heard one NDPer stand up and say that we should defend people against their homes. Urban residents saw their mortgages double, and the NDP, not one dime for them — we'll build you government housing.

I mean, that record is clear. That record is clear. If we can get more money into agriculture, if farmers want more money into agriculture, and if they want fellow farmers or people with agriculture money or non-agriculture money to provide some equity as opposed to debt, and the farmer still owns the farm — as he does today because he can get title when it's paid for; he still has that option — why would you deny other Saskatchewan people, or other Canadians, the same right that you're now prepared to give banks? It doesn't make any sense. Why just let the banks have it? They all live down East. Why not let other people that are close to agriculture invest? Why not you and me and farmers design a financial instrument that would allow all of us to invest in agriculture to help it? Why just leave it banks? Why have you always been so afraid of the banks?

My gosh! I don't understand. I mean you wouldn't . . . when they had very high interest rates, you wouldn't defend the farmer. When they hurt home owners, you wouldn't defend them. Now you're standing up and you don't like my program because I've got money out for farmers . . .

An Hon. Member: — At 6 per cent.

Hon. Mr. Devine: — At 6 per cent money. And I didn't even ask for principal; I just said, pay the interest. And then we're saying, are there other ways to get community funds, pension funds, savings, invested in agriculture? You said, oh, no. You're afraid to look at it because you're hidebound by your philosophy. And the philosophy, I come back to, just to make my point, is so clearly represented by Bob White who is an absolute radical — absolute radical — and you know that . . . (inaudible interjection) . . .

Well, the members opposite know . . . And the members opposite defend Cuba, and that's fair enough. They defend socialist and communist countries. I mean the member from Rosemont stands on his feet and he talks about, oh, how great it is in the socialist countries around the world. And he makes absolutely no sense at all, but he believes it.

Now maybe the people from Rosemont believe that communism and socialism is really good. Well they could see it any place. You can go off the tip of North American and find a country where you can't even get in and get out. People don't have freedom of speech, do they? They don't have freedom of the press, do they? They don't have freedom to buy farmland, do they? Well the member from Rosemont doesn't want to listen to the truth, but why doesn't he try to farm in Cuba? Why don't you try that? Why don't you look at the agriculture record in the Soviet Union? Sixty-seven crop failures in a row, okay?

Well he defends communism over Americans all the time. He has never defended Americans. And the NDP hate Americans so bad that they can hardly stand to live beside them, and that's what Bob White does — Bob White exactly. Bob White says, I'm going to take my union out of the American union — and I've got to share this with the people here, because I think it's important.

When you talk about agriculture policy, when you talk about trade policy and you talk about educational policy and democracy, they say, oh my gosh, you should have a vote on it all the time — right? Social democracy, social democracy.

When Bob White is asked to vote, when his union members want a vote in taking the union out of North American markets, you know what Bob White says? This is what he says in the *Globe and Mail*:

A few thought we should not proceed without a referendum vote of the entire membership. (This is Bob White, the great social leader, democratic leader; and he says) I couldn't let that vote happen. If went out to the locals (this is to the people) opening the door for corporate interference and internal politics and personality clashes, by the time we counted the votes the union would be split to pieces.

He doesn't trust the people. He doesn't trust democracy. Well that's exactly the case in the socialist and Soviet

countries around the world — they don't trust the people.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — And you guys believe in that; you believe in it. Stand up there and say, oh, I'm the right guy — right? Just like Bob White, just like the leaders in Cuba, just like the leaders behind the Iron Curtain — every single, solitary one of you.

And you want to tell us about agriculture. Why in the world do you think we left Europe? We came here to this country for freedom, democracy, freedom of speech. We went to two world wars to defend it, and you want to take us out of NATO (North Atlantic Treaty Organization).

You'd have no more idea of what makes this country tick than that watch over there.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — So when you want to defend farmers . . . the government isn't going to own the farm land as it does in Cuba or any place else, and the government isn't going to own the farm land as it did under the NDP.

The government is going to provide protection for farmers. We're going to provide long interest rate loans. We're going to provide lower interest rates. And we're going to go to the wall to get new money into agriculture if farmers want it.

You may not like it, but we're going to do it if it helps farmers and if they like it. And certainly we're not going to be restricted by anybody like Bob White or anybody that believes in his philosophy.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Mr. Chairman, I wonder if I might turn the topic to the agricultural estimates. Mr. Chairman, I'll wait until the member of Weyburn . . . I'll give way to him if he wishes to speak.

My questions deal with the question of an equity corporation. Mr. Chairman, and Mr. Minister, I want to ask whether I interpreted you right: that you believe that there may well be a place for significant foreign investment in Saskatchewan farm land, that money may come in and provide for substantial ownership or investment in Saskatchewan farm land by non-Canadians? I'm not saying . . . I thought that was the logic of your suggestion — that money coming into Canada created jobs, therefore, money coming into Canada would be good for Saskatchewan agriculture. I may have misinterpreted you. My question is relatively simple. I will allow you to answer it.

Hon. Mr. Devine: — What I said is that we will explore alternatives that will allow Saskatchewan people . . .

An Hon. Member: — I smell a dodge coming up.

Hon. Mr. Devine: — Look it. Our people were quiet enough when your leader was speaking. Could you just let me answer the question? Okay? I mean, fair enough?

We will explore alternatives that will allow Saskatchewan people to invest in agriculture land that don't now, or, in fact, other Canadians to invest in agriculture that don't do now. Not non-Canadians, not people from outside of Canada, but people that are in Saskatchewan and in Canada. Okay?

Now the same argument will apply . . . you could make the argument that banks invest here but they get their money from outside the country. Okay, well, I don't think we need to make that longbow, but today Canadians generally, in most provinces, can invest in agricultural land. To date, it's very difficult for them to invest their savings and their pension funds into an agricultural agribond or agriculture instrument that would remove some of the debt and replace it with cash.

If we could do that to help farmers, then I will entertain that possibility by having Saskatchewan people or Canadian people — as we do now with banks — allow them to invest in agriculture through an instrument that we could design together, that you might think would be fair or that the farmers might think would be fair, so that pension money or other money could help replace some of the debt that is out there with some cash.

Hon. Mr. Blakeney: — Thank you, Mr. Premier and Mr. Minister. Mr. Minister, it is the view of our party that the best solution with respect to the ownership of farm land is, to the largest extent possible, that the farm land be owned by owner/operators, by individuals.

Some Hon. Members: Hear, hear!

Hon. Mr. Blakeney: — Now we all are aware that that can't be true in every case. We are, I think, anxious, however, to put in a system which encourages that type of ownership and discourages the systematic ownership of farm land by non-producers on a basis which makes it hard for the operator to acquire the land. Now we start with that proposition.

I want to look at this from the point of view of the farmer, not from the point of view of somebody having an opportunity to invest. There are many opportunities to invest. And we don't say, for example, that a gold mine should be owner-operated. Nobody suggests that. We say it ought to be investor-operated . . . investor-owned and somebody else operates it. So we're not looking at a pattern of owning farm land similar to that of a gold mine.

We start out with the proposition that gold mines are investor-owned and operated by people who may or may not own shares, but usually don't, or trifling amounts. That is not the model which we believe ought to apply to farm land. Therefore, we would like to see farm land owned, to the largest extent possible, by the people who operate it.

To the extent that they can't finance it, we would like to see money put up by someone on a mortgage or debt basis so that the farmer could pay it off and own the land. And only as a very last resort — only as a very last resort — do we think that it is a good idea for investors to own farm land as an investment. And when I say "own," I mean

have legal title to it.

(1230)

No one is quarrelling with an investor having a mortgage on farm land. It would be better if it weren't true, but . . . Better if the farmer owned it without a mortgage. But leave that aside; all farmers don't have that option. But we would very much like to see a situation whereby, when times get better, a farmer could pay off the loan and own the land.

Now . . . (inaudible interjection) . . . Okay. Now do we all agree that there's no way to pay off a share, there's no way to pay off equity — that if someone owns the land that I farm and has an equity ownership, then I can't pay him off unless he wants to be paid off?

A loan . . . If someone has a loan or a mortgage on my land and I have the money, I pay him off and there's nothing he can do but take it, and the mortgage is gone and I own the land. However, if there are shares, I can't go to him and say, I'm going to pay off your shares. he says to me, I don't want to sell my shares; I like the way farm land is going up in value and I'm going to continue to own your farm. And there's nothing you can do about it.

Now that is the difference between a loan or a mortgage and a share. And we all realize that there can be many structures where by a company could have the loan but someone could have shares in the company. We all understand there are many structures.

I want to look at it from the farmer's point of view. And I want the Premier to give me the assurance that any scheme he is talking about for equity financing, or whatever, will involve a situation whereby, so far as the farmer is concerned, he will have title with a loan that he can pay off, or alternatively that he will have a lease, although that's less desirable, but with a clear option to buy, so that when things turn around, as we hope they will, and the farmer gets some money, he can either pay off the loan or buy it pursuant to the firm option and then own the land, and that nobody — nobody — will have an equity interest in the land which they can hold against the interest of the farmer.

Now that is the situation we think is desirable. We believe that, as farm land increases in value, as we think it will, then it is important that the owner-operator . . . the operator will be able to be the owner-operator, and that he be able to pay off a loan, if it's there, or exercise his option to buy, and that nobody will be able to say to him, no, I don't want to sell; I want to continue to be the equity owner of that farm land, in part.

Now I ask you, Mr. Premier, are all the schemes you are considering, ones which involve giving the farmer the clear right to become the absolute owner without any right of any equity owner to deny him that right to be the clear unencumbered owner?

Hon. Mr. Devine: — Mr. Chairman, I believe that, given what I've just heard from the Leader of the Opposition, that we could sit down with a group of farmers and design a mechanism to allow new money into agriculture and

leave the hammer — the control, the option to buy and own — completely with the farmer.

Now if you look at — and I say this in all respect — the new instruments that have been designed under a Labour government, Mr. Bob Hawke, just re-elected as a Labour government . . . and in New Zealand, a Labour government are looking very favourably on these, because the farmer has the option to purchase it at the end.

Now what he gets that he hasn't got today is the following. What he gets . . . You just borrow money from a bank; they have to charge the going interest rate. They have to. They follow the bank, or the world rates. If you can have part ownership in the agricultural land base, if you can, two things happen. You can receive less interest because you might be able to pick up some benefit in the long run in terms of some of the capital appreciation over time. And that's what pension funds and mutual funds and others look . . . They will look at a lower rate now, and they will look at some appreciation over time, and they buy stocks and they do that.

Now a bank can't do that because a bank is supposed to lend money, and they can't own money. So if you designed an instrument somehow — and we can look at various things — that would allow the debt to be replaced to a large extent by cash, which would facilitate a lower interest rate and drop the operating money . . . And the member from Humboldt, your colleague, went through all these yesterday and he could give it to you in detail. But it drops their payments and over time the farmer has the option to purchase part, all, or whatever, and at a discount — at a discount so that he is below the market and there is some advantage for him to take a hold of that property and that land.

Now what you have is a partnership. And we have father-son leasing agreements, purchasing agreements, agreements for sale, and several of them. Much of the land today in Saskatchewan, but not nearly as much as in Europe, is leased from a father-son arrangement with an option to purchase — with an option to purchase.

Now I just make this point to the hon. member. If you're just going to deal with financial institutions, under the way they operate now you're stuck with the interest rate, total payment, and they have the title. You don't have the title. If you finally pay it off, you get the title. But if you don't pay it off, they got the title. And it's owned by some outfit in Toronto. And that's been that way for a long time. Or the alternative was your proposal where the government owned it, and borrowed the money and had it.

Now what I'm saying is, if we could design something that would allow all of us or any of us, as Saskatchewan, or Canadians, to invest in agriculture, receive a lower interest rate and charge a lower interest rate so that we can replace some of the debt with equity, and some appreciation of that value over time with an index or whatever — as they do, say in Australia — then we find that it's helpful to the farmer because he has lower interest rate payments. He is out from under the burden of debt, and as you say, as things improve in terms of income and

so forth over time, everybody's going to make a little bit of money and he can handle it.

Now if you leave it with him, as we could — we can design it any way we can — leave him with the hammer, with the option to purchase the whole thing, and the right of first refusal, or any combination of your things to make people comfortable, then I think we should at least explore that possibility to really cut the interest rate, sometimes maybe in half, and reduce that debt burden and still make money for investors, people who have security, you know, savings and pension plans, and others. They invest in much less when they buy stocks and all kinds of things.

Even those . . . I mean, Peat Marwick, Pemberton Houston Willoughby, McLeod Young Weir, looked at this and said, you know, the Saskatchewan Wheat Pool pension fund might like to do this. It's an investment in agriculture. You lock it in at 7 per cent. You saw the credit unions' different scenarios there. If you want it locked in at 7 per cent, if you want to put the land in at this, you can say it will break even over 20 years and the farmer has a tremendous break.

And the credit union has looked at it very, very careful. Their biggest hand-up, of course, is the political side because people are saying, ah well, you know, it wouldn't fit the glove. Well, let's make it fit, that's what I'm saying. If it's possible to make it fit, let's do that. If you could be satisfied that farmers felt comfortable — and I could — and we could get billions, literally, potentially, into agriculture now that the banks have, it seems to me that's a good idea and we should at least explore that.

So it would reduce the cost to farmers. It's a way to invest in agriculture. It's an instrument we don't have today, but they do in other places, and even under socialist governments. And I think that we should at least explore it.

Hon. Mr. Blakeney: — Thank you, Mr. Chairman. It's nice to hear the Premier acknowledge that Australia . . . He acknowledges that they may have a good idea there, and it's a socialist government, and you're still free to come and go and that sort of thing.

So I just . . . But I want to come back to what you're saying. Everybody, of course, likes the idea of an instrument which does everything; which gives somebody who is investing his money a chance for a capital appreciation, but the farmer a fixed purchase price and all the rest. But I think that that is the nub of the problem, that is the nub of it. Sure, it makes sense to provide farmers with a lower rate of interest now and they're going to have to pay for it in the future. That's the proposal when the value of the land goes up. Everybody understands that and it makes some sense.

I must say, when leases provided that the right to purchase was dependent upon the current value of the land when you bought it, we heard a great number of criticisms. But we'll leave that aside. We're heading into the same situation now, the same situation now where land is low in value, or we hope it's low in value, and we hope that it's much more valuable 10 years from now.

And the clear problem is this, Mr. Premier: how do you give the person who puts his money in at half the rate of interest in the hope of making some substantial money, substantial profit, when the value of the land goes up, how do you give that to him and still give the farmer a chance to buy at a fixed, or a fixed and calculable price that no one can say, no, I won't sell?

If you're going to give the farmer a firm option to buy — and this is the key, in my judgment — then you can't give the owner, the person who's putting in his money, the so-called pension fund, the right to ride up the value to the extent that that pension fund wants to. If the farmer has the right to say, okay, I buy and I buy now; and the pension funds says, I don't want to sell now, I financed you at the low end of the scale, I'm going to pick up my money as the land rises in value, I want to ride it up — and I think you're saying the pension fund just won't sell. And if that's true, then it means the farmer can't buy, and that's the key.

I think we need a system which gives the farmer an absolute right to buy, not necessarily at today's price — not necessarily at today's price — but an absolute right to buy which the pension fund can't refuse. And I want to hear what the proposal is because everything else is simple. Everybody else . . . Oh, there's no shortage of capital in this country; there's no shortage of money to invest in agriculture if the return is right. But obviously the return isn't right on today's production. The only way there would be a return, I'm . . . The only way there would be a return is if the . . . I say, production and prices . . . I'm sorry, Mr. Premier. The only way there would be a return is if the value of our produce went up.

An Hon. Member: — It will.

Hon. Mr. Blakeney: — And I hope the member for Saltcoats is right. He says it will. Then the value of the land will go up and that increase in the value of the land is what we're talking about.

And who has the right to off? Well too often, when I hear this, I hear it that there are going to be shares, that there's going to be partnership, there's going to be equity in the farmer's land, and that I don't like to hear because a partner doesn't have to sell out; an equity owner doesn't have to sell out.

The farmer has no absolute right to buy; he's got a partner for life, and for his kids' life, if you sell shares. It is that that I want to hear the Premier comment on. How are you going to give the farmer the absolute right to purchase, and still reward the person who puts his capital in at too low a rate of return, judged by today's interest rates, and seeks to get his money back by riding up the increased value of the land? I want to hear the Premier say that because it's absolutely key. Everything else is fluff; everything else is fluff.

(1245)

Hon. Mr. Devine: — Well it's just to point out, it's not fluff. In all respect, if we could design a way to get a great deal of money into agriculture that it isn't in there now, and to replace some of the debt, and to lower interest

rates, that would not be fluff. So if you could do it, okay, so we're going to try to do this.

But let me just come back another way and say, we can design it, on the advice of farmers, your advice, my advice, your colleagues' advice, to do what you want to do. If you looked at the fact that somebody that was your partner would share in the price of wheat, the risk and the price of wheat as it went up and down, and the risk in terms of what the land values would do up and down, your payments — and some farmers have suggested this; your annual payments linked to the price of the commodity — you could do that.

And in terms of the value of your bond, or your investment, your share, would be linked to the price of the property. Now you know as well as I do that if a farmer wanted to go into the market . . . And what they can do now in Australia, is they can say: here is couple of quarters of my land; I throw it in as shares; here's the share value; if I buy equivalent number of shares back, I get my land back and I just go farm it. And what they've done in Australia, they've got land all over the country.

So you've got . . . You know, it's like any other investment in a market. You've got this kind of farm here, and one over there, and one over there, and the share isn't identified with anybody particularly, but you get your equivalent shares and you've got your farm. Now we can design it that way.

You say you want the right to own that farm on that land because you put this quarter up for this Agribond investment. Then you provide the equivalent amount of money and those shares, whatever, if they went down or if they went up, and you've got that land. I mean we could design it that way, any way you like so the farmer has the hammer, so that he can get a hold of it. Now the investor doesn't care which farm if they can say, I know that I've got 7 per cent locked in, and I've got some appreciation in capital gains that might be there in agriculture.

Now if you were ever going to invest in agriculture, it's getting pretty close to the right time. Right? I mean, and that's exactly their experience in . . . And the pension funds are telling us, you know, they look for things as they go down; then they might go up. So they buy them here and they invest in them for over 25 years or 50 years. So if we could do that and provide the investor with the opportunity of a fixed return plus the opportunity for capital gains, and farmers with the right to purchase the land when he wants, and even give him a discount so he purchases it, or then the faster he purchases it, the bigger the discount on the market.

You have got his land tied up so he says, my get to own that land when I want to purchase it; I've got out of the debt problem; my payments are at half because I'm paying 7 per cent interest rate, not 15; and this partner of mine is sharing in the capital gains, and I hope it does go up because I'd like to get some appreciation myself. And his share values that he's got in there will rise like anybody else's.

I mean, seriously, the presentation made by the Australians and others who have looked at it is very

intriguing because it attracts that money that now can't come in. It still allows the farmer to manage — total management. He's the manager, he's the owner, he can run it as he likes, and he can lever it as he likes because he can put some land into this instrument. And he can watch the value and you can tie his payment to the price of wheat. And you cut the interest rate in half because you don't have to just charge full interest. There's some investors who would like to have fixed rate of return and some capital gain. Now if there are combinations of that or some other ways that you might suggest, or others, by all means. I mean, I'm quite sincere, and I would like to get . . . As you point out, there's lots of capital in the country. Let's get it to where it could be helpful because more debt, and just more debt — in my view and I'd believe you'd share this — in agriculture is not the solution. I mean we can rewrite some of it, but just put more debt on the backs of farmers is not going to get the job done.

Hon. Mr. Blakeney: — Well, Mr. Chairman, and Mr. Minister, I fear again you're reciting what all the wonders of an instrument could be, without telling us how you square that circle of giving the investor the right to ride up the increased value of land, which . . . And ordinarily, with any other investor, he, the investor, decides when he wants to get off. Now that's the nature of owning a share or equity, that you can decide, you, the owner of the share or equity, can decide when you sell.

An Hon. Member: — It can only go up with people buying and selling, as any market does. So it's the buyer and the seller, and the same when it goes down.

Hon. Mr. Blakeney: — Well, I hear you say that. I'm afraid I'm not following this, and I understand why I don't because I hear all of the buzz-words about, it will be lower interest rate. And let's give that and let's not mention that again, because we agree on what we're doing.

What we're trying to figure out is how the investor can have his normal rights of an investor, of riding up the investment and deciding when he is going to sell, and how the farmer can have the right, which we want to give him, of any time buying his land at a fixed or ascertainable rate.

Now I hear you talking about the possibility of the farmer buying in shares and then turning in his shares in order . . . and the land and all that sort of thing. What I would like the Premier to do is to outline, not necessarily here or now, but to put down on paper, not the objectives — not the objectives; anyone can put down the objectives, anyone could. you know, we all have our Christmas list — but the mechanism, how it's going to work, so we can run it through and see whether it's going to work for the investor, and if it isn't there's going to be no money, and whether it's going to work for the farmer and whether it gives him the right to choose the time he buys. And I, frankly, can't see an easy way of doing that.

If you say now, oh, we will accept the 4 per cent or 6 per cent or 7 per cent, I think was your figure, on our money, and some shares because we believe the shares are going to go up in value and you allow the farmer to pull the

trigger next year, and the shares haven't gone up in value and the investor says, hey, I haven't had a chance, I've lost one year's half interest on your analysis. I put my money in at 6 per cent when I could have got 12, and I got the shares, and I was going to ride them up over five years or 10 years. And here's the farmer two years from now, wanting to buy his land — hey, hey, I want my chance. That's not fair pool. I want a chance to ride it up.

I understand the investor saying that's dirty pool for the investor. On the other hand, when the farmer says, two years later after he goes into this, I now want to buy the land because I'm able to, and the investor says no, no, no, I want to ride it up, obviously there is a problem. There may well be solutions.

There may well be solutions, and what I would like to do is for the government to put out some sort of a paper with the mechanism — not with the objectives; as I say, everybody knows what the objectives are. We'd all like a way of getting the debt load off the farmer's back, and about the only way now of doing it is to capture the increment over the years and split it with the farmer and the person who's now putting up the money. We all agree with that. It is the "how" which is the trick. And I am fearful that the government is thinking of investor-owners of farm land in the sense that individual parcels will be . . . investors will have an interest which the farmer can't get rid of. And I would think that unwise.

And I would like to ask the Premier whether he would put down on paper the mechanisms that he is thinking about for this operation, because it's by now means easy to figure out how you can play fair with both the farmer, if you want him to have an absolute right to buy, and with the investor who is foregoing current income in the hope of future income.

Hon. Mr. Devine: — Let me just try this out. We'll be glad to summarize several specific mechanisms, and we can include in it our conversations about what you would like and I would like, but certainly the conference will be summarized.

The credit union had a very good explanation of how they would do it with four or five scenarios. And they made it very clear. And the slide show was there and they had the slides and the rest of it. But let me give you an example.

Say that if you had a quarter section that you had debt on — a quarter section, 160 acres — and you said, you can have this for 160 shares. Then you value those shares. Those shares will decrease or increase. And over time if there's thousands of shares and people want to buy shares, if enough of them want to buy the price goes up, and if enough of them don't then the price will stay the same. And if more people want to sell, the price will go down. And there's liquidity in that market. I only want 160 shares because each one of them represents an acre, and that will be my farm — equivalent. So I'll buy it. I'll put it in at this price, and then later when I'm making more money, I'll hope to buy it back. If I buy 160 shares, I got the equivalent of my farm and I own it, that's it, I'm not in the game any more.

An Hon. Member: — The quarter section or the shares?

Hon. Mr. Devine: — The quarter section. Design it for the quarter section. You put up your land for the share value, you buy any number of 160 shares, you got that land back in your family.

Why can't you do that? I mean, you can design this any way you can. Now you could say, you've got thousands of shares, you've got people who are selling and people who are buying. When the farmer puts up some land to get a partner in there, and he buys the equivalent number of shares back at any particular time, he's got that piece of land back — put it right in there, not difficult. That's the way it would work if we did it here. Say, that's it. They can do it other ways in other places, but here, when I put agriculture land up by Saskatchewan farmers, when they are issued so many shares, and when they buy back those shares, they own the land.

Now you'll say: that's pretty close to the banks because the banks say when you finally pay your mortgage then you've got title, okay. But the problem is with the banks is they've got to hit you with all this debt and these high interest rates. The advantage of this cash . . . (inaudible interjection) . . . yes, the advantage of this cash is, you get half the interest rates, replace your debt. And you're saying to the member, I'll fix the return as a pension fund at seven, and over time you run the risk with me of maybe some capital appreciation or capital appreciation, one way or the other. And pension funds do that, we know they do, that's why they buy stocks — guaranteed rate of return, and it might go up, might go down, but you can get in and get out.

And if you linked it to the land, so that you buy the equivalent amount of shares that your land had in there and you got it back, and just make it law, that's the way it is, you could see, I'm told by the investing companies, the pension funds would go for it because there are people who would like to invest in agriculture to help it. And if they're guaranteed a fixed return plus take some risk, they'll say: oh well, why not, the stock market's pretty risky anyway.

And for farmers it could be a real benefit, as was pointed out day before yesterday — interest rates and half the debt off their back and the opportunity to purchase. And then write in a discount, say, you purchase it in the first three years you get a 15 per cent discount on the current value, and then longer, maybe 10, and then maybe down there, a 5 per cent discount.

So we just have to have the courage to use our imagination. If you would like it designed so the farmer has the hammer and always the ability to own the land, let's design it that way. And if you want sufficient liquidity so you can get in and get out, I mean, I think you could do that too. I don't know why not, every other market, usually, I mean some are thin but most markets have enough people, if you want to, you know, and your pensions move in and out; you can buy and you can sell.

Now, well I could outline that in a conceptual sense, and we're going to be doing that and taking it to farmers all over the province, and say: you want to own the farm, you want the absolute assurance that you can buy it when

you want to do it, design the mechanism so there's liquidity in the market. And he's got the equivalent number of shares, and he's going to hope there's some appreciation too, probably, because he's an investor as well as a farmer. But his cash flow could be improved and the debt burden off his back.

Hon. Mr. Blakeney: — Thank you, Mr. Premier. I won't belabour this but clearly on that design, if the farmer sells his quarter section in your analysis, and gets back, oh let's say 160 shares in your analysis; then he leases the farm from the . . . or the quarter section from the trust; and he then is . . . and the terms of the lease are key. You're just saying that some way you've got to provide that the lease will provide less of a burden than the interest would. And so that is key.

And then the question of whether or not, by simply turning in 160 shares at whatever their value may be one year or two years hence, he can get back the quarter section. I would like to see that put down, not all totally spelled out, but all set down so that people can figure out. On this basis I think it has lots of attractions for farmers and precious few for investors right at that stage of the game. But we will see.

And it's no good if it doesn't offer some attractions to both. And that's why I'm inviting you to put that down so that people will know what you're talking about, and I won't burden the committee with this further.

Hon. Mr. Devine: — Well I will provide that information as quickly as we can. And we'd be glad to share it with you and we'd look forward to your suggestions.

(1300)

Mr. Upshall: — Thank you, Mr. Chairman. One more question, Mr. Chairman, if I would be allowed to ask the minister if he could make available the document prepared by Peat Marwick out of Edmonton, by Mr. Day, I believe, and whoever.

An Hon. Member: — And the credit union proposals.

Mr. Upshall: — Yes, and the credit union proposals, and the federal farm credit corporation proposal. Could you make those available to me as soon as possible?

Hon. Mr. Devine: — Mr. Chairman, all the verbatim and all the charts and all the presentations that were presented the last two days at the conference are being put together, and we'll get them to you as soon as they're finished. And that's the best summary that I know because it has all six of them, and with their charts and their explanation and everything there is. We'll get that to you just as quickly as we can.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, you have the copies of their speeches, no doubt. Will you just make those available, on those three presentations, to us, as soon as possible without . . . and also the other package. But I just want the copies of the three presentations that were there. And I believe they were all on a text, so it shouldn't be very hard to make them available.

Hon. Mr. Devine: — Well we'll give you everything that we've received from all those presentations, and if we have some of them that were in advance so that we can just hand them over to you, you'll get them. And if we have to go back and get the verbatim and type it up, obviously we'll just get that to you as quickly as we can.

Mr. Shillington: — It's just on this item. Do I assume, Mr. Premier, that there was a transcript kept of the conference which is being typed up and which can be made available to us. Did I understand the Premier to say that?

Hon. Mr. Devine: — There is . . . Some of it is transcribed and some of it is not. Where we have some of the questions and answers and some of the dialogue and everything else, where we had workshop recorder groups and what not, it is not transcribed. But as I understand it, much of the presentation and the summaries of those, and everything else that . . . everything that was recorded or transcribed will be summarized.

The committee reported progress.

The Assembly adjourned at 1:05 p.m.