

## EVENING SITTING

**Mr. Chairman:** — Why is the member on his feet?

**Mr. Martin:** — Mr. Speaker, I ask for leave of the House to introduce some guests in the Speaker's gallery, sir.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Martin:** — Well, Mr. Chairman, it gives me a great deal of pleasure to introduce some members of the Girl Guides 18th Company of Regina, and before I talk a little bit about the Guides, I'd like to introduce the adults who are here with them. We have Mrs. Patti Woodlock, Mrs. Gloria Pickard, Mrs. Trudy Otterbein, Maureen Gammell, and Mrs. Russell.

Mr. Chairman, Girl Guides are generally in grades 4, 5, and 6, and usually between the ages of nine and 12. We have, with our Girl Guides this evening, four Tenderfoots. Tenderfoots are those recruits who are between Brownies and Girl Guides, and they wouldn't wear their Brownie uniforms tonight because they've gone beyond that stage; they're now moving into the Girl Guide category, and I'm sure they'll be welcomed into the pack when their occasion arises.

I'd like to mention that this is an exciting time for Girl Guides in Saskatchewan because they're going to have an international conference, an international get-together. I don't think they're going to call it a jamboree, but more or less an event when they will have 3,000 Girl Guides from around the country, from the various countries of the world, plus 500 international guests, and they'll be from 50 countries, Mr. Chairman. It's going to be some event.

I'd like for all of us to welcome them. Before I do, I say it's been a pleasure for me to meet with them earlier and talk a little bit the process of legislation. I hope they enjoy their stay while they're in the House. And may you all welcome them here now. Thank you.

**Hon. Members:** — Hear, hear!

## COMMITTEE OF FINANCE

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

**Item 1 (continued)**

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Chairman, I'd like to pick up where we left off at 5 o'clock, and I hope that the Minister of Agriculture has calmed himself over the supper hour and will attempt to start talking about the issues.

Mr. Minister, as we were saying, the \$6 billion farm debt in Saskatchewan is at crisis levels, and you don't have to take my word for it, what the numbers of farmers that are losing. And it was very unfortunate — or I don't know

what the word is to describe it — that the minister couldn't come up with some of the details, some of the facts.

But here is a little clipping from a paper, and it says:

Canada probably faces the loss of more than 25 per cent of its farmers over the next several years, and the country has not decided how to deal with those people, Dr. Harold Baker of the University of Saskatchewan told the Canadian Bankers' Association agricultural credit conference on Monday.

And he goes on to say:

Many of the farmers who will disappear are among the most productive and are simply victims of choosing a bad time to enter agriculture, and in most cases, these people want to remain farming.

That's one person's opinion on it.

Another little clipping I'd like to read to you is, the heading is: "Part time farmer ranks to swell." And it says:

Farmers who earn at least some other income from off farm will comprise almost half of all Canadian producers by the year 2000, says an Economic Council of Canada report. The ranks of these producers will swell by 40 to 50 per cent by the turn of the century says economist, Ludwig Auer.

It goes on to say:

Large corporate farms, meanwhile, will increase by half, and by the year 2000, about 20 per cent of Canada's farm products will come from these farms.

Now, Mr. Minister, I don't know what we have to do to impress upon you that the ball is in your court on this one. Between you and the ACS (Agricultural Credit Corporation of Saskatchewan) and the federal government, you hold half of that \$6 billion debt — half of it. So, Mr. Minister, I would ask you now if you could tell me how much Farm Credit Corporation and how much ACS has written off in the past two years with regards to farm land?

**Hon. Mr. Devine:** — Well I have some figures here, Mr. Chairman, for 1988, in terms of land holdings by institution. And between the banks and the credit unions — I'll just lump them altogether — there would be about 190,000 acres. The Farm Credit Corporation is 125,000 acres, and the agriculture credit corporation is 3,280 acres. So the holdings in 1988 for the financial institutions, banks, credit unions, farm credit, and ag credit would be about 320,000 acres.

**Mr. Upshall:** — Thank you, Mr. Minister. Could you . . . For the sake of knowing what the dollar value is, could you tell me in a breakdown what the dollar value is of those three different categories? And, actually, could you put it in the . . . and could you break up the credit union

and the banks for me and tell me what the dollar value of their write-offs have been, as well as Farm Credit Corporation and the value of ACS?

**Hon. Mr. Devine:** — Well, no, I can't do that. You could get that from Credit Union Central, if you want, or you can get it from the financial institutions. I can tell you from our part that ag credit corporation is 3,000 acres and farm credit, from my knowledge, is 125,000. But I think Credit Union Central would be the place to go to find out what they've done with the acres, and the value, and so forth, rather than . . . I don't have the information here, but I think that's where you could get that information.

**Mr. Upshall:** — Well, Mr. Minister, here we go again. I mean, you're the Minister of Agriculture, and you're supposed to be on top of things in this province, and again we see that you don't have the figures. Now how can you be on top of this debt crisis if you're not staying on top of what's going on? And I'll just leave the banks and credit unions aside for a minute, and I'll just tell you, Farm Credit Corporation last year wrote off about \$133 million. This year they're going to be writing off close to \$250 million, and it seems to me, Mr. Minister, that when you have a federal Crown corporation in a position to help farmers. And you, yourself, were complaining about the high interest rates, and Farm Credit Corporation just raised their interest rates without any quarrel from you. And yet you turn around and say it's somebody else's fault that the interest rates are too high.

Well, Mr. Minister, I'll tell you . . . Just think of it this way. Over the last two years close to \$400 million of taxpayers' money in write-offs from Farm Credit Corporation alone. At thirteen and one-half — let's use that for an average figure — per cent interest, wouldn't it make more sense . . . And you're always saying give us some ideas, give us some ideas. Well we've tried, and I'll try again.

I'll ask you in the form of question. Have you made representation to the Farm Credit Corporation and say, look, you're writing off nearly \$400 million of taxpayers' money in the last two years, you're taking in land by the thousands of acres, taking it away from the farmers, the title — and taxpayers, as I say, losing the money, farmers are losing their land — wouldn't it make much more sense, Mr. Minister, if you took Farm Credit Corporation and gave a reasonable interest rate — the federal government can get at 9 per cent; give it somewhat less than that — it would be a lot less than \$400 million over two years that it would cost you and the farmers would be able to keep their land, the taxpayers wouldn't be out their money, and over a period of time the corporation would get their returns? I mean it's not that difficult; it's not that difficult unless you don't want to do it. And I think therein lies the problem.

So, Mr. Minister, I would ask you: have you made representation to the federal government to reduce the interest rate to a reasonable level, slightly subsidized, in order that farmers can keep their land and the taxpayers of this country don't have to be footing this bill all the time?

**Hon. Mr. Devine:** — Well, Mr. Chairman, we have had much success in discussing the agricultural problems with the federal government. As the hon. member knows,

if you send \$2 billion in cash into the prairie provinces and you don't have to pay it back, that's even better than a subsidized interest rate. And if he hasn't figured out how much that means in terms of lower interest rates, then I suppose that I could go back and calculate what \$2 billion cash that you don't have to pay back is worth in terms of lower interest rates. Obviously you can use it for anything you like and the farmers know that. When they get their deficiency payment, they don't have to pay it back, and they can call it low interest or they can call it this or they can call it anything they like, but it's . . .

Now almost 50 per cent of their income comes from government — almost 50 per cent. And it's, in many cases, not paid back because you got cash advances for the livestock industry at zero per cent interest rates. And I wish you'd acknowledge that. And you've got deficiency payments in the neighbourhood of now 2 point something billion dollars that they don't have to pay back. That goes in their pocket and they can apply to all kinds of things. On top of that, we've got \$1.2 billion out at 6 per cent money and nine and three-quarters fixed for 10 years. That's the best, longest, lowest interest rate that you're going to find in Canada.

So we've got over a billion dollars of the Saskatchewan taxpayers out at long-fixed interest rates; federal government's got over \$2 billion out that they don't have to pay back. I mean, you wouldn't have to be very high in grade school to figure out that that is a tremendous economic benefit to western Canadian people and particularly farmers when you've got long-run, low-fixed interest rates at \$25 an acre at 6 per cent and nine and three-quarters — locked in, no penalty to repay it — plus billions of dollars that we've got out of the federal government because of our meetings. And you're standing up and say, well would you try this idea to have long, low-run, fixed interest rates and some cash. That's precisely what we've done — precisely.

If I could read for you . . . This is the *Leader-Post*, March 3, 1988. And it says here that the NDP got together to come up with some ideas with respect to agriculture. And it says:

While senior federal and provincial NDP officials from Alberta and Saskatchewan met on Tuesday as well on Wednesday to discuss agricultural issues, they had no new initiatives to announce when the meeting ended. (And this) . . . is in part of a continuing NDP search for solutions to agriculture problem.

Now you stood up having an interprovincial conference here just a few weeks ago — nothing new, nothing to suggest — announced to the media that there was nothing to suggest, announced to the media that there was nothing to suggest. You had nothing for Manitoba, nothing for Saskatchewan, nothing for Alberta, nothing at all in terms of new policy. You say that it had no new initiatives to announce when the meeting ended and it's part of a continuing NDP search for solutions to agriculture problems. And I'm here, standing in the legislature, telling you that we've provided at least \$2 billion in cash that you don't have to pay back — that ends up to towns and villages and cities all across this

province — and that we provide \$1.2 billion in low interest loans to farmers — the best interest rate and the longest that they've ever had — and you're standing there and saying, well have you had a meeting.

(1915)

I can just say, from our meetings you get billions of dollars in cash on long-run, low-fixed interest rates; from your meetings, according to the *Leader-Post* and your press releases, you get zero. Nothing. No new policies. You have an ongoing search for policy, and I would recommend that you stay with the research and you continue to search because obviously if it's just land bank, that's it. And if it's just to take advantage of them foreclosing, then I would say that you're in some trouble, not only in your own riding, but indeed across western Canada.

So I would remind you, and the member from the Quill Lakes, that the cash and the assistance that this administration, plus the federal government working in co-operation to provide it, amounts to almost half the farm income today — almost half the farm income — coming from a Progressive Conservative government in Saskatchewan, and a Progressive Conservative in Ottawa say that we're prepared to help farmers, and we are. And the releases we get from the NDPs are still looking for and searching for new solutions.

So yes, we right down interest rates; yes, I would continue to encourage financial institutions to write off some of the debt; yes, the federal government wrote off debt in the Farm Credit Corporation. It did. Over \$100 million, wrote it off because we met with them. And yes, they did the same with respect to the deficiency payments; and yes, they did the same with respect to western grain stabilization, and they've done the same with program after program to help people here. Because we met with them and as a result of our meetings, you see the kind of cash and help that are provided to the people of Saskatchewan. As a result of your meetings and your press release in the legislature covering it, you continue to search for solutions to agricultural problems and you have no new initiatives to announce — no new initiatives.

So all I can say to you, sir, is that while you have no new initiatives, we've come up with at least billions of dollars of cash — and a large percentage of it that you don't have to pay back — and long-term, low-run interest rates, and cash advances to the livestock sector at zero per cent interest rates. And, Mr. Chairman, I can only say to the hon. member, when the NDP had their chance, they didn't give them a dime — 18 to 20 per cent interest rates and they didn't give them a dime.

And the CCF (Co-operative Commonwealth Federation) would have been ashamed of that. And the hon. member knows that he stands up and talks about the CCF. The CCF have been replaced in rural Saskatchewan and rural Canada by the PCs, and he knows it. We have replaced them because we care about farm families and rural families. That's why, Mr. Chairman, they come up with no solutions. We come up with literally billions of dollars of help for people when they need it.

**Mr. Upshall:** — Well, Mr. Minister, I'll come back to my question, but first, before I do that, I would just like to say, it wasn't your \$2 billion, as you like to . . . Here we go again talking in half truths, talking double talk, confusing the issues, but that's okay, Mr. Minister, because you'll never win that way.

That \$2 billion, Mr. Minister, was very much needed out here. But I'll tell you, sir, that there's people out there who simply survived on that money and their debt is still there. That's why we have \$6 billion in Saskatchewan of farm debt.

My question to you is this. And I would take it just from your answer that you haven't made representation to the federal government to have Farm Credit Corporation act as the prime lender, as an institution that is in place to keep farmers on the land. And I say, if you haven't done that, why haven't you done it? I mean, you can talk about all your programs. Look at the facts. The facts say that there's a problem out there — 40 per cent of our farmers in crisis. What do we have to do? What do the farmers have to do to clear your vision for you? I mean you can talk and rant and rave and try to confuse the issue, that's your prerogative, but I'll tell you, Mr. Minister, it's not keeping the family farms on the land.

Mr. Minister, I'll ask you another question; have you asked the banks and other financial institutions, on an individual basis, what percentage of their ag loans are in arrears and what percentage of their loans are considered to be farmers who are insolvent? Have you asked them that?

**Hon. Mr. Devine:** — Mr. Chairman, I can say to the hon. member that when we meet with the federal government and ask them to write down some of the debt in the Farm Credit Corporation, they have done it. They have written it off to the tune of maybe \$100 million. When we've asked them to provide billions of dollars to farmers because they needed it, they delivered. when we've asked them for interest rate protection, they have helped. When we've asked for freight rate reductions, they have been there. when the farmers in the wheat pool and the wheat producers and others have come to us for low interest loans, and they said it might cost you a billion dollars, we have provided it. When they said extend it over time, we have.

Now if he wants to know what Credit Union Central has in arrears, then he can go to Credit Union Central. If he wants to know what the Bank of Nova Scotia has in arrears, you can go to the Bank of Nova Scotia. We all know who works for them, the Leader of the NDP. If you want to find out what other financial institutions do, you go and ask them — okay?

I know that we have responded to farmers and for farmers in co-operation with the federal government, and I can only say, as I said before dinner, that the NDP knows far more about the banks and foreclosures than anybody on this side of the House because obviously they make a living doing it. And it's very clear. So if you must have the information . . . I mean NDP lawyers continue to foreclose on farmers, and the Leader of the NDP and his

law firm and his partner from Saskatoon foreclose on home owners and on farmers on behalf of the bank. And we all know that. And you ask me about banks. All I can say is that the NDP leader with his law firm works for the bank. He's got a unionized law firm, Mr. Chairman — union leader; the NDP leader and the bank together foreclosing on farmers and home owners in the province of Saskatchewan.

And the NDP ask me about banks, Mr. Chairman. All I can say is that they deal with them; they know all about them. I'm sure that they can get an inside story from the Bank of Nova Scotia if they want because they have the contract to foreclose on behalf of the bank. Just go ask your friends the bank; they'll tell you how many they have to foreclose on, how much they'll pay you to foreclose. And you can continue to reap the benefits. Probably many people would consider it, as the farmer said when he wrote in here, it was just a little bit hypocritical when the Leader of the NDP stands up and says, I will save you, when he's out there making a living foreclosing on behalf of the banks.

Now I don't have to get information on behalf of the banks and the financial institutions for the NDP because, Mr. Chairman, the financial institutions have cut a deal with the Leader of the NDP. Everybody in the province knows it. They're going to know it tonight; they're going to know it tomorrow; they're going to know it day after day.

We have met with the federal government and we have generated deficiency payments that come from Ottawa for the first time here into this province. It's a great deal of money. It ends up in Saskatoon and Regina in the retail stores, in the communities across the province, because we've got it. And you know what? It doesn't have to be paid back. It doesn't have to be paid back. So when you bring up the financial institutions and the banks, I'd ask you to go check with your leader, the NDP leader who has a contract with a bank — his firm does — to go foreclose on people. He's probably got more information on banks than anybody in the legislature.

**Mr. Upshall:** — Mr. Chairman, Mr. Minister, maybe we should just back right up here. We're not getting anywhere. So I'll ask you a simple question: is there a problem in Saskatchewan with farm debt? Is there a farm debt crisis in Saskatchewan? And do you agree that this debt is a problem for farmers, is a problem for the whole economy of the province? Let's just leave it there. Do you agree, first of all, that there is a problem with debt?

**Hon. Mr. Devine:** — Mr. Chairman, at the beginning of the estimates the hon. member asked me to describe my vision of agriculture and where the situation was today. I said that high interest rates — 20 per cent interest rates — and \$2 wheat have caused tremendous problems across rural Saskatchewan and indeed across western Canada and a good part of North America. And I described that to the individual, and I said that's why we stepped in and protected them against high interest rates, and we're providing cash, in terms of billions of dollars between us and the federal government, to make sure that they can survive under difficult situations.

So, Mr. Chairman, I have described the fact that farm debt has accumulated, that equity has dropped for every farmer across the province. The equity position may have dropped by 50 per cent on average as a result of \$2 wheat and high interest rates. And I've mentioned that, and I talked about it.

So, Mr. Chairman, I just respond to the individual. Debt has increased across the province. It applied to all farmers as a result of the devaluation of land values and the \$2 wheat and high interest rates. And I just wanted to make the point to the hon. member that the reason for that is twofold: one, when they faced the 20 per cent interest rates, you wouldn't do a thing for them, and you let them get into trouble; and secondly, you continue to encourage the Europeans and the United States to subsidize unfairly, as you did this afternoon.

You stood in your place and say, I understand why Europe does that; I don't see any problem with it. Well clearly the farmers of this province and western Canada would be awfully interested in finding out that the NDP agriculture critic says it's fine to have the Europeans unfairly subsidize farmers. Now it's going to be all over the place that they will know that you have said that — and you're asking me if there's a problem. I've described the problem in detail. I've described solutions. You don't have any solutions and then you stand up and say, but it's okay for the European farmer to do that. You want this treasury to fight another treasury that's all . . . You don't understand at all what causes the problems.

The surpluses of grain cause the prices to go down. Do you understand that? When you have a big surplus, the value of the commodity goes down, the price is low. It's very low. And if you continue to recommend to the Europeans to subsidize more, do you know what happens? The surpluses grow and the price goes down and we have bigger problem.

If you want to help the farmer, if you want to help them, encourage those other governments to back away from the subsidies and protect them against high interest rates, as we have, and do some research to find out how you might be able to do that at the national level as well. But, Mr. Chairman, would they do that? No. They come up with their suggestions, say there's no new solutions as far as the NDP are concerned, no new solutions. They have no new initiatives to announce after the meeting, and the NDP continue to search for solutions in agriculture.

Well look, we'll protect the interest rates; we'll provide the cash, the billions of dollars. Up to 50 per cent of their income now comes from government because of our help. And you stand there and say, do you know what you should be doing. Well, I share with you, Mr. Chairman, I've said this many times . . . (inaudible interjection) . . . I can, Mr. Chairman. And the next time they ask this question, I will take the opportunity to go through every single program we have and list them for the hon. member so that he can find out all the new initiatives that we have provided to cut costs, cut interest rates, provide electricity, individual line service, rural gas, a new agriculture college, all those things for rural people. I'll be glad to do it.

I mean, I don't know how many times I've got to go over it. He still stands in his place and says, but do you know that there's still need for more new programs identified by the NDP. Well they haven't identified one — not one, Mr. Chairman. So I hope they come forward with some new solutions, some new idea that would help rural people because I just haven't heard any, and neither has the media.

**Mr. Upshall:** — Well we'll just say that's one person's interpretation, I would say to you, Mr. Minister, and I'd be worried but the jury is still out on that one, and we'll see.

Obviously you don't think there's a problem. At least you didn't say you thought there was a problem. And maybe that's the problem. We're talking about debt; we're talking about everything else, but there's no solutions.

Now, Mr. Minister, you can get up here and you can rant and rave and talk about all the crazy, stupid things that you want, and dodge the issue of debt. But I'll tell you, you're going to be the loser in the long run. But unfortunately there'll be many farmers losing before you. That's the bad part of it.

Now Mr. Minister, do you think . . . First of all, do you think that your present programs are doing the job to alleviate the debt problem in Saskatchewan? And if you think that, what do you have to back it up? Have you done any studies on the restructuring of debt? Have you done any surveys on the magnitude of the problem and what areas there . . . more or better or worse? So do you think your solutions are working? And what statistics, what studies, and what surveys have you done to back that up?

(1930)

**Hon. Mr. Devine:** — Well, Mr. Chairman, we do know that now up to 50 per cent of the farm income comes from government. And we do know that without that support, without that support, it would be extremely difficult. So if the farmer gets about \$2.40 a bushel for wheat in the market, he's getting a little over \$2 a bushel from governments at various levels. And on top of that, we have the interest rate protection and other programs that can provide in total about 50 per cent of his income.

Now if the public sector and the taxpayer is footing about 50 per cent of the farm income, I don't know whether that will solve all the problems for every individual farmer. I do know that it helps a large number of people. I do know that the taxpayer has noticed it. The taxpayer across the country says, by gosh, at least we're helping farmers, and they know that it's billions of dollars. The taxpayer also knows that subsidies cost a great deal, and they're trying to get other countries to stop so we wouldn't have to play this game.

So if you want to look at the research, yes, we know now that about half of the income at the agricultural level is coming from the government. People would rather not farm for the government; they'd rather farm for the market. My only response to you is: we want to get the market price up, and that means we've got to get these other governments out of the market. And that's the only way that we can do it.

If we continue to add more subsidies and they add more subsidies, pretty soon three-quarters of your income will come from government, and then 90 per cent of your income, until virtually 100 per cent of your income would come from government if you were on the farm. I don't think the taxpayer wants that and the farmer doesn't want it.

So yes, a great deal of their income comes from government. They don't particularly like to farm for the government but they appreciate the help when they're taking on other treasuries that have decided to put our guys out of work. And we're not going to sit back and let that happen.

We know that we can make a significant difference. We can write down debts and we've done that, in co-operation with the federal government, provide cash that is non-repayable, and we can have low interest loans. We can restructure, we can have counselling, we can have various kinds of advisory committees that will be there to help people work through their problems in terms of restructuring.

And you're asking, will it solve all the problems? Is it as good as making \$7 a bushel wheat? Of course it isn't. What you need is 6 and \$7 wheat, and you need low interest rates.

I don't buy the wheat, right. In Saskatchewan, we don't. In Canada, you don't. We sell it internationally. That's where the market is. And internationally, because people are subsidizing, the surpluses rise and the prices go down and you've got this problem. So the suggestions that have come from all corners of agricultures, go out into the international market and get them away from those subsidies, and the prices can come back up and we can make a living from the market. That's what they want. They don't want to farm 100 per cent for the government. They don't want that. They want to farm for the market. And yet you keep suggesting, oh, it's okay as long as the Europeans subsidized and wreck the price. And you're on record now saying that. So you want the taxpayers to pay more; I want to get it from the market.

I mean there's . . . Mr. Chairman, we can agree to disagree. The NDP says, go subsidize, let the farmer farm just for the government. And we're saying, I'd rather get the money from the market-place, get other governments to quit subsidizing. It's a clear difference of philosophy, Mr. Chairman. I don't know how many times you could ask the same question, but we are providing a great deal of help. The key, however, is to get the international market prices higher so that in fact our farm incomes can go up on their own, on their own from the market.

**Mr. Upshall:** — Well I'm not sure that you answered my question, again — just like every other question that we have asked. Mr. Minister, 70 per cent of farmers' income in this country goes to service debt, pay interest and principal — 70 per cent.

Mr. Minister, I'll ask you this: what is the current debt, farm debt in Saskatchewan? Do you have the up-to-date current figures of farm debt in Saskatchewan? Have you

looked at the cost of restructuring that debt for those 40 per cent of farmers who are in deep financial trouble? Have you looked at the cost of restructuring it? I would like you to answer as specifically as you could please because these rhetorical blurbs of yours are not doing anybody any good. And, Mr. Minister, have you done a study in any way, shape or form of how to restructure the debt problem in Saskatchewan?

**Hon. Mr. Devine:** — Well, Mr. Chairman, I have the agriculture statistics 1986, and on page 85 — page 3, pardon me — table 5, amount and source of outstanding agriculture debt as of December 31 in Saskatchewan, and they've got the years from 1971 to 1985, and then we've calculated 1986, and it's gone from \$1 billion in 1971-72 to \$5.7 billion in December 31, 1986.

**Mr. Upshall:** — Mr. Minister, the question was: what is the current up-to-date figures for farm debt in Saskatchewan? I have those figures; everybody else has them. You're the Minister of Agriculture; you're supposed to be on top of this problem. What are the numbers?

**Hon. Mr. Devine:** — Mr. Chairman, this 1986 document does not have 1986 figures. So we've just calculated them from 1987. So you don't have the 1986 figures, do you?

**An Hon. Member:** — Yes, we do.

**Hon. Mr. Devine:** — Well you don't. I don't think you do. This is recent calculations. The most recent calculations we have are December 31, 1986 and that's 5.7. So that's the most recent that are out. Now when you're going through for 1987, you'll find they'll be out later in 1988 because it takes that long to go through all the statistics and all the information. But for 1986, what is published here is the end of 1985. We have done our own calculations now to give you 1986, and later in the year, you'll be able to get 1987.

**Mr. Upshall:** — Mr. Minister, does your department not monitor . . . because of the severeness of the crisis and things are shifting quicker every day now, does your department not monitor the debt situation in this province? I'm amazed of your lack of knowledge of this debt crisis. Anything that we ask you here you have no answers to as far as the statistical information is concerned. No wonder you can't control the department, no wonder there is people going off the land, and no wonder the debt is rising every day. Obviously you don't monitor it. That's incredible, but I guess that's the way you run your department.

The other question that I asked, Mr. Minister, is, have you done a study to determine the cost of restructuring the debt in Saskatchewan? Have you had anyone working on how the debt could be restructured, whether it be set aside or lengthened or whatever? Is there any study to tell the people of this province what it might cost to restructure the debt in so far as principal and interest are concerned?

**Hon. Mr. Devine:** — Well, Mr. Chairman, I have described the 1986 debt figures to the hon. member, and it's every year from 1971 to '86, and you have estimates of '87. And any . . . the Credit Union Central or financial

institutions of farm credit can give you estimates of 1987.

Secondly, with respect to restructuring the debt, we've done an awful lot of research — a lot of research. We've done it with the Farm Credit Corporation, in asking them how they could restructure. And because of our co-operation and theirs, they have written off over \$100 million. Now that's a great deal of money.

When we went back and talked to the federal government, they said, well we can write off some more, we can make sure that we provide a great deal of support for initial prices for wheat, and we'll go and back that up. Debt in various pools, in the wheat board pooling mechanism, have been backed up as a result of our co-operation and understanding with it. Discussing it with the credit unions. We have talked at length, for hours and hours, and with the financial institutions, about restructure and how they restructure and how we do. Obviously the agriculture credit corporation has done the same.

We've just finished a great deal of discussion with respect to \$1.2 billion that we had out. Can you restructure that? And they said, yes, let's discuss that. They recommended we extend it to 10 years so we restructured \$1.2 billion that's out to people. And we know what it costs. The benefit to Saskatchewan farmers this year alone is over \$200 million and that they don't have to make those kinds of payments. Now that's 200 million in cash flow alone with one program that we've restructured.

And yes, we had many meetings, and we have had research and we have had consultations. We have had meetings with professionals, with economists, with financial people. We meet all the time with them, and that's why we've come up with more programs and more packages than in the history of the country with respect to agriculture — a long list of programs and packages that deal with restructuring the debt, cash in the farmers' hands, and all the other things that we can do that are both interest rate protection and cash to people and, yes, restructuring.

So when you're looking at the debt today, the debt is a result of declining asset values is everywhere, it's universal across North America. We understand that. We're doing something about it in terms of cash, in terms of advances, in terms of low interest rate loans, and in terms of restructuring. So yes, we've done a considerable amount of research with virtually every financial institution — provincial, federal, and private — in the country.

**Mr. Upshall:** — Well it seems to me that your idea of restructuring debt is adding \$1.2. billion of it and pressing farmers hard to get it back now. That's your idea of restructuring — your production loan and increasing the interest rate, just like farm credit did on their loans. That's the Tory idea of restructuring. It's ridiculous. And you didn't answer my question of the cost of restructuring that debt.

Mr. Minister, I'll ask you this: do you have any estimates from your department as to how many farmers will be lost in this province — lost meaning off the land or losing their

titles — in the next two years? Do you have any estimate of that?

**Hon. Mr. Devine:** — Mr. Chairman, various financial institutions have their estimates. The agriculture credit corporation has forecasts of how many people would be in difficulty depending on what prices are. So you put some assumptions into your forecast. Here's what interest rates will be; here's what the price of wheat will be; here are the price of various grains and livestock. And you put in various prices and you can get forecasts on into the future. It depends on a large number of variables.

And if grain prices continue to go up, interest rates would flatten out; then you've got a combination that obviously will help people stay on the land. If you get prices continue to be low because of international subsidies or interest rates shoot up, then you're going to have more difficulty. So their forecast depends on the information you put in the parameters of your forecasting model.

I can only say to the hon. member that across the piece that the equity has fallen, it is significant, and we have people who are in difficulty as a result of that. That's why we're prepared to go to 10-year money, low interest loans, long run loans, and why we'll continue to bargain with the federal government and lobby hard for western farmers to make sure that we can provide deficiency payments and that cash that is non-repayable to farmers across western Canada, and indeed certainly here in Saskatchewan.

So we will be there on behalf of farmers for billions and billions of dollars. As we have in the past, we'll do that in the future, plus restructuring and a combination of things that we can do to help them out.

**Mr. Upshall:** — Mr. Minister, under current conditions and it doesn't appear as though there's going to be any great change in the next two years — under current conditions, do you think it's inevitable, do you think it's a given fact that we're going to lose a number of farmers off the land? And could that number be as high as 33 per cent? And do you accept that, that these farmers have to go? The question is: how, under current conditions, or what, under current conditions, are the numbers going to be and do you accept that those farmers will have to go?

(1945)

**Hon. Mr. Devine:** — Well I don't know where you get your figures of 33 per cent would be going in the next year or two years, so I don't buy that. I don't think that will be the case. I believe that you will see normal attrition, and you will see the kinds of things that go on in agriculture; at the same time you're going to see young people go back into agriculture.

And I've pointed out: through more processing, manufacturing, diversification, various kinds of support programs, interest rate protections, restructuring, the kinds of research that we're doing in the training and education and market development, that you will see more people in rural Saskatchewan, because people like to live in rural Saskatchewan and in rural Canada. So the combination of things that we can do will, Mr. Chairman, allow people

to live in rural Saskatchewan and live profitably as a result of the kinds of things that we are doing.

So I don't buy your argument. I'll say that there could be very good times in agriculture with any kind of break in markets and breaks, obviously, in the weather, and to maintain support and protection against high interest rates.

So the combination of the things that we do nationally and locally will protect farmers well into the next decade and well into the next century, Mr. Chairman.

**Mr. Upshall:** — Well, Mr. Minister, in your own document, your big thrust to solve the farm debt crisis, your equity financing proposal, that was rejected flatly by the farmers of this province, it says, and I quote — and this is where I get the one-third figure from; maybe you should read your own documents — “However, one-third of the farmers currently holding three-quarters of the debt may not have the resources to continue farming.” That's where we get the one-third figure from with the farmers — 30 per cent, 32 per cent.

And my question to you was: is it inevitable that those farmers go? And you're saying no, we're going to have more farmers. Well, Mr. Minister, your arguments don't make sense because the figures that we have and the facts that we have show that under current conditions, and in your own document you say one-third of them may not have the resources to continue because they hold three-quarters of the debt.

So I mean, you're talking around in circles and you're not making sense. I'll ask you a simple question: do you think by in two years time that we will be losing a number of our farmers? And is that going to be the trend in the next two to five years? And do you find that acceptable? Would you please answer that.

**Hon. Mr. Devine:** — Mr. Chairman, the number of farmers in Saskatchewan going back to 1971 through the NDP administration declined year after year after year. The loss in farmers during the NDP times was larger, Mr. Chairman, than it was now. And he's asking me: do you think we're still going to see some decline in the number of farms; will it be as high as 33 per cent; will it take place in the next year, year and one-half. I mean, he wants to paint this scenario. I will just point out to him that not all farmers will survive.

I believe we're going to help a lot of farmers, and we're going to continue to do that. We're going to provide assistance through difficult economic times, through drought, through flood, through high interest rates and many other things, so that in fact farm families can survive. That's what we're doing.

And I will only say that if you look at the NDP record through high-priced grain, my gosh, it was tremendous times. They lost farmers because they didn't have any confidence at all in the administration and the administration was buying their land.

So you go back to 1971, up to 1982, and there are almost 1,000 farmers a year left — it was over 10,000 farmers left

the land in Saskatchewan in the decade that you were in power. And these were good times. This was a real buoyant time in agriculture, 1970s right through to 1982 — 10,000 farmers left. And do you know what they said to us? No more of the NDP. They don't want any more of the NDP; they don't want any more of their land bank; they don't want any more of their talk that they're just going to go out there and help them, but not give them a dime against high interest rates; nothing with respect to drought. All we saw was succession duties, death tax, high interest rates, land bank. And they said, I don't want any part of this.

And that's why we have the policies we have today. We went to the people and they said: protect us against high interest rates; get out there and help those farmers; make sure that you go to Ottawa and get deficiency payments; back us up; give us cash advances; give us natural gas; try to help the livestock industry so it has both economic and political balance. We listened to the people and they've told us that time and time again.

And over western Canada, as we just saw again in Manitoba, farmers reject NDP solutions because they don't have any. So you stand up and you say you've got all the answers. And you can hardly find an NDPer in all of Canada in the rural areas because they don't buy your solutions. They don't trust you. They've been there, they've seen what you did before when you tried to buy their land and wouldn't protect them, and you had death taxes and succession duties, all that stuff. And they said, I'm done with it; I don't want any more of you. And now you stand up there and you say, well for Heaven's sakes, do you think it's going to be such that we might lose a farmer? Are you going to lose some more farmers? Well I can say, we want to help farmers. We put money up, not just rhetoric. We don't go buy their land; we help them own their land — and we've got thousands and thousands of young farmers that we have helped and we're happy to do that, Mr. Chairman. So if he wants to talk about numbers, in the 1970s when you had high grain prices you lost 10,000 farmers because you didn't give them any help at all. We won't do that, Mr. Speaker. We'll be there to make sure we help people.

**Some Hon. Members:** — Hear, Hear!

**Mr. Upshall:** — Well, Mr. Minister, it's amazing how you continue to avoid answering the questions, and I can't do anything about that. But I will continue, in my way, of trying to ask you some direct questions and . . .

**An Hon. Member:** — That the farmers want.

**Mr. Upshall:** — That's right, questions that the farmers need answers to and you continue to avoid them time after time. That's totally despicable. Mr. Minister, I'll ask you this question again. You continue to say that you have the programs; you have the \$2 billion. I mean, take credit for it if you wish. We all know that it's not the Premier of this province who gave out \$2 billion, although you'd like to think that.

Mr. Minister, do you believe that the programs that you presently have in place are addressing the farm debt crisis? Do you believe that those programs are enough for

Saskatchewan farmers to continue and survive on over the next five years?

**Hon. Mr. Devine:** — Mr. Chairman, we are working, in co-operation with the financial institutions, with the federal government institutions, with other provinces, to come up with more and better programs all the time. That's what we do constantly. We are reviewing them; we are designing new ones; we extend them out; we lower the interest rate; we help restructure; we're asking for more money from the federal government; we're working hard at the international level; we're meeting with people, planning new ideas and new strategies all the time.

We met today, for example, and much of the agriculture caucus went through the entire program for drought assistance in the province of Saskatchewan. Our package is far superior to anything else you'll find in western Canada, and you'll find it in consultation with the elevator companies, the commodity groups, the SARM (Saskatchewan Association of Rural Municipalities), and others — continual consultation, continual consultation and co-operation in designing new programs and mechanisms.

So I'll say to the hon. member, we work every day on new programs, new ideas, and in constant consultation and co-operation with agriculture groups, financial institutions, and others in this province to make it better for farmers in the province of Saskatchewan.

**Mr. Upshall:** — Mr. Minister, you're talking about your new ideas, new programs and your strategies. Could you just give us a couple of examples of the new ideas and the new programs and the new strategies that you're working on right now to address the farm debt crisis? And let's not talk about what you . . . all your so-called programs that you have in place that are supposed to do the job, because, Mr. Minister, they're not. I want to know . . . Well, you just talked about your new ideas, your new strategies. Could you just give us a couple of those that will address the farm debt crisis to keep farmers on their land.

**Hon. Mr. Devine:** — Mr. Chairman, I've just described that we are looking at all kinds of mechanisms and methods to restructure debt. We're looking at more money with respect to the federal government. We are going through a series of meetings with farmers with respect to assistance, with respect to counselling, with respect to refinancing. All those ideas are being discussed with farmers right now, and they're coming back in, we're meeting with other groups, they're giving us some other ideas for local associations, for provincial associations and meetings, for national organizations, and the combinations of things that we can do with the credit unions, with farm credit, with agriculture credit, with farm groups, with elevator companies, with all kinds of people.

The SARM has brought us suggestions, the wheat pool brings us ideas. We put them together, we do modelling on it. We are consulting and reviewing these all the time to help us manage the debt, restructure the debt, and deal with the debt problem, as well as raise incomes because



of our protection and interest rates — encouraging the federal government to have a low interest rate policy and not artificially prop up the dollar, to have them work internationally to get the surpluses down so that we can get the price up. All those things are going on all of the time, and they are precisely the right things.

Now I will say once more, once more, that your suggestion that we should encourage the Europeans and the Americans to continue to subsidize, to have surpluses so that we have low grain prices, is absurd. And I'm not going to do that. And I will stand in my place here for a long time to say, you're going the wrong way.

If you want to have low commodity prices, then you just continue to let the Europeans and Americans subsidize. You should be writing them letters to say, stop subsidizing; go the other way. But you stood in this legislature and said, no, for Heaven's sakes, you understand why they should subsidize, and it was okay with you.

Now do you think the taxpayers in this country want to put all this money in agriculture while the NDP critic stands up and says, go ahead, Germans and the French and the Brits, continue to subsidize because the taxpayers here just love it? Is that all you've got in your ideas, that you can just say, well the taxpayer here . . . Is that all? I mean, don't you expect any money out of the international markets? We sell all over the world. Wouldn't you like to see the prices up? Wouldn't you like to see those international prices up? Wouldn't you join with me and help raise them, to get people to get their income out of the market? No, not you. You just say, well you should have the government involved some more and some more.

That's all you've said. Why don't you want the income to come out of the world markets? Why don't you ever mention world markets? You never, ever mention the world price and the world markets. You're afraid to talk about them. I assume you don't understand them. You just encourage the international people to subsidize and hurt Canadians and you stand in your place and say, well, Mr. Premier, can you find more subsidies? And you, at the same time, encourage the Germans to subsidize more. I mean, you haven't mentioned international market prices once, international trade. You haven't mentioned tariffs. you haven't mentioned subsidies and protectionism, the whole reason for the problem. You have never addressed it once. You just stand there with the NFU (National Farmers Union) handbook, saying, can't we get more money from the government? That's all you say.

Now let me just ask you. Couldn't we just shift this discussion a little bit, Mr. Chairman, on how to get money into agriculture from the world markets for livestock and grain? Wouldn't that be an interesting discussion? I mean, focus on the problem — market development, the reduction of subsidies, access to markets, all those things. I mean, it would make so much sense to the farmer. The farmer wants his money from the market; he doesn't want it from you and me here in government. But that's all you seem to have in your mind, so I just . . . I plead with you, think about those international markets and how we could make money there rather than just saying, well you

have to go to the government to get more income.

Finally, we are providing more money than in the history of the country, half the farm income from government, and you still think that the government is the problem. That's all you say. Now if the government is the problem, please talk about and direct your attention to the international subsidies that have wrecked all our prices. And if you can't see that, I'll go through that in some detail so that we can talk about the international subsidies and the protectionism that has hurt us here, that we're internationally trying to resolve through free trade and international multilateral trade discussions, so that we can reduce those subsidies and reduce that protectionism and get the price up. That's what the answer is. And I would like, Mr. Chairman, if the hon. member would at least have some discussion on the international markets where we make — and should make — our living.

**Mr. Upshall:** — Mr. Minister, all the while that you're floating around the world you're ignoring the problem at home in Saskatchewan. You're letting them drift off the land. You're not addressing the problem; you as much as said the debt wasn't the problem.

**An Hon. Member:** — And the government will do no more.

(2000)

**Mr. Upshall:** — And the government . . . That's right, the government is going to wash its hands of it. Well, Mr. Minister, I'm sure that will give some comfort to the farmers.

And you ask me if I wouldn't join with you; I won't join with you because I'm joining with the farmers of this province. And those people are going to tell you, Mr. Minister, what they think exactly of your programs.

Now, Mr. Minister, I want to ask you one straightforward question: how many foreclosures have been started in the last two years, foreclosure actions have been started by ACS and by Farm Credit Corporation?

**Hon. Mr. Devine:** — Mr. Chairman, on page 7 of the *Farm Finance for the Future*, the MLA report, the hon. member will find the notices of farm land foreclosures in Saskatchewan from 1981-82 to 1987.

**Mr. Upshall:** — And the other one was Farm Credit Corporation.

**Hon. Mr. Devine:** — This includes all foreclosures. This is everything. It's not broken down by bank or credit union or FCC (Farm Credit Corporation) or ACS.

**Mr. Upshall:** — So that was nearly 1,000 in 1987 — something that you could do something about by restructuring debt, by being serious about the problem, and you're not doing it.

Mr. Minister, the Saskatchewan Wheat Pool has put out what they call the rural Saskatchewan stability program. That is the proposal by the wheat pool to address some of the problems in Saskatchewan. Have you considered,

have you . . . First of all, have you read this report? And, Mr. Minister, could you tell me if you agree or disagree with it.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I want to point out to the hon. member that we have had the wheat pool give us reports and suggestions — all commodity groups, frankly; elevator companies; municipal governments, urban governments, various financial institutions. They give us research and their suggestions on how we do them. And yes, I've read them and I've looked at them all. Some have some good ideas and if you look at a combination of them as we did for, say, the production loan program when we first did it, then to extend it out, it was a combination of what people suggested from the SARM, commodity groups, and elevator companies. That's exactly what we do; I make that point.

I just ask you to consider this: what if we have international prices, because of the subsidies, go to \$1 a bushel? What if they go down to \$1 a bushel because of the unfairness and the cheating internationally? Would it then make some sense to you that we go internationally and ask them to stop the subsidy and use some real trade pressure on them, because pretty soon wheat could go even to 50 cents a bushel? And would you expect all of income to come from government? I don't think that that's what you expect.

I mean, if wheat goes down to a buck a bushel, and you talk about restructuring, you would have to restructuring every farm in the province. You see what I'm asking you? Your solution is only on the government side. You will not look at that international problem which is the price of wheat which caused the problem. Do you understand that?

We've got \$2 wheat; farmers need 6 or \$7 wheat. The problem is that you can't get it out of the market because other people are cheating, and you keep coming back and say, well can the government keep piling on more money? If the price of wheat continues to go down because of international unfairness, we'll have to restructure every farm in western Canada. And then they'd all farm for the government. I suppose philosophically that would make you quite happy. You'd say, well gosh we got them all now. I mean, we just . . . We restructured it and we own them, and whoop-de-do — we've got 8 or \$10 billion in debt in government, and it was a cheaper way to do it than land bank. We didn't even have to buy it from them, we just assume it.

I mean, we don't want to own the land. We want to get that market price up. I just ask you: don't you think there's room for discussion here — room for discussion to jointly work with other countries to get that price of wheat up, rather than just saying, can you restructure more and more debt in case the price of wheat continues to go down?

What causes the price of wheat to go down? What causes it? It's not Saskatchewan farmers that do it; it's not Saskatchewan farmers. It's international treasuries like the United States and like the Europeans who cause huge surpluses, and with surpluses the price falls, and we don't get the income. That's the problem. And I just again ask

you: wouldn't you like to see that international price go up? Wouldn't you like to see us get income from the market, as opposed to the government?

**Mr. Upshall:** — Mr. Minister, your response to these questions is incredible. I mean, you're stating the obvious, but you're not looking at the reality. I mean, all the while that you're running around saying the international market-place, you've got to get the price of wheat up — that's right. But what are you doing in the meantime? You're sitting on your hands. You're ignoring the problem and it won't go away from you. And your lack of solutions is putting suffering and hardships upon the backs of farm families.

And one of the ministers chirps, quit scaring people. Well, I tell you, Mr. Minister, we don't have to scare them, because when I travel around rural Saskatchewan and I see them and I talk to the farmers out there. They can't be much scareder, because they're saying what was in the budget; what were these new ideas?

There was nothing in the budget except \$8 million for corporations, corporate entities to get into livestock business. That's your idea, cutting back incentives for farm families and smaller operations and giving up to \$8 million per operation for corporate entities. That's the direction you're going. And you're ignoring the debt problem.

And you run around with this farm equity financing proposal, and you've taken a year to do it — dragged your feet for a year. All the while we're losing farmers, and we see, in 1987, 976 farmers with foreclosure actions on them. That's what you're doing.

And we have proposals from . . . a good proposal from the Saskatchewan Wheat Pool, but because it's not ideologically what you want, you ignore it.

We have a situation where you say that the NDP want the government to own all the land. Well, that's such garbage, and you know it, and the farmers of this province know it. We're looking for solutions to keep them on the land. And what's your solution under your equity financing proposal? Your solution is to have people other than farmers owning their land. That's your solution. Have the corporate investors own it — tenant farmers, serfs on their own land. That's your solution.

All the while you're running around and talking about trade and international prices. Well, Mr. Minister, I think you'd better open your eyes because the problem is here at home right now. We talked about subsidies and we talk about reducing subsidies. And you know very well, and you misinterpret what I say and what everyone else says just to satisfy your own ego. And that won't work, Mr. Minister.

Six billion dollars, the latest figure we have for debt. And you continue to ignore it. And I'll tell you, that is no way. That is hypocritical; that is not right for the farm families of this province to have to put up with that.

Now, Mr. Minister, we also have some other suggestions from other people — suggestions like giving the Farm

Debt Review Board some teeth to enforce settlements. And there's many people suggesting this, when you have these boards running around and what they're doing is simply, in some cases, speeding up the actions. That's not helping the farmers out. I mean, they go through this process, but in the end run they're losing. That's not a solution.

And here we come down to what I think is the crux of it all. And the headline in this paper says, and this clipping says, "Politicians weigh more heavily than nature for farmers." And you've said that tonight, and I'll tell you, Mr. Minister, that is correct. And I think that's the way your government and the Tory government in Ottawa want it to be because they have the power then and now. They have the power to bring on or delete or change or manipulate every program in such a way that they will buy the farm vote or attempt to. Well I tell you, Mr. Minister, that's passed you by because the farmers of this province will no longer put up with that.

You have not stated to me once today how you're going to have a long-term solution, a long-term program in place. You're going on deficiency payments that are year at a time. We're running on a stabilization that is quickly running out. And you're talking about your \$2 billion. Well I tell you, Mr. Minister, how is a farmer supposed to know from one year to the next what he's going to get out of those program because you refuse to put in place a long-term program. And you refuse to do that so that you can manipulate the farmers of this province to your advantage — programs for the government to maintain government. And all the while you're saying, oh yes, we're giving the farmers this much money, we've opened the treasury.

Well, Mr. Minister, throwing money at this problem is not solving it. You have to do it in such a manner as to put farmers in a stable position, a long-term program of subsidy if that's what's needed, a long-term restructuring of debt. And that is needed, but you fail to address that — you won't address it. What you're doing is catering to corporations and patronage and spending money on your Tory friends. We have the figures to back it up, and I don't have to reiterate them as they were put out today. That's the direction that you're taking this province in.

And you stand in your place and you say that . . . you know, you didn't really say there was a debt problem when I asked you; you didn't tell me if your programs were sufficient enough to keep farmers on the land; you didn't tell me if we're going to be losing more farmers over the next two or three years; you didn't answer the questions about how we're going to restructure the debt. You say you have new ideas and you're talking all the time; and you didn't tell the farmers anything.

You have told us, since 2:30 today, absolutely nothing of how you are going to address the debt problem in Saskatchewan. All you talk about is your short-term, ad hoc programs. You won't address the problem, and I find that very sad. I find it sad because of the farmers of this province who are going to be lost — the potential new population that we have coming up in Saskatchewan who won't have the opportunity to produce food in this country because you won't be there to stand behind

them.

Now, Mr. Minister, I'll tell you when I look at the whole situation of farm debt I find that if we don't restructure that debt, if we don't have long-term subsidy programs that is built into a mechanism where they can cut in and cut out as needed. We won't be around here to compete with anybody. I'll tell you we can farm this whole country with 10 farmers of corporate farms if we wanted, but that doesn't build Saskatchewan. And every program that you're putting in place is geared towards reducing the number of farmers in Saskatchewan. And yet you stand in your place and you say, yes we should have more farmers. Well I find that hypocritical. And it's not the truth, Mr. Minister, and I know it's not the truth, because you do nothing to keep the farmers from sliding off the land.

(2015)

Another indication of that is what I'd like to go into now. I've talked about this in this legislature before and asked you questions on it — the seriousness of the lack of moisture in many parts of this province. We have seen about a week ago where Alberta put \$20 million into relief for the shortage of water. We've seen in the past programs by governments to help farmers who won't have grass for their cattle, who may not have a crop. And I've asked this question: what are you going to do about it? The answer I'm getting is, it's too soon, it's too soon to do anything about it.

Well, Mr. Minister, I would ask you right now: in southern parts of this province and western parts and somewhat in the central, there is a lack of grass, there is a lack of feed for cattle. Are you . . . I had people in my office today asking what was going to happen, what the government was doing? And I said, well I don't know but I'll ask them tonight. Are you going to be putting in any programs or implementing any plans to ensure that farmers that don't have grass, don't have grass to range their cattle on, will be able to move those to pastures that can sustain cattle? Maybe in the North? Are you going to give them any support in transporting those? Are you going to have any programs whereby we can move feed around the province? And I'd just like you to tell me what you plan on doing to let farmers know exactly what they can expect from your government right now, with regards to the potential drought?

**Hon. Mr. Devine:** — Well I can say to the hon. member that the restructuring of debt that he talked about in the last tirade that he had on his feet was . . . One clear example of restructuring that we've been involved in has been the production loan program where we extended it over 10 years. He just won't seem to acknowledge that. And they won't acknowledge that it's over a billion dollars and that it's at a fixed interest rate over 10 years. And that's exactly what the farmers wanted — exactly what they wanted. They asked for it. They said they want it fixed. They want it over the long run. And they came back to us from the wheat pool and from the SARM and from the commodity groups and said, that's what we want to see happen. So again I remind him, because we've just done that.

And he mentioned the budget — he said, well where was it in the budget? Well firstly, before the federal budget they announced the deficiency payments. And then he stood up and said, well it wasn't in the budget. Farmers wanted it ahead of the budget.

We did the same with respect to restructuring the production loan before the budget, which is over a billion dollars, but it means they have to make \$200 million a year less in payments this year. We did that ahead of the budget to respond quickly. So I'll just mention to the hon. member that the cash and the amount of money out there for helping people, and we continue to discuss with them.

Now I will review today, for the hon. member, that we have a water corporation, and the Saskatchewan Water Corporation deals with water management problems on an ongoing basis. That's why we set it up years ago so that it could deal with agriculture, municipalities, PFRA (Prairie Farm Rehabilitation Administration), federal government, all kinds of organizations, towns and villages, they go to the water corporation.

And there is assistance for drilling; there's assistance for casing; there's assistance for pumping; there's assistance for equipment; there's assistance for survey. And there is, in an ongoing program, assistance for farmers with respect to the movement of livestock, the movement of hay.

We had a meeting today, Mr. Chairman. We had the flax growers in on this discussion on drought to see if we needed to add or top up any of the programs. We had the flax growers, we had the Saskatchewan canola growers, the Saskatchewan soil conservation association, we had the Saskatchewan Water Corporation. We had SARM, we had Saskatchewan PULSE Crop Development Board. We had the SSGA (Saskatchewan Stock Growers Association). We had the Saskatchewan Cattle Feeders Association, Western Canadian Wheat Growers, United Grain Growers, the Saskatchewan Wheat Pool, the Saskatchewan Stock Growers. I mean, we met with these people today, again, to ask them about their advice in terms of, should we provide cash to farmers, should we pay it to move feed, should we pay it to move livestock. They recommend to us as we've done before. You give the money to the farmer and let him decide.

We are going to be providing additional assistance, and I've said it, time and time again, you can get assistance now. But additional assistance with respect to drilling for water, for piping water, for putting casings in, we've got a complete set of programs that are there now. I mean, the Alberta government just caught up to us in terms of the programs that are there.

We have had many programs in place. There isn't the Alberta water corporation, as far as I know. We have a water corporation. That's what it does. In the middle of southern Saskatchewan, in Moose Jaw, that can canvas the West — finally. and we will continue. But the result of the discussions we had today, we'll be announcing additional things that we will do for farmers, and we can continue to announce additional things right through the summer, depending on how it goes.

But I would go back to the hon. member and say that one of the most important things that we've done in this province, in southern Saskatchewan, was to put together Gardiner dam and Diefenbaker Lake. And whether he appreciates it coming from the north central, north-east part, I can say for southern Saskatchewan, it's been very important to us. Water for Moose Jaw, water for Regina — good, clean, fresh water that we pipeline in here is very important. We want to do more of that. We want to manage water better.

And I'm sure that he'll stand in his place tonight and say, well, Mr. Premier, if you weren't building Rafferty dam and Alameda dam, you'd have more money for farmers. We're building those dams to conserve water, to manage the water so people in southern Saskatchewan can have access to water. We're rationing water in my constituency. Communities like Midale or Macoun, the Boundary dam is very low. And we're producing two-thirds of all the electricity in the entire province, coming out of that power station, and we don't have enough water. We want to be able to manage water year round.

And the NDP is against it. I mean, you'd probably stand there and be against Diefenbaker lake and Gardiner dam and all that project because it makes for irrigation, it's water supplies for cities, town, villages, and farmers; it generates electricity. And you'd be against it. It doesn't make any sense. Rural people in southern Saskatchewan want the water corporation; they want us to manage water; they want us to encourage irrigation. People in Regina have demanded pipelines. People in Moose Jaw want good, clean water. They understand that people in southern Saskatchewan want access to good, clean water month after month, year after year. We need that management capacity and those kinds of dams. We could help a great deal with that kind of water management. That's why we are dedicated to doing some structural changes here in southern Saskatchewan to make a significant difference.

So you will continue to hear releases and new ideas and new programs come out with respect to the water corporation, with respect to agriculture and the movement of livestock or feed, or certainly assistance to the individual farmer and rancher so he can decide for himself. There's already incentives to explore more for water drilling; we've got seismic information coming in from all over the country; we're putting together many kinds of groups between municipalities, towns, agriculture people, and others to make sure that we don't miss any opportunity.

And we would gladly respond to positive suggestions that you might have with respect to water conservation. How do we conserve the water if we don't put up structures? How do we do that?

You will not talk about the international price of grain as a problem; you won't talk about how we manage water. It's again back on the government, what's the government's solution? You won't talk about spending and building things. You will just talk about more government grants and solutions that would come just from government.

I will say, you've asked for more money for farmers, and at the same time you criticize me for giving them money because they might appreciate it politically. I mean, you've got to be fair. If we provide the money, and we do it, and they asked us to, and they acknowledge that . . . What is it — you can't stand to see that? I mean, you want to see more and more government money, and at the same time you stand there and say, but for Heaven's sakes, imagine they might think you've done a good job; politically they might support you. If you're going to ask for — and mostly the NDP do, and certainly socialists do — more and more government, more and more government, then you stand there and say, well yes, but Mr. Premier, if you do more government then you're going to be influencing them. Well I can only say, you can't have it both ways. Okay?

If you want to see deficiency payments, you want to see help, and they acknowledge that we're doing it and they acknowledge that you didn't. Fair enough.

I mean today you might not be able to be elected in Humboldt, and obviously across rural western Canada and in Manitoba, clearly you don't get a great deal of support because you wouldn't build dams, you wouldn't manage water, you wouldn't help the livestock associations and others except for some plan to have supply management in beef and they reject it. I mean they don't want any part of that.

And you have . . . Well I can just say, we met with people today, they gave us good suggestions, we have a very powerful water corporation that has the resources to help out. We will continue to do that. And the suggestions that were suggested today will be coming out to add to and top up programs that we have and we'll continue to monitor it right throughout the spring and the summer.

**Mr. Upshall:** — Mr. Minister, back to the questions.

We have a situation in Saskatchewan this spring where we're seeing farmers with cattle who are looking at extended periods of dry hay feeding because the grass isn't coming, because the ground is so dry that the grass won't start. Are you going to stand here and tell us that you really don't have any program in place or looking at any programs that will assist farmers with locating pastures? Will you be assisting farmers with locating pastures? Will you be assisting in helping organize the transportation of cattle if necessary? Will you be assisting them as far as moving feed if necessary? Will you be doing . . . first of all, let's just start with those two or three suggestions.

**Hon. Mr. Devine:** — Mr. Chairman, I just finished . . . I mean no wonder that taxpayers wonder about the estimates. I just finished saying to you: today our agriculture caucus met with the Saskatchewan Stock Growers, with the Saskatchewan Wheat Pool, with the SARM, with feed growers, to discuss the various kinds of things they would like to see done. And you ask me if I've got any plans or programs. We've always had a plan and a program; we've always announced it in time to move cattle or to move feed or to pump water, and so . . . I can just share with you that we do that.

We have ongoing programs for test drilling — 50 per cent per foot to a maximum of \$3 per foot if the hole drilled to a base of groundwater exploration for individuals. We already do that. Deep well assistance — for wells drilled beyond 236 feet, one-third of the cost beyond the 236 foot depth for individuals, farmers, or ranchers. Community well assistance — 50 per cent of the cost of the investment in well drilling and development for rural and small urban communities. Dug-out pumping — cost recovery program, equipment at rentals so 225 for the first mile of pipe and one pump per farm to farmers; separate rate of \$300 for first pump and a mile of pipe for urban centres. Dug-out and small reservoir construction — one-third of the cost less PFRA assistance of 1,650 for individuals, farmers and ranchers. Municipal water assistance — variable formula for water supplement, supply investigation and development.

Along this we have the Alberta program. And what they've done is just catch up to us, just catch up to our programs. We met with farmers and ranchers today to design every kind of program we may need from week to week. And we will be implementing it; we will be monitoring it; we can provide the money; we are encouraging their fullest co-operation. They have confidence that we will respond at the right time for all those things that we need.

So I can just say to the hon. member these programs are in place. The water corporation has them. The agricultural departments have them. The Alberta program was way behind; they've come up now to where they're going to match us, for example, on test drilling and on deep well assistance and so forth. So I'm glad they did catch up.

We'll be out there again looking for ways to provide financial assistance to the livestock industry, particularly, and to the towns and villages that are short of water when they need it. This is the 28th of April, the grass . . . I mean, sure it's dry. I'm not sure every rancher . . . or all farmers and ranchers have written it all off, but obviously an inch or two of rain at any time would provide a great deal of grass. We'll watch it every day, every week, with these people I've just talked about.

They suggested what we should do and how we should do it, and we will follow their suggestions and co-operate and provide assistance and money for finding water, delivering water, pumping water and moving livestock or feed — whatever the farmer wants — any combination of the above to make sure that we, again, stick up for rural Saskatchewan and go to bat for them, provide money to them. And it costs us tens of millions of dollars, literally billions of dollars — not hundreds of millions, but billions — on an annual basis now. And we will stay the course to help farmers because we believe in rural Saskatchewan.

(2030)

**Mr. Upshall:** — Well, Mr. Minister, I don't know when the right time is, if it isn't right now. One farmer — and I quote from April 16 of the *Leader-Post* — says he has about:

. . . 300 animals in the Maple Creek area, says he will have to choose between selling his cattle or

moving them to greener pastures if it doesn't rain "almost immediately."

He can't bank on finding the pasture, he said, "because I'm not the only guy looking for it."

When is the right time? I mean, if now is not the right time to have programs in place so the farmer can make a decision, when is the right time? After the farmer sells and has to sell his 300 head of cattle? I mean, you can drag your feet on this as long as you like but that won't help those people who need the organization right now. And I'll tell you, as far as your pumping program is concerned, there's many people in the south-west area of this province who tell me they've got nowhere to pump from.

So, Mr. Minister, I'll ask you this — two questions. First of all, are you going to be looking at freeing up some Crown land, possibly in the North where there is pasture or parkland or something — some places like that where you can range cattle on? And when, when are you going to announce this program? When is the right time for you to announce your feed assistance or locating pasture program?

**Hon. Mr. Devine:** — Mr. Chairman, the hon. member knows — well, I'm sure he must if he has anything to do with agriculture — that we've had very few crop failures in April. I mean, if you are going to have a drought, it might as well be in the winter-time. And that's what any farmer will tell you.

We are prepared to provide assistance to people to either move their cattle or to move feed to their cattle. And you were talking to this individual who says he wants to move cattle up north. There's only a limited amount of any kind of grassland available in northern Saskatchewan and most ranchers and farmers know that. We will make sure that we have all available land available, or there to be surveyed and assessed by the ranchers and farmers in southern Saskatchewan.

At the same time, maybe he wants to choose to bring feed in because of the price of barley, because of a good hay crop and feed crop next year. It may be the choice for him to not move the cows, keep them next to the water, and move the feed closer to the farm. He will be able to do either one. We will provide the assistance to the individual and we . . . That's why we met with the farmers today, so that they could tell us what to do and how to do that. And we said, well it's not even May 1. We're watching it very carefully, it still freezes most every night; the grass has not started to turn. You had six-tenths of an inch of rain south of Milestone near Weyburn — welcome. If they can more and more, obviously it will make a tremendous difference. So we'll watch it week after week and be prepared to have a program that is available to all these farmers.

If you want me to say, will there be, will there be a program, yes sir, there will be a program. And farmers can count on the fact that there will be a program. What they have to decide now — and I recommend that they do that, in talking to their neighbours, the SARM, and the various livestock associations — make up your mind what would be the best thing to do with the money that we're going to give

you, because we're not going to come out with likely a feed assistance or trucking assistance.

Give the money to the farmer, let him decide whether he wants to move feed in or move cattle out. He should be looking at those alternatives, because if we do come out with assistance — when we do, and we will — he should make that decision as early as possible, and then we'll be able to help him to the maximum.

**Mr. Shillington:** — Thank you very much, Mr. Chairman. I wanted to get into this section of the Agriculture estimates. I have not been accused of being a farmer, I don't think. I do fly over the south country twice a week, and I can say, Mr. Premier, that the problems are really graphic.

Two weeks ago I went down to Assiniboia. Lake of the Rivers is not dry but it's very close to it. I then went from Assiniboia to Coronach; Lake Montague is dry, Willow Bunch Lake is dry. I don't think there is a slough south of the Qu'Appelle Valley. I think that's probably an accurate statement, and there are a whole lot of dug-outs which are dry. I wouldn't want to guess the percentage, but there are an enormous number of dug-outs that are dry. I think it's a once in a lifetime situation — the drought in southern Saskatchewan.

Old-timers tell me that the situation got this bad in the middle of the '30s, but they also tell me that it hasn't been as bad since. I do want to join with the member from Humboldt in urging upon you the urgency of the matter. You know you say we are monitoring it and we're consulting. That's exactly the farmers' concern is that you're just monitoring it, you're consulting, but you've had no concrete programs. The time is long overdue when you should have had something.

Mr. Premier, you say that we've never lost a crop in April, well that's true if you're cereal, if you grow grains. That's not true if you're concerned about hay. You can indeed lose a hay crop at this time of year, Mr. Premier. You may . . . (inaudible interjection) . . . the member from Morse, who is making such a sterling contribution from his seat, disputes that. You can't dispute that there's not likely to be any water down there for cattle this year unless there is an enormous amount of rain. Those dug-outs aren't going to fill up without an abnormal amount of rain and neither are the ponds. Neither are those lakes going to fill up.

Mr. Premier, the time is long overdue when you should have had the program and you should have had it announced. Even the Government of Alberta has a program and has it in place. Mr. Premier, you referred to a number of programs. Those are ongoing programs most of which were in place long before this government took office. A lot of those programs are of long standing. They were never designed to deal with this kind of . . . what I really believe is a once in a lifetime situation — and I could go on for some time naming the lakes in southern Saskatchewan which are bone-dry — has not happened within the lifetime of anyone except the very old.

So I say to you, Mr. Premier, the time is long overdue when you should've given some assistance. To say you're consulting with it is to say that you're two months behind

the problem. You should have some programs in place and you should have some assistance in place for these people who are very hard pressed.

Mr. Premier, there are I suppose, an endless number of stories. I recall the other day in the *Leader-Post* a dairy farmer from Weyburn who's hauling water for dairy cattle — 10 gallons of water per cow per day. That's 4,000 gallons a day. My guess is that the dairy business — couldn't put a precise figure on it — my guess is the dairy business isn't that profitable that he can afford to do that for very long.

When I was in Assiniboia a couple of weeks ago farmers expressed their concern that they might not be able to haul from the town of Assiniboia because the town of Assiniboia itself has water rationing. None of the city fathers or mothers, as the case may be, have expressed the thought that they might cut off the farmers, but the farmers themselves were expressing some concern about it.

The time, Mr. Premier, is long overdue when you should have had a program. To say you're consulting and you're monitoring is to admit to us you're way behind the eight ball and it's time you caught up.

**Hon. Mr. Devine:** — Well I guess your view would differ from all those association members that I've had the opportunity to get the message from. Today they said that it's too soon to announce incentive programs for moving livestock.

We encourage the drilling for wells. I mean, you mentioned the dug-outs. I mean, certainly, if it doesn't rain or snow there's not going to be water in the dug-outs — I know that. But you can drill, you can drill for water, and people are finding water across southern Saskatchewan because they're drilling for it. And they're finding it in homes and towns and villages, and they're doing it. And there's drilling crews all across southern Saskatchewan. We're picking up a lot of that expense right now, and they are drilling, and farmers — your neighbours, or where you used to be from — are drilling and finding water. They know that. Now I can't fill the dug-outs if there's no water, but we can go underground, and our incentives now are in action. I mean, they're doing it; they're out there finding water.

Secondly, I would say to you that when this happens I really can't understand why you would be against managing this water like something like Rafferty dam. And if you flew over the Souris, you'd see that it was dry — it's dry. Now if we could manage the water — when it's rushing down there and providing all kinds of water, and we lose it into the United States and then into the ocean, if we could manage it, we can have it year-round. And it can be a long lake there; it can be a 20 or 30-mile lake with access to water. I mean, that's what Boundary dam is, correct? I mean, that's how we cool the water at the power station there now. We've dammed that water in Boundary dam, and I think you thought that was all right. We want to conserve more water with Rafferty and Alameda. That's what it's for — I mean, for power projects, for people. Estevan will soon be rationing water because we have no other source.

And we're drilling and we're looking. Now it makes my point: the water table's been going down for 10 years. We want to build dams so that we can manage the water. We've got a drilling program across the country, and they are drilling. And from Moose Jaw north-west, out through Grayburn, Archydale, right through to Rowletta and Lake Valley and Brownlee they're finding water, and they're drilling 3, 4, 500 feet, and they're finding it with incentives that we're providing. And I am happy that they are.

Now announcing a program for farms . . . What the farmers say is, it's not time to move the cattle right now. We can either move feed to where the water is, or we can drill for water because you've got an incentive package out there, or maybe we'll have to consider moving the livestock off that area because there's no water or feed.

But we've got surplus feed supplies. You can go along No. 1 Highway and you see feed stacked up from last year, all for sale, good feed, barley prices. It may be a lot cheaper if the farmer makes up his mind to bring the feed supplies to where the water is or where his cattle is.

Now we said to the farmer — and I've said it before and I said to our people as they met with them today — we'll provide assistance to the individual; let him make up his mind. But I would listen to this group say this is no time to start talking about we've got to move the cattle tomorrow out of southern Saskatchewan. We've had snow storms and rain in . . . We've had a foot of snow in the end of May, and you know that. So you could be moving all the cattle up there and yet have a snowstorm and water down here, and you could have grass that's going to be quite good. We want to make sure, while there isn't a crop failure in April, there isn't a grazing crop that is completely gone on the April 28.

Now I would like to see more rain, but I will just say to you, we will provide assistance, certainly. I would ask the farmers now, as the livestock people did today, they said, you get ready to make the decision whether it's best to move the feed to the water . . . (inaudible) . . . go find water, or move cows, because we'll provide you with the money, not trucks and not subsidized feed, but we'll provide you money to go drill for water, or to make up your mind. But they said don't encourage a lot of people to go shipping cattle all over northern Saskatchewan on April 28. And I kind of agree with them.

I think this is too early to say, all right, away we go, the herds are moving north. It may be the case that some will have to go north, and obviously, you know, our livestock numbers are up so there's not a lot of room, certainly isn't room for 30, 40, 50,000 head or 100,000 head to move up there. I mean that's . . . clearly there isn't. And unfenced bush is not going to be the answer for herds of beef that have been raised on the range in southern Saskatchewan.

So obviously, feed to the farmers, water incentives, and the combination thereof, and we'll be ready with money. But I tend to agree with the farmers today, don't encourage them all to start moving cattle on the end of April, because it's just too early.

**Mr. Shillington:** — Well, Mr. Premier, it may be or may not be too early to move cattle. I suspect that with some of the pastures as dry as they are, there is going to be some damage done to those pastures if cattle are grazed on them at this point in time. And for some there may not be a lot of option.

Mr. Minister, one or more of the people that you met with may have thought it too early to start moving large number of cattle. I doubt that any of the farmers you met with told you it was too early for an assistance program. I really doubt that.

Mr. Minister, and Mr. Premier, it is long overdue. This problem has been apparent since the middle of March. It has been apparent since the middle of March that there isn't going to be any significant run-off. It has been apparent that there'll be no surface water to speak of except with respect to very good dug-outs.

Mr. Minister, you say to the farmers, tell us what you ought to do. I think, Mr. Premier, the process is really the reverse. They're paying a fairly healthy amount of taxes to pay the salaries of some very competent people, and I have no doubt that they are competent. They expect, Mr. Minister, you to provide some solutions to which they can say yea or nay.

Mr. Minister, my question is: when are we going to see something and when are you going to stop avoiding the problem, which I think is what you've been doing?

**An Hon. Member:** — Farmer Ned.

**Mr. Shillington:** — When you say to them . . . Well someone, I think it's the farmer from Albert South, accuses me of not being a farmer. I say to the member from Regina South . . . Well I see everybody is pointing fingers at everybody else and nobody claims to have made the remark. Let me say to all of the members opposite that agriculture in this province is of such importance that I think all members should take an interest in it. This is something that goes a little beyond some of the smaller industries.

(2045)

And I make no apology for getting into the Agriculture estimates while admitting that I have not lived on a farm for a very long period of time and don't have an intimate knowledge of it. I do have some smattering of an idea, I say to the member from Albert South, as to how important the industry is.

To get back to the Premier, I think you owe us some idea of when you think you're going to quit avoiding the problem and start dealing with it.

**Hon. Mr. Devine:** — Mr. Chairman, I was just reminded, and for the hon. member, that if you were going to plan on, as if you suggest, moving cattle into northern Saskatchewan, if you took it into the area of Shellbrook-Torch River, into the bush, you'd find there's still a foot of snow. The grass is not growing in northern Saskatchewan, and it doesn't in April, okay, and it hasn't for a long, long time.

So what the farmers were saying to us, and the ranchers . . . I mean, clearly this is just a little bit too early to talk about taking the cows and moving them all north. It hasn't even begun to grow grass in northern Saskatchewan where you know you may have excess bush and unfenced area and so forth. I mean it's just . . . the timing is . . . all they want to know is that will we provide assistance in finding water? We said yes. Will we provide assistance in pumping water and drilling? Yes, we will. Will there be assistance when the time is right to either move feed or move cattle? We said, you bet there will be. They said, that's all we want to know. But don't encourage people to either sell off or to move up North or do a whole bunch of things on April 28 because it's not the time.

What Alberta did, and I think they might have got you a little excited, they caught up to us. They've got a program that is very similar to us; they don't even have a water corporation, as far as I know; they don't have the capacity in the programs that we do. But I am sure you would acknowledge that in the past when there was drought problems or flooding problems or snow problems or frost problems with the livestock industry, we have been there every time, and believe me, we'll be there this spring with assistance for farmers and ranchers in southern Saskatchewan if it continues to stay dry.

**Mr. Shillington:** — Well, Mr. Premier, you may or may not have been there every time. You have been there in a very tardy way every time.

Mr. Premier, I can't believe that when the problem has been apparent for at least six weeks — and it is at least six weeks since everybody knew that there was going to be a major problem, once the snow disappeared the frost went out of the ground — it was apparent to everyone it was going to take a really major amount of rain to fill up those dug-outs and sloughs. Mr. Premier, when it has been reasonably apparent for six weeks, it's difficult to believe you don't have some idea of what you're going to do.

When we ask you for more specifics as the time and program, you dash off into the safety of what you believe is a weak side of a larger question, and that is moving cattle. You seem to think that that's too early.

Mr. Premier, I'd ask you to stop dashing off into the safety of that, and deal with the more general question of when you're going to stop avoiding the problem and provide some programs and give us some idea — although you may not be able to flesh it out in detail, give us some idea of what you think the program would look like.

**Hon. Mr. Devine:** — I can only say to the hon. member, we talked to the livestock people in municipalities today, and they recommended that we pay farmers. So if you want to know what it looks like, any information or cash that we're going to do will be to the farm family as opposed to either those that are selling feed or trucking cattle or anything else. Let the farm family decide. That's what will happen; that will be the nature of the program, and they know that. They've gone home to tell their friends and neighbours and the municipal councillors and others that that will be the program. We've got drilling incentives out there now so that they will pick up



half the costs. We'll continue to do that in co-operation with the federal government.

We just don't want to get people too excited about thinking about moving all the cattle north because you can't take tens of thousands of head and find space for them. And as I just mentioned, it's just way too early, it's just way too early to think moving them any place up north.

I could add . . . I was just reminded that because of the mild winter, there are less cattle in the feedlots because they wintered well and they've made the market. There will be capacity in feedlots across southern Saskatchewan to provide feed for cow-calf pairs this spring. And in many cases with the feedlot, I'm sure, as you know, there's a good water supply, so you may find the capacity there in many cases for the cow-calf operation as opposed to trucking them up north or something else.

But all those alternatives were presented to us, but the farmers said to us, and the municipal councillors, design the program for the farmer so he can have the cash. I said, that's the way we're going to do it. The only question you have left is: how much? And we will obviously assess the amount of help that will be needed and we'll be announcing that at the appropriate time.

**Mr. Shillington:** — Mr. Premier, you apparently don't want to tell me when. Whenever I ask you when you think you're going to quit dilly-dallying around, you give us yet another song and dance about how it's too early to move tens of thousands of cattle north. I frankly don't know whether it is or it isn't.

I tell you, Mr. Premier, that it's not too early to be announcing some programs with respect to some parts of the problem. Mr. Premier, I would ask you to deal with the question of when. I've got a very clear understanding that it's your understanding that it's too early to ship every cow north. Not yet. I thank the Premier for that, although I didn't ask that.

I wonder, Mr. Premier, if you want to answer the question as to when and in what time frame you think you're going to provide something a little more specific for the farmers.

**Hon. Mr. Devine:** — Mr. Chairman, I've said to the hon. member, I believe five times now, the farmers met with our people today and they recommended not to announce a program to move cattle. Now what are the alternatives? The alternatives are to move the feed or to drill for water; I mean, that's all that's left. Right? We are providing the incentives now to drill for water and people are finding it so they can keep their cattle at home. And secondly, we will provide them with financial assistance for feed or for moving cattle when they choose, and they know that.

Now all that's left is the date that I'm going to say, here's the financial assistance. That's all that's left. What they advised me is: don't get them excited about moving a bunch of cattle or feed right now when it just frankly isn't the time. And that's all I can share with you. I respect their view.

I can say to you, there will be an announcement. It will be cash to the farmer so he can decide what he wants to do. That's what will be the case, and I can only say that, out of respect for the municipal councillors and the livestock organizations and others, that's what they recommend. We will be prepared to announce it at any time, to say: this will be for the farmers and they can choose what best to do. And obviously, I will advise my hon. friend once more, it's too early to move cows to the north part of Saskatchewan . . .

**An Hon. Member:** — . . . to move cows to the north part of Saskatchewan.

**Hon. Mr. Devine:** — That's right.

**Mr. Shillington:** — Mr. Chairman, if the Premier . . . I want to make an offer to the Premier: if he has to leave for any reason, I can give his answer. So I'll . . . Mr. Premier, I want you to know you're free to leave for a period of time unless you have a new answer because I can give the one I've heard 10 times during the last half hour.

Mr. Premier, I just have one more question. Can you give us your assurance that you won't set up the horrendous bureaucracy that you — in which it takes months and months to get payments — that you've set up with respect to crop insurance in the past, that you've set up with respect to the gas tax receipts?

Can you give us your assurance that it'll be simple and straightforward, and if they have to mail receipts for payments for trucking hay or digging for water, drilling for water, that they'll get their money back within a reasonable period of time, they won't have to wait for months and months while you sort out a zillion documents, which is what you've done with crop insurance in the past and it's what you've done with the gas receipts?

**Hon. Mr. Devine:** — Mr. Chairman, the hon. member can't have it both ways. He says the water programs and incentives have been in there for years. And you know what the applications are to PFRA and to the water corporation for your assistance. We've provided assistance before, and people send in their forms and say, this is the number of cattle; I want a cash advance, or I want this program or that program. And we process it; sometimes we pay it at the point immediately, and other times we'll pay it 6 months later when we find out how many cattle are moved and how much water is needed and how much feed and the extent of the problem.

So it hasn't been a bureaucratic problem. The farmers have applied; they know that they can get it. If you're right — and you said that, you know, the programs have been there for some time in terms of drilling — well, they apply.

**An Hon. Member:** — Crop insurance.

**Hon. Mr. Devine:** — Crop insurance. We have made many modifications to crop insurance at the recommendation of farmers. And then they . . . (inaudible interjection) . . . well of course it's a plus. They appreciate those changes. Now we've got a better crop insurance.

We now have a larger coverage. I mean, I'm sure you went through the estimates with the minister from crop insurance. But it's very well received; it's a huge corporation; it's doing a good job, and we continue to make modifications in terms of all kinds of programs like that.

**Mr. Rolfes:** — Mr. Chairman, I appreciate the opportunity to participate in the agricultural estimates, and I want to say from the outset that I consider myself as much a farmer, from 2802 Calder Avenue in Saskatoon, as the Premier from Albert Avenue. The only difference is, Mr. Premier, that I am a little bit older and you have a permit book . . . (inaudible interjection) . . . and I am wiser. And I am wiser.

I want to tell the Premier that I gave up my permit book a few years ago because I wasn't actively participating in farming any more. So that's the only difference. My roots Mr. Premier, are ingrained in rural Saskatchewan, as you probably well know. I have a number of brothers who are farming; I have a number of brothers-in-law who are farming; my father-in-law farms. And I think they're pretty good farmers, but they find themselves in a real crisis at this particular time.

I want to say to the Premier that I recognize that part of this is due to international, and there is no controls that we in Canada or on a national-provincial level can have any effect. However, Mr. Premier, I would like to have, if I could, some straight answers from you. And I'm dead serious on this. There are many farmers in Saskatchewan, and I have personal knowledge of it, who simply will not survive this year, through no fault of their own. The problem started, certainly, in the last four or five years, and they were certainly because wheat went down to \$2 a bushel and yes, the future looked bright and they expanded and got caught.

These farmers . . . I was talking to one the other day, a very close friend of mine, who simply hasn't got the money, the operating funds, to put in his crop this spring. He can't put it in. He doesn't have the funds. Credit unions won't lend him the money. The banks won't give him the money. And this young farmer, who is 27 year old, unless a personal friend comes through for him, will probably lose his farm. He has two young children. His debt is, I think, around 150 to \$200,000 and he simply cannot make a go of it.

I'm asking you, Mr. Premier, Mr. Minister, isn't there something that the provincial government can do, that you can do under your leadership to help these kinds of farmers. Now there are lots of them like that, lots of them. I'm sure you know as many as I do who are in the same position. I think that's what my colleagues were trying to drive at this afternoon. And I listened to the debates 95 per cent of the time. I was in this House listening.

And all I want from you is, very succinctly, isn't there something that you and this province can do for those farmers who will find themselves in the position where they no longer will be farming after this spring unless someone comes to their rescue now? The banks and credit unions won't. And they won't because the debt that they have accumulated over the years is now worth more

than the land they own.

And I think you alluded to that this afternoon. But that's the problem that we have, and that's the problem that we've got to address. And I'm asking you right now: isn't there something that you could come up with for those farmers? It may not take all that much money to do it. And I know, Mr. Minister, that the funds are limited. But surely, surely to goodness we have some money in the treasury that we can use to apply to those farmers now so that they can at least, in the next two or three weeks, put in their crops.

**Hon. Mr. Devine:** — Well two observations from the hon. member . . . to the hon. member. If his relative or his friend wants to write me as the Minister of Agriculture and go to counselling assistance, they can get up to \$100,000 guaranteed loans. And we're helping all kinds of young farmers through counselling assistance. And with The Farm Land Security Act in, and other things, we can protect them, we can look after them, we can do much. And it's a council of peers, fellow farmers, that sits around there and they say, well now, young fellow, if you do this and this, we'll help you and we'll . . . The government backs up their loans, and we've done that for thousands of people. That's why we set it up.

So send that young fellow in to us, and say, young fellow, tell us about your problem. The counselling and assistance people sit down there, and they know agriculture; they know his situation; they've seen many people through it, and they can guarantee tens of thousands of operating dollars, of operating money to him so that he can service his debt with the credit union or whoever he has it for. I mean, that's what it's set up to do. That's what it's set up to do.

(2100)

Now I come back to you, and I ask you very sincerely, and you felt some compassion for those people. All right. Do you feel compassion for Steve Daskosh?

**An Hon. Member:** — Let's not get on to that.

**Hon. Mr. Devine:** — Well I'm asking you? He needs \$100,000, and I ask you, do you know his family? Do you know his children? I ask you because this is a farmer, this is a real person, somebody's relative. And I ask you . . .

Counselling assistance is available, and what bothers me about you standing up and looking compassionately is that you will turn your back on people like this. That's what bothers me. Why wouldn't it bother other people? I mean, here we have you and your friends foreclosing on this farmer and you're standing up and pleading for another one. That's what people need to know. They need to know.

I'm asking you, how do you feel? How do you feel about this farmer at Albertville? NDP lawyers foreclosed on this farmer, and he needed \$100,000. And you stand up there and say, well could you help. Well of course we help farmers, and the counselling assistance is available. But don't you plead just for one set and then turn around and have your leader foreclose on others. People in this

province will find that out, I'll say that to you. So don't stand and tell . . . And the reason that this young farmer is in trouble to start with is because when interest rates were 20 per cent, he never got a dime from somebody that was in government. That's what caused the problem.

Now, I will never, ever forgive the NDP for not helping farmers when interest rates were 20 per cent because it put so many of us out of business. And you know that. And then you stand there and you plead and you say, well, can you help me. We set up all kinds of programs. You send that man to the counselling assistance and we'll help. But I remind you, Steve Daskosh from Albertville is a farmer who needed some help. And what he got was foreclosure action from an NDP law firm. And he is pretty upset, and I read it in the legislature this afternoon, and I will read it every day to remind people that that's the kind of thing when you're asking for help.

So, Mr. Chairman, these are farmers — these are young farmers that need help. They don't need to be foreclosed on. That's why we set up counselling assistance and, Mr. Chairman, we will continue to help them. That's why we provide the assistance — because we care.

**Mr. Rolfes:** — Mr. Chairman, Mr. Chairman. Mr. Chairman, I want to ask a few more questions . . . (inaudible interjection) . . . I simply am not going to, simply not going to get into that. Mr. Chairman, I want to simply tell the Premier, I want to tell the Premier that this young farmer, Mr. Premier, wasn't farming in 1971. This young farmer started farming in about 1973 or 1974.

Now I'm waiting for the member from Lloydminster to . . . As soon as the Minister of Agriculture takes an interest in his agriculture estimates again, we will get on with the *Estimates*. But, Mr. Premier, I'm not going to get into that debate with you on foreclosures, because there is simply . . . it won't help any particular farmers.

Mr. Premier, the farmer that I was talking about was not farming in 1974-75. He took out a loan under your government and purchased the land, and he simply has been unable to pay that. And I'm not blaming you for the loan. You never heard me accuse you of that. I was very sincere in asking you for some assistance and you turn around become totally political — partisan politics in this when I'm trying to get some answers from you as a responsible Minister of Agriculture.

You can do all the fighting you want and the partisan politics with your lawyers. It doesn't bother me a bit. I, first of all, don't believe one word of what you are saying, and I don't think most of the farmers, and the people in this province have a hard time believing what you are saying. Because you have dealt in half truths one too many times, Mr. Premier, one too many times.

Mr. Premier, the debt that the farmers have incurred — and our critic has been talking about that — the debt, and you yourself have admitted it, has gone from 1.2 billion in 1971 to 5.7 billion. And I said it wasn't totally the province's fault. It's an international problem and I recognize that. And I recognize that you and the Prime Minister of Canada have done something to try and resolve this problem. But the problem has simply been

exacerbated. The problem is worse today than it was six years ago, much, much worse, and you've got to address that.

There are farmers, and there are hundreds of farmers who will simply not be able to put in their crop because they haven't got the operating funds to do it. And all I asked to do is to tell me, do you have some programs in existence that will help these farmers whose equity in their farms has decreased?

**An Hon. Member:** — And they would have had a lot more money in their pockets if you'd have done something with high interest rates.

**Mr. Rolfes:** — Well, there is the member from Lloydminster who is simply the expert on everything. Mr. Member, you should . . .

**An Hon. Member:** — Ask your brother-in-law.

**Mr. Rolfes:** — Mr. Minister . . . Yes . . .

**An Hon. Member:** — The brother-in-laws you're talking about; they don't even support you.

**Mr. Rolfes:** — Mr. Chairman, the member from Cut Knife-Lloydminster is such an expert in everything.

**An Hon. Member:** — Your brother-in-laws are related to me, and they don't even support you.

**Mr. Rolfes:** — Well you could say whatever you wish. See, that's all that you guys are interested in, is in partisan politics.

But let me just put it this way. Mr. Chairman . . . the member from Cut Knife-Lloydminster, the only sad thing about him is I've known that guy for about 20 or 25 years, and yet I have to find at any one time that he makes any sense on anything or could even . . . or begin to understand anything about anything.

Mr. Chairman, Mr. Chairman . . . (inaudible interjection) . . . Yes, for not too long. Wait till next Tuesday or next Wednesday.

Mr. Chairman, I want to ask the Premier again: Mr. Premier, the debt that the farmers are facing in this province is astronomical. And I think the agriculture critic was very sincere when he asked you, isn't there something that can be done in restructuring this debt. There is no relief coming in the next two or three years. International prices, if you read the economics, agricultural economics, there is going to be no relief in the next two or three years. So we have to confront the problem right here in Saskatchewan, here in Canada. that means that that debt has to be restructured. That debt has to be restructured.

And what we're asking you today is, isn't there something in the interim that you can do; first of all, to help those farmers for operating funds; secondly, to help the farmers in the next year or two so that they can survive in restructuring that debt.

Is there any possibility that you can, in the next year or two, in the next six months, make an announcement that you will say to farmers, yes, we are going to help you restructure that debt because we also recognize that on an international scene we are not going to have any major changes, and therefore, in order to save the farmers, I am going to go to bat for you. And as you said some time ago, I will open the treasury and I will help you. Isn't there something that you can do in the next six months to help these farmers?

**Hon. Mr. Devine:** — Well, Mr. Chairman, we are, and it's ongoing every day. The counselling assistance can — and I'll advise the hon. member — consolidate debt as well and help people restructure with their peers watching them, provide the operating money so that they can make their payments. It's a combination of things that would help, and I would just encourage the hon. member to invite anybody that may be in some difficulty to come to counselling assistance.

We've done the extension of the production loan program to cut the payments in half, and he's aware that it's over 10 years at a fixed interest rate; continue to have deficiency payments which is cash; continue to have zero-rate interest for the livestock industry — all those programs, plus ongoing assistance that can provide for all kinds of various unique situations.

So we are restructuring on a daily basis, and we are counselling, we are providing the assistance and providing the cash and, indeed, Mr. Chairman, we're providing the guarantees, government-backed guarantees for these young people so that they can go back into the farming business so that they can make their payments and carry on through this particular period of time.

So I just say to the hon. member, they appreciate the interest rate help and the counselling and the guidance. They have often said to me, I mean, my gosh, how awful it would be if we hadn't had any interest rate help. And that's the way it was going. And you understand that they wanted help; they got it; they appreciate it.

It's difficult; almost half their income now comes from government. And we are continuing to provide more counselling, more guarantees, more restructuring. Every day it's going on, and it's a massive program of restructuring that takes place day after day in the province. And we have the money to back it up. We have put the treasury right at stake — billions of dollars. You're aware of that. We've extended it over a longer period of time. We've cut their payments by up to 200-and-some million dollars this year that farmers would not have to pay just on their production loan itself. So that's a lot of money, a lot of backing, a lot of guarantees — plus cash they don't have to pay back in deficiencies.

So we'll continue. We meet every week with farm groups to find out other things that we can do to help them.

**Mr. Rolfes:** — Mr. Chairman, and Mr. Minister, you can talk in circles all you want. You simply are not wanting to address the restructuring of the long-term debt for farmers, which is absolutely essential if you're going to

stop the farmers from leaving their land.

Mr. Premier, you talk about not having sufficient money. I simply want to ask you this: do you think it is fair that the public should subsidize out of public funds?

People who have outside income of 65 and 70 and 80 and \$90,000 a year, to subsidize the amount of public funds when we have thousand of farmers out there who simply can't make a go of it. That is what's wrong with your program, the loan production program; you gave it to everyone; there were lots of people who simply didn't need it. As the one farmer said on a radio show, he had invested it in Principal Trust. And he said, Mr. Premier, well, the money is gone. Now you try and get it. He obviously didn't need it.

And what I'm saying to you is, I think that simply there's something wrong with your program when you are subsidizing people who are not actively farming, who made most of their money from outside income. You are supporting those out of public funds, and yet we don't have sufficient money to help those farmers who are in desperate need and will lose their farms because you say there isn't sufficient money and you won't address the problem of long-term debt.

**Hon. Mr. Devine:** — Mr. Chairman, with respect to the universal program, we've had universal programs in the province for a long time. The cash advance system at the elevator is for every farmer regardless of their income. They've been able to go to the elevator . . . (inaudible interjection) . . . They get zero interest, so that protection goes . . . zero interest that can last for months goes to the wealthy, goes to the wealthy farmers, it goes to those that have little income, it goes to all of them. And he's saying now that he's against this universal program. He's against the cash advance at the wheat board . . .

**An Hon. Member:** — I'm not saying that.

**Hon. Mr. Devine:** — Well all right, then tell me . . . That's a universal program for people of all incomes; they can go get a subsidy on their interest rates, that's what they can get.

The production loan program is for all those that want to apply. I didn't force them to apply, and they get a subsidy on their interest rates, that's all it is. At the elevator you get the same thing. The cash advance for farmers is the same thing.

You have not done your homework or you'd be against universality in health care and in education and in cash advances and the elevator system and the wheat board. The member from Quill Lakes — and I have been into this many times — those universal programs are well appreciated. That's why we've designed them that way.

Well, if the problem is because of the cash advances that are universal at the wheat board level, then I think the NDP better stand up and say they don't think that all farmers should get cash advance. Production loan is just a cash advances. You have got to pay it back at 6 per cent — at 6 per cent. And all we said is that you apply; if you'd like to have it, we'll help you. And it's for everybody.

(2115)

I have been through this argument many times with the NDP. They like universal programs when they're in power, but they don't like universal programs when they're not. I would say the production loan program, like the cash advance for the livestock, like the cash advance for the elevators, when you go into your elevator, that's for everybody. Those that don't need it usually don't apply. Some will take that money out for months, and they have for the elevator company and the wheat board. They've stuck it in the bank for 6 months. When they haul their grain back in, they can then pay it back and they've made that money. It's been going on for years. Do you know why? Because nobody figured they were smart enough to pick between that farmer and that one and that one and draw the line around the community and say these people can do this, but these people can't.

Now, you know that. You know that. You've picked . . . You tell me and you pick the farmers that are not entitled to participate in a cash advance mechanism. You tell me how you'd pick that, and I'd be glad to sit down and talk with you how we'd design that this farmer couldn't, this area couldn't, this farmer can't have cash advance and that one can. That gets pretty difficult, and I'm sure that you would acknowledge that.

So when you're picking the farmers, you want to make sure that you're fair. And what we've done is we've said, look, cash advance works at the elevator system, it works for the livestock industry and they like it. It worked for production loan. It works in education and it works in health care. Let's stay with universality because it's the fairest way to do it. Those that don't need it won't apply. Most of them, those that do, can. And the money, most of the money goes to the people in need. So the principle is well received in the province of Saskatchewan.

**Mr. Rolfes:** — Mr. Chairman, Mr. Premier, I want to ask you a personal question. Do you believe that it is fair for the loan production program to . . . production loan program . . . that it should give the Premier of this province subsidized loans? Now this is nothing new because you admitted that you had taken out the nine and three-quarters publicly, so everybody knows that you took out a loan, and I think that you'd admitted that. Do you think that it is fair for someone that is not an active farmer, like yourself, who . . . I assume you consider yourself a full-time Premier of this province and a full-time Agriculture minister, and therefore you will have no time to do active farming. Do you think that that is fair for the people out there to subsidize you — with an outside income, I would assume, of 75 or \$80,000 or more — that they should subsidize an individual like yourself when there are farmers out there who are going to be losing their farm because you say you can't help them now, this spring, because you don't have any money?

That's my problem that I have with your program. I don't think that I should have qualified for that production loan program. I don't think I needed it, and I don't think, Mr. Premier, that you are in such financial straits that you would have need it. And that money . . . And I don't

know how many others there were. I'm sure there were thousands of others in this province, like you, like myself. I didn't qualify because a few years ago I gave up my permit book, but if I would have had my permit book, I would have qualified, no questions asked. That's fine if you have unlimited moneys, but when you have limited funds and you say to the farmer that's going out of business, I can't help you because I don't have any more money, and yet are quite prepared to help those who don't need the money, who have another source of income and who work full-time at another job, do you think that that is being fair to those farmers who are now in financial straits? I don't think it is. That's why I have an objection to your program, and I'd like to you to comment on that.

**Hon. Mr. Devine:** — Well, Mr. Chairman, I'll be glad to comment on it because the hon. member has now made the argument, and he continues to and his colleagues do, that you cannot have a universal program for somebody that makes over 60,000 or 80,000 or 100,000 or \$200,000 . . . (inaudible interjection) . . . Well, that's what you just said. You said if somebody is making income in excess of whatever the number, 50,000 or 100,000, you can't have a universal program because if you do you're taking money away from those who are lower income and you should be using it. Now if that principle applies to farmers, it applies to health care.

Now you used to be the minister of Health. You're telling me now that we can't subsidize, have a universal health care program. If somebody downtown, somebody sitting in the gallery, is making \$100,000, therefore they should pay for health so we have more money for the people who don't have that income. Is that what you're saying? Well it's the same principle. You have made the point that anybody that has income can't have universal programs because you use all that money for the wealthy and you don't have the money for the poor. Now you've said that.

You said that principle applies in agriculture. You'd say, does it apply to education? Should those that have higher and higher incomes pay more for education in the public education system? Is that what you're saying?

**An Hon. Member:** — Extra tuition.

**Hon. Mr. Devine:** — Extra tuition for people who are above 50,000 or 60,000 or 70,000. You obviously haven't thought through this, have you?

**An Hon. Member:** — But you have no logic to . . . (inaudible) . . .

**Hon. Mr. Devine:** — The logic is perfectly clear; either you're for universal program or you're against it. Okay? Now you are obviously in your heart of hearts against universality because you said in agriculture, if you make over 60,000, you shouldn't be able to apply for the cash advance at the wheat board or production loan program.

Now that's a universal program. So you would start to pick farmers and pick people in health or in education and say, rule them out, rule them out, they can't have any money. So they come back and say, all right you want to have no universal program; fair enough. I have, as any

other farmer that farms, a permit book and I farm the land. And you're saying that somebody that does that, or has off-farm income because their wife worked, or they work in a coal mine, or they work in an oil patch, or they have work after work, they do extra trucking, that they could no longer qualify because they have a permit book.

Well I will say to the hon. member, he does not think it's fair that universal programs are fair. He doesn't say. And he says this isn't a good way to help the low income farmers. I will again remind the individual, the universal programs in this province are a lot fairer — okay? — are a lot fairer than the Leader of the NDP and his little law firm foreclosing on farmers no matter what their income. That's not decent. It's not fair. And people in this province should know that. It's not fair. You want to talk about fairness; you're against universality, and then you come back in and say the NDP law firm from the Leader of the NDP can come out there and foreclose on people, but that's perfectly fair.

Well I mean I don't know how many times that . . . We provide universal programs in agriculture and health care and education and we're going to continue to do that. That's a policy because we believe in it. Secondly, we don't think that people are too proud of the new NDP leader and his law firm foreclosing on farmers to make a living. And the whole public should be aware of that. And if you think that's the answer, you talk to people he has foreclosed on, and they're a little bit upset to say the least. And they're not just farmers, it's home owners as well.

So when you're talking about redoing programs, if that's the man that's going to be premier, a lot of folks in this province are going to be awfully worried about how they're going to treat their homes, how he's going to be treating their farms, how he's going to treating their businesses, because they'll remember, at 20 per cent interest rates there wasn't a dime. They'll also remember that when he didn't have a living in the legislature, he was out there making a living on them. That isn't fair. It isn't principled. And a lot of people in this province are going to . . . in fact, people across the county know it.

**Mr. Rolfes:** — Mr. Chairman, me thinks the man protests too much. You know all afternoon, how many times has he referred to our leader? He is really worried about our leader because he knows he's popular out there, he knows what the polls are saying, and he just can't get him off his mind because he knows that by 1990 or 1991 our leader will be sitting there, and you will be out. That's why you're so concerned — that's why you're so concerned, that's why you're so concerned.

**Some Hon. Members:** — Hear, Hear!

**Mr. Rolfes:** — You couldn't care about the other problem; you're concerned about your own skin over there. That's what you're concerned about. And, Mr. Premier, you have been too untruthful, half truths too much, too long, and people just won't believe you. Just like last year when you . . . Ten days before the budget came in, you made a nice little speech in Saskatoon saying that the deficit would be over \$1 billion. Ten days later, when you knew the budget had already been

finished, everything was finished, the Minister of Finance comes in here and says the deficit will be \$577 million. You said over a billion dollars 10 days before — 10 days before. I'll say to the Premier, it's time that you were honest with the people of this province.

And when you say that you are for universal program, why didn't you apply that to the senior citizens? If you were so sure of your universal program, why, when you give the heritage grant, do you give a means test to senior citizens?

When I was in Eastview the other day doing a little bit campaigning, a lady said, no way would she vote for you, for the simple reason that you had put her on a means test. And she regrets the fact that here you are at the public trough making 65 or \$70,000 as the Premier of this province, and yet you are quite willing to ask her to subsidize you in the production loan program. Mr. Premier, I'm saying to you: if you don't have the money for the senior citizens, why then do you expect the senior citizens to subsidize you when you're already making 75 and \$80,000 on money not related to agriculture?

Mr. Premier, as I indicated at the outset, you know, you are a farmer because you have a permit book, but you're not an active farmer. You can't grow wheat on Albert Street. And the little time that you have to go out on the farm there doesn't make you an active farmer. And if it means, Mr. Chairman, that the Premier has a permit book so that he can be subsidized by senior citizens, there are going to be a lot of senior citizens out there who are going to be dissatisfied with that kind of a program.

I say to you, Mr. Premier, if you don't have money for those young farmers who are going out of business this spring because they haven't got the operating funds, and you think that they should subsidize you, you're badly mistaken. That's one thing that they won't forget.

I ask you again, Mr. Premier: when are you going to come to grips with the long-term debt of this province that is facing the farmers and restructure it and help those farmers? But I know, Mr. Premier, you're not going to address that problem. You haven't all afternoon. All you want to do is try and make some partisan politics here, and it's just impossible to ask you any more. I hope you don't even answer, because it won't relate to the problem.

**Mr. Kowalsky:** — Mr. Minister, I want to ask you a couple of questions related to the Saskatchewan Council for International Co-operation, which refers also to — and if I go back to the budget statement here — refers to item 20 from the Agriculture ordinary expenditures.

Now in these expenditures here you budget . . .

**Mr. Chairman:** — Order. Order. I'd ask members to please refrain from chirping across the floor. It's difficult to hear the member from Prince Albert.

**Mr. Kowalsky:** — Thank you, Mr. Chairman. In your matching grants for international aid you've allotted \$850,000. Now when we look at this, this money as being spent by non-governmental organizations on

behalf of the government. I understand most of it's spent . . . I believe all of it is spent in terms of matching grants. When we look at what we do for the world here in Saskatchewan — and Saskatchewan, when you look at the entire global scene, is in a relatively good position economically, relative to many other places in the world . . . And we help out in many ways. We help the rest of the world as a trading partner. We help many with our trade in many parts of Europe, Germany, Great Britain, France, and Japan and the U.S.A.

Of course all of that is working fine for us. But there is a certain part of the world that needs help considerably, and I think we should be putting some effort into that. I'm talking specifically about the Third World. Now the kind of help that we can do best to the Third World, I think, is the kind that is being done by the non-governmental organizations through something like matching grants for international aid.

Now these folks that do this volunteer work — and I'm saying it's the best work because if you go abroad and people ask you where you come from and they ask you whether you're an American or whether you're Canadian and you tell them you're a Canadian, they will quickly, in Europe at least or in Africa where I've been, they'll quickly smile at you and say, well I'm glad to meet you, and I've heard a lot about Canada. And a lot of the stuff that they've heard about Canada has come through these non-governmental organizations, particularly people in the Third World — non-governmental organizations.

Now the people that sponsor, that do this volunteer work for us, have found that they've had their budgets cut over the last two years — increased slightly this year. I acknowledge that. They're wondering what your plans are for the following years, whether there's a reason that you're cutting them back from what they used to get from the provincial government; whether you feel that our missionary purpose should no longer be what it was in the past, and whether they can expect the grants to be restored in the future years, Mr. Premier.

(2130)

**Hon. Mr. Devine:** — We will continue to fund SCIC (Saskatchewan Council for International Co-operation) and the matching grant program, so that in fact we can lever the dollars as far as possible.

One of the things that we can do as well is to make sure that the receiving countries, and I understand that's the case now, are correspondingly raising the prices for the farmers in those countries to encourage food, and in many of them we found that that was not the case, and in fact there was a discouragement.

So we find in Ethiopia, I believe, as an example, that they are now paying farmers more to encourage that incentive package. And so we will be glad to continue to support SCIC, to make sure that good agricultural projects and food projects are in the mill. We want to avoid the money going into any kind of political organization. You know, I mean, you're sending money into Ethiopia as you know with a very radical government — extremely radical — that will spend tens of millions of dollars celebrating its

anniversary while people are starving.

We still send money there, but we're asking the government and putting some rules on it to say please start raising the prices to farmers to be fair to them. And even though they have their Marxist philosophy, we've overlooked that, to a large extent, so we'll help people because they need help.

I would also add that, with respect to helping developing countries, if we would reduce the tariffs between countries so that people in developing countries can sell their produce to the developed countries and make money, then they'll have more income and they'll do better. The best thing that we could do for a developing country is trade with them to provide access to real dollars that they can use because they can grow various kinds of products or other things, and provide goods and services to us and we can help pay well for them.

So as I mentioned to the 1,100 students that were here in the mock model U.N. the other night, I said that we should have nuclear peace and we should have trade peace, because the number one thing that we could do to improve the prosperity of developing countries is trade with them, without hassle, without tariff, and without subsidy. And that would be good for a lot of their families, a lot of their people, and frankly, would lead to them feeding themselves, as opposed to us applying sanctions and not trading with them and the tariffs and the kinds of things that have got us into the trouble over decades and decades in the past.

**Mr. Kowalsky:** — Mr. Premier, I think you'll understand that the reason that we can't trade with many of the African countries is not because we put up trade barriers against them but simply because they can't afford to buy it . . . buy our goods.

Now the question that people from the SCIC would like to know is whether or not that \$50,000 that was added to last year's budget, whether that's allocated specifically for a matching emergency fund as one of their recommendations, or whether that's just an increase in the funding to be added to the matching grant program?

**Hon. Mr. Devine:** — It's to follow their recommendation, and we agreed with them that it was a very good recommendation, that in case of emergencies, if we've got funds sitting there available, they can just go right into wherever there has been an earthquake or whatever it is, you could do a lot good, rather than applying for money or going through forms. The money is there. It can be allocated very quickly, and within hours you could have money, blankets, food or other expenditures, airplanes, to deal with emergencies. We thought it was a good idea, and we provided the accommodation.

**Mr. Kowalsky:** — Thank you for that clarification. My last question was with respect to the placement of the matching grants for international aid which has been with the Department of Agriculture for some times. Is there any consideration on your part to moving it from the Department of Agriculture to some other department, say, the department of intergovernmental affairs? Reason being is that it's a pretty small, little thing, and it's an item

that gets sort of buried in the Agriculture department because Agriculture permeates the entire province mostly nowadays with other problems. The people in the organizations feel that they might get a slightly more equal or perhaps a greater focus and a greater emphasis if they were put into another department.

**Hon. Mr. Devine:** — Well I listened to their request and I said I would consider it, but I am not convinced yet that it isn't a food agricultural aid program that doesn't belong in Agriculture.

When you move it into intergovernmental affairs, it competes with language issues, constitutional issues, jurisdictional issues internationally, and you get into all kinds of wrangling. And if you wanted it buried. I mean that would be the place, frankly, to put it because you'd run into all kinds of the first ministers stuff in the international things .

In Agriculture it has a priority, and it's there and we deal with it, and because it deals with food and agriculture as it should, I think, you know, it fits with the other programs we've had, and in some case we've provided 25,000 metric tonnes of aid to Ethiopia and we're glad to do it in programs here with the farmers. So you put it into intergovernmental affairs, it will be with an awful lot of other things, and I'm not so sure that it would get the attention that it does right in Agriculture. I've said I would consider it, I will continue to, but so far I'm not convinced that isn't in the right place.

**Mr. Upshall:** — Thank you, Mr. Chairman. Mr. Minister, I would like to ask you one more question regarding ACS and FCC. You said that you have a chart in your equity financing program booklet that gives the number of foreclosure actions started from 1981 to 1987. Could you give to me a breakdown of those foreclosures between ACS and FCC for those years? If you don't have it right now, that's fine but I could have it tomorrow morning. Is that possible?

**Hon. Mr. Devine:** — No, it's not possible. You can get from Credit Union Central, if they want to give it to you, what foreclosures they've had; you can get from the Farm Credit Corporation their foreclosures. These are notices of foreclosures that include all institutions, and we've put them together, because once you get into the very specific kinds of information on bank and credit union by credit union, then you get into farm by farm, and I think you can look at the averages and get the same amount of information that you may need.

**Mr. Upshall:** — Mr. Minister, on page 7 of the *Farm Finance for the Future* report by your M.L.A. committee, table 2 says: "Notices of farm land foreclosures in Saskatchewan," and it goes from 1981-82 at 196, to 1987 at 976. Now, Mr. Minister, surely you know how many foreclosure actions ACS has initiated. And surely you know how many foreclosure actions Farm Credit Corporation has initiated. Could you give me, Mr. Minister, could you give me those two numbers, one for ACS and one for FCC (Farm Credit Corporation).

**Hon. Mr. Devine:** — Mr. Chairman, we have asked

consultants to provide us with an overview of the industry so that they can pull it together. I can say that I can't speak for the FCC, and I'm not going to give information from the FCC. You can write the federal government and ask for it.

With respect to other financial institutions, you'll get it from them, not from here. So they are lumped together to protect the confidentiality of the institutions, and I think that's only fair. So you're certainly entitled to write the banks, the Credit Union Central, the FCC and others to ask and see if they will give it. I suspect what they will do is give you the industry picture, as we have.

**Mr. Upshall:** — Well, Mr. Minister, I'm not going to settle for that. I want to know how many foreclosure actions — let's start slowly for you, for your sake — how many foreclosure actions has ACS started or initiated since 1981-82 up until the present time? Do you have that figure?

**Hon. Mr. Devine:** — Well we have information for 1986-87, '87-88. For 1981 to date we can have it perhaps by tomorrow and share it with you.

Loans outstanding as of '87-88, we would have . . . number of notices filed — number of notices with respect to the farm foreclosures: 55 in 1987-88; and for 1986-87 the number of notices filed with the farm land and farm debt boards was 20. So 55 in '87-88, this is for the Agricultural Credit Corporation of Saskatchewan, capital loan programs — 55 notices filed in '87-88 and 20 for '86-87.

**Mr. Upshall:** — And you will supply the '81 to '86 figures per year tomorrow, okay.

Now, Mr. Minister, in your equity financing booklet you have the FCC numbers, so surely you have those numbers. It is as much responsibility upon you to know those numbers, and it's incumbent upon you to let me and the people of this province know those numbers. So you've gathered the numbers in that booklet from FCC; why can't you give them to us today?

**Hon. Mr. Devine:** — I've said to you, I can't give federal numbers and I'm not going to give you. You can apply to the federal government and farm credit. You can write their head office for the number and they'll perhaps give them to you; and the banks and the credit unions will do the same. They are not my responsibility and they may or may not want you to have that information. And then you may ask them in what areas, in what town, in what village, and what farmers; let them decide whether they want to give you that.

You've got here the total so that you know what the trends are. We've provided you some information with respect to the agriculture credit capital loan notices. I recommend that you write the institutions and the Farm Credit Corporation and get that information from them directly as opposed to from this office.

**Mr. Upshall:** — So FCC foreclosure actions are not your responsibility to monitor in this province. Is that what you're saying? I find that hard to believe.



Mr. Minister, I want to change, now, the topic for a moment. You have, throughout this day, told us that you consult with farmers and farm organizations to make sure that your new and fantastic ideas are just A1, so that they all support farmers and keep them on the land and make sure that there's no hardships put upon them. I want to turn for a minute to the situation with regards to the community pastures.

Community pastures, as you well know, had a policy change effective November 1, 1987. Mr. Minister, I'm sure that you must have had some consultation with some people before you changed that policy. Could you just enlighten me as to who you consulted and what basis that . . . what was the reason for changing the policy and what groups that you consulted with?

(2145)

**Hon. Mr. Devine:** — Well, Mr. Chairman, we have traditionally provided about 70 per cent of the bulls in the community pasture — at least up until the last few years — and about 30 per cent have been private. Farmers and ranchers came to us and said: could we put more of our own breeding stock in? Could you have a little more flexibility? So we talked to them across the province and we said, well sure, we can have flexibility. If you want to go as high as 50-50, we could have that as a policy — that we can go to 50-50. So we advised them that that was the case.

For the small operator, some of them were concerned and said, well, what if I don't want to do this and I've only got 20 cows or 25 and I don't want to buy a bull, will you continue to provide the breeding stock? We said we would so that the small operators can still have the government breeding service that is there. We'll go to any combination that the farmer and ranchers want.

In some community pastures in some areas they've got a very aggressive bunch of farmers and ranchers where they've got — they went out and bought very expensive breeding stock and they're doing this to upgrade their herds. In others you've got various combinations of mixed farms and smaller operations, and they want just, you know, the normal government bull and we've provided those. So it's complete flexibility, as I say, that we'll provide the bulls, rest assured, if you want it that way. But if you want to move in with your own breeding program because of particular crosses and hybrids or your various other breeding programs, by all means we'd be glad to accommodate you.

**Mr. Upshall:** — Well, Mr. Minister, the member from Kelvington-Wadena was at a meeting that a number of community pasture patrons organized to come into Regina to talk to me because they were frustrated — they couldn't get any answers out of the government. At that meeting the member from Kelvington-Wadena said no, we didn't consult with the patrons of the community pastures. And you say that you consulted with the people in the programs in the pastures. Could you clarify that little discrepancy for me? Did you consult or did you not?

**Hon. Mr. Devine:** — Well, I mean, I don't take you at

your word, on you describing what goes on at a public meeting. I would say that farmers and ranchers advised us that they wanted more flexibility to use their breeding stock, and we said, by all means. We're at 70-30; if you want to go to 50-50 we'll go for it. And others said, no I don't want to go that far, and we said fine. So some of them now have gone to 50-50, some are 70-30, some are 80-20 — doesn't matter to me.

We'll provide the breeding stock if they like. We'll provide the flexibility for them to use community pastures and their own livestock if they like. It's completely up to them. I mean, if you want to gather some of your friends and say that you don't like the production loan program or you don't like the breeding program or you don't like this or that, I'm sure that you can stand there and make up stories about our agriculture. And you will, you know, continue to do that if you like. But of course we talked to farmers, and we would be glad to be as flexible as possible to provide them with the breeding program that they would like to have.

**Mr. Upshall:** — Well, Mr. Minister, that's not the truth. And you can talk to any one of those 25 or so people who were at that meeting, and they will tell you the same thing. You don't have to believe me, but I hope you believe them. And now, Mr. Minister, I say to you that despite your rhetoric about consultation, you do not consult with those people involved.

There is 53 pastures around this province, and I have had contact . . . people in those pastures contact me and say, look, this is not a good change. You're eliminating the bull program over a period of three or four years, and then you turn around and say that . . . You backed off; you say, well we'll provide bulls if you need them. But, Mr. Minister, where in your policy have you indicated that? Have you changed your policy since November 1, '87? All that we have is your rhetoric.

And you know, once that the farmers get up in arms because you don't talk to them, and they come in to Regina, and they write letters — and I'll give you an example of one right here. This is from the Nokomis provincial community pasture, and I'll just read it; it is very short. It says:

We, the undersigned, have participated in a general meeting of the Nokomis provincial community pasture and have participated in the unanimous passing of the following motion:

Whereas the compensation program has been a source of a profit for the government in recent years, and whereas the breeding program has improved quality of cattle in the livestock industry in Saskatchewan at no significant cost to the government, we, the patrons of Nokomis provincial community pasture, are strongly opposed to the changes in the associated policies for the 1988 grazing season.

Firmly opposed. signed by the patrons of that pasture, Mr. Minister. Another letter from Pleasantdale community pasture, signed by the advisory board.

And I have a list of many, many pastures here who have complained to me and said, look, what can we do about this. You came in, in the fall of 1987 with a new policy, the policy that the majority, the large majority of patrons of those pastures knew nothing about — and they will tell you that, you don't have to believe me — and you stand up in your place in this legislature and you say that the people in the community pastures wanted that change. Now, Mr. Minister, that is complete garbage, and that is why they don't trust you any more.

Mr. Minister, you have said that you were going to supply bulls — correct me if I'm wrong — to any patrons of those pastures who requested them. That is a change from your policy. Mr. Minister, my question is this: are you going to change your policy to reflect that change of attitude that you have had?

**Hon. Mr. Devine:** — Mr. Chairman, our attitude is to provide bulls where they want government bulls and to provide private bulls where they want private bulls. Now if he doesn't believe the people he talks to, let's just count the bulls. Okay? Last year we bought 275 bulls. Last year government bought 275 bulls; this year we bought 92 bulls. What does that tell you? It tells you almost 200 bulls were purchased by farmers and ranchers because they wanted their own breeding stock.

So just count the cows if you don't believe the people. I'll tell you, we bought 275 bulls last year, 92 bulls this year, which tells me that farmers — somebody would like to have their own bulls to the tune of about 200 bulls that they bought themselves. They wanted the flexibility.

So I said, we'll supply the bulls that you like, we'll provide the private sector if you like. Obviously an awful lot of farmers and ranchers figured it was a good idea because they've gone for it. They like it. And what that says to me is that when we talked to farmers, they said, I'd like to have my own bull in the community pasture; we said, fine with us. They're doing it.

Look at the number — look at the number. We bought 275 last year and only had to buy 92 this year. Somebody picked up the slack. Some private bulls are there because certainly the cow numbers are up. So obviously the private sector has picked it up and they're glad to get better breeding stock. They've done that, and where needed we bought bulls. It's exactly what we've been trying to do, Mr. Chairman, is provide the flexibility to the community pastures so that in fact they can feel satisfied that they can have the best program any place in Saskatchewan or any place across Canada.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Premier, during your estimates today, I think any that will have been watching will have been deeply disappointed — tremendously disappointed in your performance, your hedging, your attitude of slandering people, and half-truths instead of dealing with the major problem that is confronting this province.

Mr. Premier, you sent out a group of your MLAs and a road show, and their evidence indicates here, and I want to read it:

That the Farm Credit Corporation estimates that 11 per cent of Saskatchewan farmers are insolvent, while an additional 28 per cent are having considerable cash flow difficulty.

We tried to raise that, Mr. Premier, as a serious crisis that is facing this province and you have refused, absolutely, to address it. And I say to you, Mr. Premier, you do a disservice to your office and as Minister of Agriculture.

Do you realize, Mr. Premier, that last year, in 1987, that the number of notices of land foreclosures increased to 976 — 976 it increased to. And do you know why, Mr. Premier? Because the federal financing corporation for farmers, the Farm Credit Corporation, what they did was to lift the moratorium on foreclosure, and it rose from 358 in '86 to 976. That's what happened.

And, Mr. Premier, you didn't even have the decency to stand on behalf of the farmers of Saskatchewan to make representations to the federal government in this very difficult time, to continue the moratorium of foreclosure, and you allowed it to go forward, and as a result it increased from 358 to 976. And you stand here and you say, I am a friend of the farmer. Well a few farmers are having great difficulty in concurring with that.

In this report also, Mr. Premier, in your own member's report, it indicates that one-third of the farmers currently holding three-quarters of the debt may not have the resources to continue farming. That is the magnitude of the crisis that is before us here today, and you won't even indicate to us in seriousness whether you're prepared to sit down with the federal government, through the Farm Credit Corporation, and participate in a method of restructuring the debt so that farm families can remain farming, because this industry will turn around; this industry will turn around. But I'll tell you, unless we take action today, we're going to lose many of our young farmers.

You know, the Premier stands here and he says, well, what we have to do is deal with the international problem. And you know what is happening today? The United States, which he is saying that we have to enter into a trade arrangement, is breaching that very spirit of the free trade, the Mulroney-Reagan trade deal, because they have gone on many occasions into our markets, highly subsidized sales to India and other places in the country. And this Premier doesn't even have the decency to stand up to the United States or make representation to his friend Brian to come to the aid of the Saskatchewan farmers. As long as there is no agreement — and I know we have to work towards an agreement because massive subsidization by countries will put us into problems. But I'll say, Mr. Chairman, that as long as United States is subsidizing, and as long as the European common market is subsidizing, I say that we have to come to the rescue of farmers in Saskatchewan.

**Some Hon. Members:** — Hear, Hear!

**Mr. Koskie:** — We have no other choice, other than what I anticipate is going to be the . . . We have two choices; we have two choices. We can as a country indicate our support to the agricultural community. We can do that.

We can restructure the debt during this difficult period. And we can continue to subsidize or we can do what the trend is developing by the Tory government in Ottawa and the Tory government here in Saskatchewan.

**Some Hon. Members:** — Hear, Hear!

**Mr. Koskie:** — And obviously the outcome of the policies of these two governments is to see that the erosion of some 33 per cent of our young farmers are in danger of losing their livelihood.

So I say to you, Mr. Premier, it was a disappointing day for the people of Saskatchewan, both rural and urban that have watched you. This is one of the weakest, one of the most disgusting displays of seriousness in addressing an issue of the magnitude that we have before us.

**Some Hon. Members:** — Hear, Hear!

**Mr. Koskie:** — And I say, Mr. Premier, you're going to be before this legislature for some considerable time unless you change your attitude. It is your duty and your obligation to come into this legislature and to deal with the crisis that is before us in a civilized and an intelligent and in a positive manner.

**Some Hon. Members:** — Hear, Hear!

**Mr. Koskie:** — And the best that you could do is sling half-truths and to run at the Leader of the Opposition. Your concern is not the condition of the farming economy. Your concern is what the member from Riversdale is going to do to your political future.

**Some Hon. Members:** — Hear, Hear!

(2200)

**Mr. Koskie:** — That's what we heard today in this legislature, a frightened Premier whose support is eroding across this province unequalled. I'll tell you he came in with a bang, but you wait till the bang you hear when the people of Saskatchewan and rural Saskatchewan turns against this Premier.

**Some Hon. Members:** — Hear, Hear!

**Mr. Koskie:** — And in closing, my final remarks. There's going to be a couple of by-elections which you failed to call for many, many, many, months after his member resigned. And I say to you here tonight, wait and see when the people of Eastview and Elphinstone speak come next Wednesday. It will indicate how popular and how trusted this Premier is. Here is the Premier who promised to maintain the health care of this province. You know what he did when he got elected — he reversed it and he destroyed a program that was needed in rural Saskatchewan. What a shame.

And when he said . . . as I said before, the major problem with this Premier is that he has only one friend, and it happens to be the big corporate outside of Saskatchewan friends, and that's who he's catering to.

Mr. Chairman, I have a considerable amount to say, and I

say to this Premier that he's going to be here until he answers some questions and comes forward with a proposal to protect our young farmer in Saskatchewan.

**Some Hon. Members:** — Hear, Hear!

**Mr. Koskie:** — It being 10 o'clock, Mr. Speaker, I would move that the committee now rise and report progress and ask for leave to sit again.

The committee reported progress.

The Assembly adjourned at 10:04 p.m.