

May 2, 1988

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Mr. Martin: — Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and through you to the members of the House on behalf of my seat mate, Don Toth, who has some urgent business in his constituency this afternoon, to introduce to you and the other members of the House, 31 students from Langbank Kennedy Elementary School in Langbank, Saskatchewan, grades four and five. They're seated up in your gallery.

Mr. Speaker, they are accompanied by their teachers, Jim Golding and Erin McKee. Also chaperons include Lois Toth, Arnold Barsi, Jim Armstrong, Judy Munro, Cathy Muir and Renetta Godfrey.

Would the members please welcome them and I will be pleased to meet with them at 2:30 on the steps for pictures on behalf of my seat mate, Don Toth. Welcome to the House: I hope you enjoy your stay.

Hon. Members: — Hear, hear!

Mr. Trew: — Thank you, Mr. Speaker. It gives me pleasure to introduce to you, and to other members of the Assembly, two people seated in the east gallery. We have people who come fairly regularly to observe the question period proceedings in Mrs. Passmore and her son, Gunnar Passmore. So please join me in welcoming these two guests to the Assembly.

Hon. Members: — Hear, hear!

Mr. Solomon: — Thank you, Mr. Speaker. I'd to introduce to you, and through you to members of this Assembly, three visitors from outside of the province of Saskatchewan seated in your gallery. Mrs. Pam Hrycyk from Toronto and her brother Rob McMahon from Australia, and Mr. McMahon's wife, Iris. There is nothing unusual about visitors from Australia or Toronto in this province, as we all know, but the unusual thing about Mr. McMann and Mrs. Pam Hrycyk from Toronto, is that they are brother and sister and haven't seen each other for over 34 years. So I'd like to ask my colleagues to welcome them here. They're here with their daughter, or at least Pam's daughter, Marg Tustin from Avonhurst, and I would ask all members to welcome them to this Assembly this afternoon.

Hon. Members: — Hear, hear!

ORAL QUESTIONS

Funds for Health Research Board

Ms. Simard: — Thank you, Mr. Speaker. My question is to the Premier, and it's in reference to the provincial budget for the Saskatchewan Health Research Board, which is responsible for supervising provincial health research in Saskatchewan. Mr. Premier, I have here a copy of a letter

addressed to you, from the chairman of the Health Research Board, and it talks about, and I quote:

The extremely serious budget crisis facing the Saskatchewan Health Research Board . . .

The letter goes on and says further:

. . . a budget shortfall so severe as to call into question our continued existence as a separate entity.

Mr. Premier, will you now admit that your health care cut-backs have caused a severe crisis in the area of health research in Saskatchewan?

Hon. Mr. McLeod: — Mr. Speaker, I'm aware of the letter that was sent to the Premier with copies to various of the ministers, myself included. I will just say to the hon. member that we are into, and have been for some time, in discussions with the board . . .

An Hon. Member: — You're right about it being for some time.

Hon. Mr. McLeod: — No, that's true. I mean, with the board members of the Saskatchewan Health Research Board. The facts, Mr. Speaker, are as follows: the Health Research Board in this province over a period of some time has spent approximately \$1 million a year on research, and that would be the indication this year that we would want them to maintain that level of spending, about \$1 million a year. And there was some consideration of them drawing down upon some reserves that they had.

Mr. Speaker, it is our intention, as it is the intention of the Health Research Board because of some contracts that they have either let or contracts which there is an understanding surrounding, that there would be about a million dollars spent this year, and it would be our intention to have that much spent by health research on good health research projects in the province.

Some Hon. Members: — Hear, hear!

Ms. Simard: — Mr. Speaker, a new question to the Minister of Health. Why, if you're intending then to spend a million dollars, Mr. Minister, have you only budgeted 750,000 to the research board? Do you deny, sir, do you deny that in 1984-85 you cut the budget from 750,000 to zero? And do you deny that as soon as your government took office that you eliminated the grant for testing effects of low-level radiation? Do you deny that, Mr. Minister? And why have you only given them 750,000 in a budget if you intend them to spend \$1 million?

Some Hon. Members: — Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the Health Research Board, over a period of time, and on an ongoing basis, will determine the projects with which . . . in which they will undertake . . .

Mr. Speaker: — Order, please. The hon. member is

having some difficulty answering the question. Let's allow him the opportunity to be heard.

Hon. Mr. McLeod: — As I was saying — and I thank you for bringing order to the House, Mr. Speaker — the Health Research Board, on an annual basis and on an ongoing basis, will determine which projects and which areas of health research they will undertake projects. That's the case and that's as it should be.

Mr. Speaker, when I put the number out to the hon. member now, and when I say to all members of the House that the amount of money that we believe will be spent and that should be spent in this fiscal year will be a million dollars, we take into consideration a draw-down on some reserves. Now the Health Research Board has subsequently said to us that that's not an option that they have to extent that we thought it was possible.

Mr. Speaker, we will continue to do that and we will continue to be sure, continue to be sure that about . . . the amount in about the \$1 million range is spent by the Health Research Board on health research projects in this province. And yes, Mr. Speaker, they do some excellent work and have done some excellent work over the past several years.

Some Hon. Members: — Hear, hear!

Ms. Simard: — New question, Mr. Speaker. Your health care cut-backs, Mr. Minister, have reduced the amount and quality of basic health research in Saskatchewan. In its annual report of the Health Research Board of two years ago, of which, incidentally, I understand, Mr. Minister, Dr. Peter Matthews, president of the PC Party and Ms. Toni Davidson, your PC candidate in Saskatoon Eastview, is on the Saskatchewan Health Research Board. In any case the report of the board said two years ago, and I quote from the report:

The first is that Saskatchewan has a seriously underdeveloped health research environment. An analogy might be that the province is a lesser developed nation compared to others in Canada.

Mr. Minister, the men and women of Saskatchewan want good health care. I want to know, Mr. Minister, when you will stop your cut-backs with respect to health care and when you will adequately fund health research in the province?

Some Hon. Members: — Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the hon. member makes reference to members of the Health Research Board, both present and past, members who now happen to hold positions within the Progressive Conservative Party, and so on. Mr. Speaker, we're proud that forward-looking people like that are part of our party and continue to be a part of our party because they have the forward-looking nature that it takes to be involved in research activities, Mr. Speaker.

Mr. Speaker, I will stack the research activities of the Health Research Board, undertaken under our administration, against anything that was done under the former administration, anything that was done under the

former administration as it relates to health care research.

Mr. Speaker, health care research is a priority, is a priority of that board under the leadership of Dr. Robertson. It is a priority of this government and there will be in the order of a million dollars spent this year, some portion of it from reserves, some portion of it from grants from this department, but in the order of \$1 million. and those negotiations are ongoing.

Yes, Mr. Speaker, negotiations between people who are forward-looking and who may have who may have some connections to the Progressive Conservative Party, not on the basis of their being on the research board but on the basis of the fact that they are forward-looking as are members of this party who are represented on this side of the House today.

Some Hon. Members: — Hear, hear!

Ms. Simard: — Mr. Minister, in the words . . . New question, Mr. Speaker. Mr. Minister, in the words of your own health board you have reduced Saskatchewan health . . . research in health, to the status of a lesser developed nation.

In the words of your own board, Mr. Minister, you eliminated funding for health research and to low-level radiation and you underfunded health research in Saskatchewan. You also promised the chairman of the Health Research Board that you reneged on that promise, Mr. Minister, and the budget shows that clearly.

My question is: when are you going to stop betraying Saskatchewan men, women and children; and when are you going to stop betraying medicare in Saskatchewan?

Some Hon. Members: — Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, when the member doesn't understand the issue, she will revert, as will all members on that side, revert to the political rhetoric of medicare being betrayed, and all the stuff that you hear from them that rolls out of them all too easily with lack of understanding of the wider issue.

But, Mr. Speaker, I deny, I reject the view of that member over there and of that party opposite who says that there is no emphasis on health research, because there is. There will continue to be an emphasis on health research, well thought out and excellent research, Mr. Speaker — priorities for which will be determined by the Health Research Board itself, priorities which they have done an excellent job in recent years, in more recent years, of identifying just the areas where research should be conducted.

And they've done a good job of that, continue to, and those negotiations that we have with them I know will bring us to the point of spending \$1 million this year, in this fiscal year, wherever that money comes from — some portion from grants, some portion from drawing down.

Mr. Tchorzewski: — Thank you, Mr. Speaker.

Supplementary to the minister, Mr. Speaker. Mr. Minister, in view of the fact that the chairman of the Health Research Board has stated in a statement on April 6 that only \$525,000 are available for 1988 competitions, even when some of the reserves are used up, as you say, Mr. Minister, how can you justify your earlier statement that there is going to be a million dollars there? Aren't you in contradiction with what the real facts are as stated by the research board in that memo?

Some Hon. Members: — Hear, hear!

Hon. Mr. McLeod: — No, Mr. Speaker, I am not in contradiction. Mr. Speaker, the Health Research Board understands now that our intention and theirs were on the same track in terms of spending \$1 million this year, or very close to that number — okay? — whatever portion will come from reserves and so on.

Now, Mr. Speaker, I've said that clearly and categorically to the House. That's as it will be and all members of the House should recognize that.

Some Hon. Members: — Hear, hear!

Production of SaskTel Directories

Mr. Shillington: — My question is to the minister in charge of SaskTel. I want to begin the question by refreshing his memory with a quote attributed to him in the *Star-Phoenix* on October 10, 1986. The quote, Mr. Minister, is as follows:

Saskatchewan's Progressive Conservative government has no plans to sell SaskTel or any portion thereof. (Or a any portion thereof)

Mr. Minister, I remind you that telephone directories are an integral part of every telephone system everywhere in the world, whether large or small.

My question therefore, Mr. Minister, is: are the rumours of the impending privatization of the SaskTel directories inaccurate, or is this just simply another of your election promises which has become inconvenient and is therefore something to be discarded?

Some Hon. Members: — Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I recall when I announced in the Assembly that there would be a review of the printing of the directories that it was welcomed by the members opposite as long overdue, Mr. Speaker.

I think there's little doubt that the scare tactics of both the NDP and the leadership of the union in SaskTel are predictable. They did it prior to the provincial election; they're doing it prior to the by-elections. Union members within SaskTel are seeing through the patent political efforts of the union leadership.

And, Mr. Speaker, I'm surprised at the hon. members. The hon. members welcomed the announcement of the review the other day, and they're today saying that it doesn't mean what it says. I'm a little surprised at their position.

Mr. Shillington: — New question, Mr. Speaker. I know it would be unparliamentary for me to suggest the minister is intentionally misleading the House. I trust however I can be forgiven for what I'm thinking.

Mr. Speaker: — Order, order. Order, order. The hon. member is aware that the rules or the House dictate that members may not, indirectly or directly, suggest that others hon. members are deliberately misleading the House. I wish to bring that to his attention and ask him to refrain from using that tactic.

Mr. Shillington: — Mr. Speaker, new question for the minister. This matter came to the attention of the public because of a letter written by the general manager of industrial relations for SaskTel, a J.T. Lax, to the director of the Communications Workers of Canada, the authorized bargaining agent.

The letter begins with what must be one of the great understatements of this decade:

The SaskTel directory department has been experiencing some difficulties in preparing telephone directories that are of high quality and delivered on time.

The letter the goes on to say that:

As of May 5 there will be advertisements in the newspapers requesting expressions of interest from anyone who is interested in participating in a possible restructuring of the directory operations.

Mr. Minister, your officials are admitting what you just finished denying. I ask you, Mr. Minister, will you now admit that you are going to be privatizing the directories, and will you admit that your earlier statement that you weren't, may have been inconveniently inaccurate?

Some Hon. Members: — Hear, hear!

Hon. Mr. Lane: — I hate to tell the hon. member, Mr. Speaker, being a former minister responsible for communications and SaskTel under the Blakeney administration, that the printing of the directories is in the private sector now and has been for some considerable period of time, Mr. Speaker.

Modern Press, I believe it is, in Saskatoon has been doing the printing for, I believe, 15 years, but I'm subject to some correction, Mr. Speaker. So it's been privatized, it's been in the private sector for a long time and under the NDP. So I'm a little surprised at the question.

Again I say that the hon. member from Saskatoon Westmount welcomed the review. I've made it clear that I'm as fed up as I think members opposite and the public with the mistakes and the difficulties with the directory printing. We're going to get the directory printing straightened out, Mr. Speaker, to the satisfaction of the people of this province, whatever it takes to do that, Mr. Speaker. And that's what we're going to do.

Some Hon. Members: — Hear, hear!

Mr. Shillington: — New question. Mr. Minister, I wish you the best of luck in convincing the Saskatchewan public that what you're going to advertise on May 5, the day after the by-elections, is an activity which has gone on for a long time, and that's the private printing of the directories. That's happened for a long time. No one is going to believe it.

Mr. Minister, for eight decades the production of the SaskTel directories has gone on quietly, competently and, I might add, quite profitably. Mr. Minister, in the last few years you've turned this hitherto unnoticed activity into an annual spring adventure which has become absolutely one of the rites of spring in Saskatchewan.

Some Hon. Members: — Hear, hear!

Mr. Shillington: — Saskatchewan people look forward to the day when they can find out if they've been included in the SaskTel directory.

Mr. Minister, will you admit what Mr. Lax admits, and that is that the reason why you're sell . . . you're going to privatize the directories is because you're too incompetent to get all the names in the directory and get them in alphabetical order?

Some Hon. Members: — Hear, hear!

Hon. Mr. Lane: — I find it somewhat unfortunate in that prior to the election of the new leader the NDP thought that the printing of the directories was a serious issue. Mr. Speaker, all of a sudden it becomes a laughing matter.

Now the member from Quill Lakes does not want to hear this, but we have made it clear that the printing of the directories is already in the private sector.

Secondly, the transposing to the new computer system is certainly a part of the problem.

Thirdly, Mr. Speaker, there are some indications that we could improve the revenues from the directories, Mr. Speaker. I've indicated in the public statement that I want to see the review as to whether there should be perhaps one directory in the province of Saskatchewan, whether we should continue the practice of having several directories.

And finally, Mr. Speaker, I find it absolutely appalling that the hon. member stands up and is critical of the government for putting the ad off until after May 5 when he should know full well that The Election Act requirements of this province prohibit that type of advertising during the course of a by-election. I think he owes us a apology, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Shillington: — A supplementary. do I take it, Mr. Minister, that you're also going to deny something that I think would be obvious to anyone who thinks about it, and that is that this privatization is going to cost the Saskatchewan taxpayer more money?

Their Crown corporation, which for the moment at least they still own, are going to lose their profits from this operation, and the directories are now likely to cost them an additional sum charged by yet another independent corporation.

Will you . . . do I take it, Mr. Minister, having denied everything to this point, that you're also going to deny this rather obvious proposition?

Some Hon. Members: — Hear, hear!

Hon. Mr. Lane: — I find it difficult to listen to an argument of incompetence when SaskTel has just had a record profit, Mr. Speaker, under this administration and this government, and several records, Mr. Speaker, because of far better administration.

Mr. Speaker, I can give the hon. member this assurance. I can give the hon. member this assurance, that there will be far more revenue from the directories with the changes that could happen, that I expect to happen, in savings on printing.

I suggest to the hon. member that there are opportunities based on what other provinces and other telephone companies are doing in terms of the selling of directory space. I believe that there are some other opportunities to raise revenue as well, Mr. Speaker.

Again I'm somewhat surprised at a former minister responsible for SaskTel being so appallingly ignorant of what is happening, what is going on, Mr. Speaker. And I give the assurance that the people of this province will be more than satisfied with any changes.

Some Hon. Members: — Hear, hear!

Mr. Shillington: — Do I have the minister's solemn assurance that everybody, everybody with a telephone in Saskatchewan will continue to get one copy of the directory free of charge? Do I have your solemn assurance that that'll continue?

Some Hon. Members: — Hear, hear!

Hon. Mr. Lane: — That's a far cry from how the question started out, wasn't it, about the privatization of the . . . the whole question . . .

An Hon. Member: — The answer.

Hon. Mr. Lane: — Yes, I'd be more than . . .

Mr. Speaker: — Order. Order, please. Order.

Hon. Mr. Lane: — I'd be more than happy to give that assurance to the hon. member, providing we're dealing with people that are paying their phone bills, which is the only rider I would put on. But I would certainly be prepared to give that assurance.

I'll give a second assurance to the hon. member, Mr. Speaker, that the changes to the directory, which will be proposed whenever the study come in, will have the support of most of the people of this province, Mr.

Speaker. I don't expect it form the NDP.

Education Tax Burden on Property Owners

Mr. Koskie: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to direct a question to the Minister of Education, and it deals with the continuing tax shift onto local property owners as it relates to the cost of education.

Today we have the highest inflation rate in Saskatchewan of any place in Canada, and your current level of school operating grants at 2.2 per cent represents an effective cut in the provincial funding. And so I ask you, Mr. Minister, how do you justify underfunding education and transferring this cost onto local property taxes — tax owner?

Hon. Mr. Hepworth: — Well, Mr. Speaker, I don't accept the hon. member's observations about underfunding of education. In fact if one looks back over the past five or six years, what you will see is that the grant per pupil has increased 60 per cent; and inflation, which is what the point was that the hon. member raised, has gone up during that same time by 34 per cent. So I would suggest that the expenditures per pupil on education in this province are running well ahead of inflation, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Mr. Minister, let's take a couple other facts then. Are you aware that the property taxes have increased by \$400 million during your administration, or 92 per cent since your government took office? And are you aware that Saskatchewan has the third highest net property tax in all of Canada?

I ask you, in light of those facts, why are you in fact underfunding education? How do you justify the further transfer of education costs onto the taxpayers?

Some Hon. Members: — Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Speaker, first of all, there is no off-loading of education expenditures from the provincial government onto local jurisdictions. In fact, Mr. Speaker, if one was to look at the mill rate increases over that same time frame I talked about in answer to the first question, and compare it to the NDP years, you would see that the mill rate increases have been once again substantially lower than in the so-called halcyon days of the NDP, Mr. Speaker, so there's been not off-loading.

Now that doesn't mean to say that in some jurisdictions the government per cent . . . government grant versus the per cent raised by the local taxpayers hasn't shifted, because there's a formula there, and that formula is based on a couple of things: number one, the pupils; and number two, the assessment base that they have to work with.

And what that formula attempts to do is provide money to those school boards who have . . . To be fair to them, if you have a lower assessment base, you get more money from the government. If you have a higher assessment

base, like upgraders and manufacturing, you get less from the government.

Mr. Speaker: — Would the member wrap up his remarks.

Mr. Koskie: — A further supplement, Mr. Speaker. Let's take another set of facts, Mr. Minister, then. I want to ask you, Mr. Minister: are you aware of the fact that the government share of school funding in the city of Regina has declined from 45 per cent in 1980 to 34.5 per cent of the funding has decreased from 43.4 per cent to 33.9 per cent over the last 10 years? That, in my view, is a tax shift. I ask you: how do you justify it?

Some Hon. Members: — Hear, hear!

Hon. Mr. Hepworth: — Well, Mr. Speaker, as I already said in response to the earlier question, how much money as given board gets from the government depends on a number of things, one of which is the numbers of pupils. If their pupils go up or go down, obviously that's a big determinant on the grant.

The second thing is: has their assessment base gone up or down? And that reflects whether they . . . their ability to raise funds, Mr. Speaker. And it's a formula that was put in by the NDP, and are they now suggesting somehow that formula is unfair?

But to get to his example, specifically of the Regina school board, let's look at the facts — the facts as I see them, Mr. Speaker, not as he sees them. And what we see there is the decline — as the hon. member would have it, simply based on lack of government funding — but what I see when I look at the numbers is that they've had a 27 per cent increase, a 27 per cent increase in assessment. That is to say their ability to raise revenue has gone up substantively, Mr. Speaker — 27 per cent.

The total government spending in the same time went up thirty and a half per cent; enrolments only went up 3.7 per cent, Mr. Speaker.

Mr. Speaker: — Order. Order. Order. It was a question, of course, that can elicit a long response, and I'm sure the minister could have . . . Order. It was a short question which could have required a great deal of explanation; I acknowledge that. Question period has expired. Question period has expired.

Order. Order. Order. Order. Order.

MINISTERIAL STATEMENTS

Fuel Tax Rebate Applications

Hon. Mr. Lane: — Mr. Speaker, if I may, on April 21 the member from Quill Lakes asked the Acting Minister of Finance for the number of fuel tax rebate applications that had been processed to date. I'm pleased to announce, Mr. Speaker, that the first 6,065 fuel tax rebate cheques were mailed Friday.

Mr. Speaker: — Order. Order.

Mr. Tchorzewski: — Mr. Speaker, the minister, when taking notice of a question, responds to it in question period. I do not think it's appropriate, Mr. Speaker, to make a ministerial statement on a question asked in question period, when he didn't respond in question period.

Hon. Mr. Lane: — I was simply reminding the hon. members . . .

Mr. Speaker: — Order. Order. The member from Regina North East has raised point of order regarding the appropriateness of answering an oral question which had been taken notice of.

Of the ministerial statement, the point of order raised by the member for Regina North East is a correct point of order, and well taken. And ministers, of course, cannot use ministerial statements as a vehicle to answer questions on which they have taken notice. However, if the minister does have the ministerial statement to make, he may continue.

Hon. Mr. Lane: — Mr. Speaker, I apologize; I thought the hon. member . . .

Mr. Speaker: — Order, order. Order, order. I repeat once more for the members that there is no doubt that ministers cannot answer questions they have taken as notice as a ministerial statement. However, having said that, and having corrected the minister on that aspect of his remarks, I rule that if in fact he has a substantive ministerial statement to make, I will allow him to continue.

Order. Order, please. What is the member's point of order?

Mr. Koskie: — The point of order is clearly in respect to the document which the minister is referring to as his ministerial statement. And at the first paragraph, Mr. Speaker, just for your ability . . .

Mr. Speaker: — Order. Order. Order, order, order. The minister has passed a copy of his ministerial statement to you out of courtesy; I do not know what is in that ministerial statement.

However, as final ruling — and there'll be no more debate on this — if the minister has a substantial ministerial statement to make, I will allow him to proceed; but if he does not, if he's simply talking about the question that he took notice of, he will have to discontinue.

Hon. Mr. Lane: — I'm pleased to announce that the first 6,065 fuel tax rebate cheques were mailed last Friday. The cheques total \$938,243. Of this amount, \$551,000 represents payments to people under the fuel tax rebate program, and \$386,314 represents . . .

Mr. Speaker: — Order. Order. I believe that the minister is simply going on in the same vein, from what I can gather, as the question.

An Hon. Member: — He's reporting to the people of

Saskatchewan.

An Hon. Member: — He should sit down.

Mr. Speaker: — Order. Order. The way I recall, I believe that the minister is going on describing the question that he alluded to, and therefore I will have to ask the minister to discontinue.

An Hon. Member: — Mr. Speaker . . .

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

Hon. Mr. Lane: — Mr. Speaker, the statement deals with the status of the farm fuel — or the fuel tax rebate system. It's nothing to do with the question he was asking me, the number of applications. This deals with the status, Mr. Speaker, and the notice of the deadline for application.

Mr. Speaker: — Order. Order.

Mr. Tchorzewski: — Mr. Speaker, please clarify on this point of order. I thought I heard you say, make a ruling that the minister was out of order because he was really responding to his initial statement which was in response to a question. I heard you very distinctly make the ruling which I respect and I think everyone in the House will respect, and I am wondering why you're allowing the minister to continue arguing with your point of order, which I don't think he should.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order. Order. I don't believe the minister or anybody is arguing with the point of order. I think that both sides are trying to make a point. I have tried to listen carefully to the initial statement and the continuing statement which the minister is making, and the way I recall, the minister is in fact going on discussing the original answer he gave, and therefore I will simply have to ask him to discontinue.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Agriculture

Ordinary Expenditure — Vote 1

Item 1 (continued)

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Chairman, I'd like to continue these Agriculture estimates with a few more questions on the production loan program.

Mr. Minister, you . . . After the mess that was created by your changing of the policy and the program in mid-stream, putting greater hardship upon farmers of higher interest rates and security that the banks said they could . . . would put in jeopardy some of the operating capital, you sat down and had an agreement, or made an agreement with . . . between the banks and yourself in this

regard.

My question, Mr. Minister, is: at those meetings, were there any farm groups or farm . . . farmers or farm groups represented?

Hon. Mr. Devine: — Mr. Chairman, we met with farm groups prior to the meetings with the financial institutions, and then we met with the financial institutions, the credit unions and the banks, and clarified the modification to the production loan which extended it over 10 years, because the farmers wanted it extended over 10 years and wanted a low, long-run, fixed interest rate. The financial institutions, credit unions and the banks agreed that that would be the appropriate way to go, particularly for new operating money. And we're happy with it, and we went back and advised the farmers of that. and as you know now, people are quite satisfied with the fact that they've got 10-years option as opposed to just a three-year option.

(1445)

So I wouldn't buy your argument, I suppose, that this is not what farmers wanted. They wanted 10 years and they wanted the option, and we provided both in discussions with them, the credit union, and the financial institutions.

Mr. Upshall: — The farmers wanted the 10-year option, Mr. Minister, but they did not want the nine and three-quarters per cent interest, and they did not want it to tie up all their security. The point being . . . is that you now have a triangle, so to speak, of the farmer, the government, and the banks. And the government and the farmers have a deal, and the banks and the government have a deal. But there's no connection, Mr. Minister, between the governments and the banks with regards to this . . . with this deal.

And I think what's happened here is that you have negotiated first rights of claim — fine — on somebody if they get foreclosed upon and they have to leave the land. But the problem is, is how does that support the farmer?

You sit back and instead of rethinking your whole program and renegotiating the interest rate or bringing it down to 6 per cent, as it should have been, as I asked you in last year's estimates if you would be leaving it at 6 per cent and which you answered in a non-answer and you didn't reply, and I believe at that time you knew you were going to be raising interest rates. And the farmer didn't ask for the security agreement to put themselves in jeopardy with the banks.

So I ask you, Mr. Minister: why, when you found out that there was a problem with security agreement, a problem with getting operating capital, why would you not then go back to your deal and say, look, maybe this is not right. Instead of trying to amend the error, why did you not retract on the agreement, retract on the policy change to a 10-year program, simply what people were asking for — just give us 10 years at 6 per cent under the same terms. Why would you not consider that?

Hon. Mr. Devine: — I've told you perhaps a dozen times now that you can't offer public funds over 10 years

without some sort of security. You're asking for that. I'm glad I now know the NDP's position. They can offer 10-year money over a billion dollars and absolutely no security. I mean, in three years you can, but not over 10, okay. Not over 10 years, because 10 years takes you right through cycles. It could take you through two or three administrations.

And the taxpayer wants to know that if you're going to lend that kind of money over a long period of time . . . (inaudible interjection) . . . The member from Quill Lakes will get his turn to ask questions. Mr. Chairman, I want everybody to know that the member from Quills is again talking from his seat because he can't stand the answers. I've answered this question 12 times, maybe more than that, and every time I answer, he sits and talks from his seat.

I can only say, Mr. Chairman, 10 years means that you have to have some security. That's the only responsible thing to do for the taxpayer.

We did it, Mr. Chairman. We've asked for co-operation from the financial institutions. They have provided it. They have been very co-operative. Farmers now have the choice and there's no penalty, so that if they want to pay it off earlier they can pay it off.

To go into a 10-year agreement without security would not be responsible to the taxpayer. The farmers agreed that they should pay it back. The taxpayers agreed that it should be paid back. And over a 10-year period of time they've now got an average of 8 per cent money, fixed, no penalties to pay it off as quickly as they can. Everybody has option of six-year money. In the first year, the second year, the third year, no penalties at all. It's the combination of exactly and precisely what people wanted.

So I would say again, Mr. Chairman, to the hon. member that the extension over 10 years plus some security is precisely what both the taxpayer and the farmers need to have.

Mr. Upshall: — Under what legal premise or judgement did you make that decision? Could you explain to this House if that was the only route you could take, to take it over 10 years? And what is the legal implications of doing that, other than taking no security?

And another thing, Mr. Minister, is why could you not have taken security on specific items, rather than the blanket security that you have asked farmers to sign, basically on everything that they own other than real property?

Hon. Mr. Devine: — Well, Mr. Chairman, the critic for the NDP is being very, very flippant about the way he's dealing with policy. When the NDP were in power, they had security agreements on all short-run and long-run loans.

You took it if . . . you look at the various kinds of farmstart programs. There was security on everything. And when the NDP were in power, if you took out a three-year loan, you had security. And they're standing up there now, well

we're not in power, therefore we don't need any security at all. You can lend a billion dollars and no security whatsoever.

Mr. Chairman, I'm saying to the hon. members it's like their free trade stuff. When they're in power, they say that Saskatchewan supports free trade, and they do it in their documents. When they're in power, they'll say that they need security agreements. When they're outside of power, then they'd stand up there and they'd say, well we don't need any security at all, Mr. Chairman, Mr. Premier, you just offer the money with security.

I would say . . . I'll just use this argument. When the NDP were in government and you had farmstart, you had security. And the security clause was very powerful and very strong, and it was in place short run and long run.

When we went to a 10-year extension, we said, to protect the taxpayer because it could go over — obviously, a decade and many things can happen — we should have security for the taxpayer. And it will be reasonable security that applies to credit unions and financial institutions so that they can lend money on a operating basis. They said, that's fair; the farmer said, that's fair. And it's perfectly consistent with the kinds of things that you would normally ask, and absolutely consistent with NDP policy when they were in government, Mr. Chairman.

Mr. Upshall: — Well, Mr. Chairman, I think I'll ask my question again because I simply did not get an answer, which is typical of the way these estimates are going. I'll remind the Premier that we can be here till doomsday if he continues to avoid the questions.

The question was: what legal documents, legal explanation or authority do you have to base on what you said that you couldn't put it over 10 years without security?

Hon. Mr. Devine: — Mr. Chairman, 10 year, in case the hon. member is not aware of it, is a decade of time where you can go through more than one administration. Any degree of common sense would tell you that you might be able to go through two or maybe three administrations. The taxpayer would like to know that if they are going to lend to the public something in the neighbourhood of a billion dollars, that there is security.

That same logic applied to the farmstart loans that the NDP had. When they had farmstart loans, they had security. And now they're saying, yes, but when you have a 10-year money, you can't have security. The same common sense that applied to the NDP administration in terms of farmstart applies to this, that if you're going to extend it over a longer period of time, then just have some sort of security so that the taxpayer knows that it's there. If it applied for the short run for the NDP, quite logically it would apply for the long run for the Progressive Conservatives.

So if you had asked for security on your farmstart loans, why would you get on my case for asking for security over a 10-year period, which would be longer than some farmstart situations? I mean, you're just . . . you ask the same question over and over and over and over again and

I give you the answer. The answer is that there's security with farmstart under the NDP; there's a security under the production loan program because it only makes sense, with over a billion dollars out to the taxpayer, that indeed you ask for some security.

We have the security now. The farmers are happy with it; the financial institutions are happy with it. Everybody's happy except the critics that sit here and chirp for hours in the legislature, wasting people's time, asking the same question over and over and over again.

Mr. Upshall: — The reason we have to ask the same question over and over again is because you're not giving us the answer. You indicated to this House that there was some legal implication that . . .

An Hon. Member: — Legal necessity.

Mr. Upshall: — Legal necessity that you had to take security over 10 years. And, Mr. Minister, months before an election I 1986 you required no legal . . . no . . . there was nothing legal, because all you took was a promissory note, and the administration could have changed then, but now you're changing your tune.

And a month before the election there was no security for taxpayers, not necessary for taxpayers, and now you're saying that you're going to be responsible. Well I say to you that the reason is, is because you got yourself dug into a hole and now you're trying to shuffle your way out of it with these meagre excuses.

So on one hand you're saying yes, that there's a legal requirement, and when I ask you specifically what it is, you say, well it's just administrations and things can change over 10-years period. So I asked you two or three times to back up your arguments with the specifics of that legal interpretation, and obviously you can't do that.

So, Mr. Minister, I ask you: why was a promissory note good for farmers before the election in 1986, under those simple terms, when administration could have changed, and all of a sudden now, a couple of years later, instead of just continuing to collect the interest the way you could have done it, you decide to change the rules — why is that?

Hon. Mr. Devine: — Mr. Chairman, the hon. member needs to be reminded several times over several days that it isn't changed at all. The farmers still have the choice of three years, no security at all at 6 per cent money, and he keeps neglecting that. That's what the point is, that they have the alternative of going for 6 per cent, or they have their choice of going for nine and three-quarters over 10 years, and the average is obviously 8 per cent. And they can choose to go for the 10-year agreement and pay it off any time they like in the second year or the third year and take advantage of the 6 per cent money and no penalty.

So they've got it either way; they can go for . . . Mr. Chairman, would you please ask the member from Quills to co-operate in the legislature and show some respect for the legislature? Please ask him either to play ball or go play some place else. I mean, the public must, Mr. Chairman, like to find out some information, and he

continues to argue with me from his seat. So I would just say, Mr. Chairman, I guess we'll just talk right over his head and continue to talk about the kinds of things that the people are concerned about if he isn't interested in listening.

I will only say to the hon. member once more, farmers have the choice; they don't have to have a security agreement for three years; they can go for 10 years; they have a long-run fixed interest rate; they can go either way; they can pay it off without penalty — they have all those options available to them. And for security, I will only say to the member opposite that any time you offered loans you asked for security. We offer to them on a three-year program without the security and a 10-year with security.

You can't be against security because you asked for security on everything that you did under an NDP administration. With all your legal advice and all the common sense that you could muster, you said it should be there. When I give them the choice of either security or no security and fixed rate interest, you're mad at all of them. You're upset because you say, well, he can get 6 per cent, but it isn't long enough, you want longer; then it's 8 per cent; or he might be able to pay it off with no penalty.

It's flexibility. It allows him to go over a long period of time, a short period of time; he has no penalty when he wants to pay it off; he doesn't have to have security on the three-year option; he's got all the flexibility in the world to accommodate it.

Most of the farmer have responded. They say it isn't a problem; it's obviously a problem in your mind, and that's clearly the case. and I will say that time and time again the three-year option gave him that flexibility. He still has it because he can buy and opt for the three-year probability and the interest rates whether he signs the three-year or the 10-year, Mr. Chairman.

Mr. Upshall: — Well, Mr. Minister, if I am a farmer who has the money to repay that loan, I have an option. If I'm one of those 40 per cent, as we indicated the other day in these estimates, that are either insolvent or have serious cash flow difficulties, I don't have an option.

So you've put out a program two years before that said, you don't need security, we trust you, it's hassle-free cash. And now you turn around and say that they have an option. Well I tell you Mr. Minister, they don't have an option if they don't have the money. And if I had a dollar for every one of those farmers that told me that if they would have known the rules were going to be changed to this they never would have taken it, I could pay mine off today. And that's how serious it is.

So, Mr. Minister, I tell you that your flexibility mode that you're in now is not true for those people who'd have cash flow problems.

And I just want to ask you something very specific right now. Under the security agreement, is your department or ACS (Agricultural Credit Corporation of Saskatchewan) signing any specific security, making any specific security

negotiations with farmers, or are all farmers being treated the same, that security is a blanket security?

Hon. Mr. Devine: — I'm advised that they can negotiate security.

Mr. Upshall: — Well, Mr. Minister, this is a little bit of a switch, isn't it, because you put out a policy that says that there's nothing in there indicating that they could negotiate security, so you press them to the wall to make this decision, putting more pressure and stress on them, and now you're saying that they can negotiate security. Well I ask you: Mr. Minister, if that's possible, why wasn't that done for all farmers in the first place?

(1500)

Hon. Mr. Devine: — Mr. Chairman, the hon. member . . . well, maybe probably doesn't know and I'll describe it to him. In terms of general security, it applies to grain and livestock. If the individual farmer does not want to use grain and livestock as general security and he wants to use land instead, we'll give him the choice, and that can be up to him. If he's got an appropriate amount of land that would substitute for that, we'll look at that, because general security does not normally apply to land; it will apply to non-land assets.

Mr. Upshall: — Mr. Minister, I have a copy of the form that was signed by farmers with your option program: Option I, the three year . . . maintaining the three year deal; or Option II, extending it over 10 years. And I just want to take a minute here to read section 5. It's a security clause, and this is the document that farmers were asked to sign:

To secure payment of my existing Production Loan, my Extended Production Loan, and any further loans under the Production Loan Program that may be granted to me by ACS, I hereby grant to ACS a present and continuing security interest in all of my present and after-acquired personal property of whatsoever nature and kind, whether tangible or intangible, and all proceeds derived therefrom, including without restriction any interest whatsoever I may have in goods, chattels, livestock, livestock products, fixtures, machinery, equipment, vehicles, supplies and inventory, now owned or hereafter acquired and wheresoever situate (the "Collateral").

Now, Mr. Minister, my question to you is this: if I was mailed this form to me, what in that subsection (5) would give me indication other than that I had to sign this with this blanket security? And now you're telling me that if I come in to you, I can negotiate security on specific items. Now that is not what this form says. And that is unfair to those other people, those other farmers in Saskatchewan who were intimidated by this form and went ahead and signed it anyway. So could you explain that to me?

Hon. Mr. Devine: — Well, Mr. Chairman, personal property is different than real property. Personal property does not refer to real estate. That's what it is. So personal property is there and that's what it says that the security is.

If the man chooses, or the family chooses to have real property instead, then we've given the flexibility to substitute it. Now most families don't want to put up the land; they would rather have it in terms of real property. So if they want to the flexibility, they can have it. So personal property applies to grain and livestock, not real property. And that's the same as it applies to any kind of other loans that we have with respect to general security, and the same as farmstart in general security, exactly the same thing.

Mr. Upshall: — Mr. Minister, I asked you a simple question. Where does it indicate in this form that I, as a farmer, have an option of signing specific securities to my production loan? Where does it say that?

Hon. Mr. Devine: — The form says that it is general security, which means personal property. That's it. What I'm saying is that if individuals come into us and said that we have other assets, we have had real estate that we want to put up as security, as opposed to livestock or cattle, we'll entertain that, give him the flexibility if they want.

Now in most cases, if it's at a point where they're in some financial difficulty, they wouldn't want it on real estate, but they would want it on livestock or on grain or some of the liquid assets. But if they want to put up real estate, then that's a choice, and we'll give them that flexibility.

Mr. Upshall: — Well, Mr. Minister, there's something that's not clicking for me here, and that is the fact that you sent out a form to farmers indicating — and you key on livestock and machinery — well this form, this form says basically everything but real property. But it doesn't even say that in the form; that's the interpretation that you put on it.

If I am sitting back on the farm, I'm not privy to all these technicalities that can be moved one way or another in order that I can get security on specific items.

So, Mr. Minister, this clause (5) the security clause in this agreement, does nothing to indicate to a farmer that he can negotiate specific securities — nothing, and yet you sent them out. And now you're telling us that there are situations where a farmer can negotiate specific securities on this production loan.

What, Mr. Minister, what would allow a farmer to make other security arrangements? What would allow a farmer to make other security arrangements other than what is in this form?

Hon. Mr. Devine: — Only his desire. All he has to do is say to the agriculture credit corporation, look, I've got a general security agreement; it's on personal property; I'd rather put some land up, and they'll talk to them about that.

We had farmer come in, and people from around the province who said, well, if I put up property as opposed to personal goods, would that be acceptable? And I said, well, we'll consider that. If we had said, no, we won't allow you to put up real estate even though you've got real property, then you'd be asking me, well, why don't

you let up some land rather than his personal goods. Now you can't have it both ways.

We've got the complete flexibility for the farmer. It's a general security agreement that says personal goods, and that does not mean real goods. But if he wants the choice to say, well, I'll put up a quarter, rather than inventory or something else, we'll certainly give him the flexibility to do that. If I didn't, you'd be on my case saying, well why didn't you let him have the choice?

So this is a security agreement on personal goods. And you're asking me if they can use an alternative, and I said, of course they can, as they did with the production loan, three years or 10 years.

Mr. Upshall: — Well, Mr. Minister, I have the letters that you sent out to the production loan clients. I have your statements in this legislature where you say you have option one or option two, and you just finished saying that not more than half an hour ago. And while you were saying that and sending out your letters, there is absolutely no indication that I, as a farmer, have the capability or have the flexibility to sign the security agreement on something specific.

Now the question is: if I'm a farmer who goes in, as most farmers do, and say, look, this is option one, this is option two, sign it; in fact if we struck out the security clause — and many farmers did — they were sent back a letter saying that they could not do that and that they had to sign either option one or option two. But now you're saying — again you're changing the rules. Now you're saying that if a farmer comes in there and has enough money to get some legal advice to find the loopholes, then he's going to get negotiated security.

Well, Mr. Minister, I tell you that that is some way to run a department in government — to push all the farmers to the wall if they don't have the means to find out all the technicalities of your agreement; and somebody that does, then you say, okay. What kind of a double standard is that, I ask you?

Hon. Mr. Devine: — Mr. Chairman, I don't understand the NDP's complete lack of concern for the individual to have the flexibility to put up he security he would like to have. We've gone to the farmer and said, I'll ask for general security, which means personal property. And then the individual farmer said, well, if I didn't want to put up personal property, would you allow me to put up some land and some real estate. And we said we would entertain that if you'd rather do that.

And now the NDP is coming back and saying, Mr. Chairman, we don't want to give that farmer the flexibility; we don't want to do that at all. Well I mean, they can't have it both ways. Either you want to give them the flexibility, or not. The general security agreement is on personal effects — that's what it says. And it's the same thing — if I could read the farmstart, it says the same thing exactly:

NOW THEREFORE witnesseth that the mortgagor for and in consideration of the premises and the advance of the loan, or any portion thereof, by

FarmStart to the Mortgagor, does hereby grant, bargain, sell and assign unto FarmStart, its successors and assigns, all his rights, title (and) estate and interest in and to all livestock, goods, chattels, machinery, equipment, vehicles, parts, supplies and other personal property of any and every description presently owned by the Mortgagor or which may hereafter be taken or brought into possession by the mortgagor during the currency of this mortgage or any renewal thereof and (whatsoever situation), and all such goods shall at one, upon being so brought into possession of the mortgagor, become mortgaged hereby without new or other instruments being executed for that purpose.

Now that's farmstart that said that there was a general security agreement on chattels, not real estate.

Now I'm going to do some research. I'm going to do some research after the result of these questions, and I'm going to find out if the previous administration would allow anybody to put up any other collateral other than personal security, and if they denied, if they ever denied people to have the choice.

People came to me and said, can we have the choice to put something else up if they don't want to put this up. You now have the choice to go three years, which means no real estate at all. You have the seven-year choice, which means that you go to 10 years at 8 per cent and you can pay up any time you like at no penalty and still have 6 per cent. You have the choice, without any penalty at all. And now if you do sign the security agreement, you don't even have to put up the kinds of chattel that we would like; if you have something else that might be meaningful, we'll say we'll talk to them.

And you're saying, well, you don't want to give them choice. I don't understand, Mr. Chairman, why they wouldn't have — and want them to have — the choice if they come in and say: I don't want to put up my grain; I'd rather put up a quarter. If we said, no, then they'd say, well, you're not being fair, why don't you let them put up a little bit of land rather than his personal effects. I mean, that's only fair. That's the reason that we did it.

We provided it, to start with, to help them. We extended it to help them. We got a low interest loan to help them. They can pay it off as quickly as they like, without penalty, to help them. And when they do put up security and opt for the 10-year agreement, we said, if you don't want personal security, you've got something else. Advise us and talk to us. I'm advised that there are six people who have asked to have land put up as opposed to inventory — six people.

So I say, Mr. Chairman, they've got the flexibility to look at all the alternatives. That's what this is designed for, to help the farmers — \$1.2 billion dollars in the hands of farmers at 6 per cent. That option has never been taken away. They've got it at 6 per cent; they can pay it back at 6 per cent; they can opt for the 10 years and still pay it in two or three with no penalty, still getting 6 per cent. And if they want collateral and they don't want personal effects, we'll entertain other things for collateral.

All that flexibility and the NDP are sitting here saying, well I don't think that you should give them the choice; that you should say, this is the way it was, therefore don't change that. And if you do change it, then it's being unfair. Well I think the flexibility is fair and the farmers have asked for that. The financial institutions, the credit unions and the banks, have said that's the way to go. They're happy with it. The farmers can now get ongoing credit. They're happy.

The best credit they can get from the government is long-run, 10-year money at 8 per cent or three years at 6 per cent, which is the lowest interest rate you can get any place in the country.

Mr. Koskie: — Thank you, Mr. Chairman. Mr. Premier, I have a copy here of the production loan program extended payment form. And I want to ask you, Mr. Premier, is it not correct that the form that went out and all attached information gave the farmers two choices: one, to pay it back on the basis of the existing three years in accordance with the terms, or the alternate method of repayment. Are those the two options that are given within this production loan contract?

(1515)

Hon. Mr. Devine: — Mr. Chairman, the form that goes out describes the choices that the individual has that he can opt for, or she or the family can opt for, three-year money or 10-year money with 6 per cent in both cases — 8 per cent on 10 years if they opt for the latter, with security. And the security is on general security which is on personal property.

Now individuals that come back afterwards, they get into some financial difficulty or others, as with any financial institutions, will talk about the kinds of things that they may have as alternatives. And that's been the case here.

Some farmers have come in and said, I don't necessarily want to provide personal security, can I put up some land? And we said we would entertain that, we wouldn't rule it out. And I'm advised so far that six people have participated in that fashion which says, I'd rather put up some land as opposed to the general security. And we've said we'll entertain that as anything that could be flexible and fair to individuals if there's some difficulties.

I would remind the individual, when credit unions, for example, lend money to farmers and farmers come back in and say, I can't make my payments, well a credit union can say, but that isn't in the contract. The contract said you had to pay. And the guy says, I can't pay.

Well then they sit down and talk and say, well could you work something out that would be in my favour. That's exactly what they do. It's not in the contract, but common sense would say, I got to be fair to these individuals and give them some flexibility.

That's exactly what this does. It says you have the choice of three years or the choice of 10 years. And if you want to come in with some security, then if you'd rather opt for land as opposed to personal effects, we'll talk about that

as well. And that's exactly what we've done.

Mr. Koskie: — Mr. Premier, you've indicated that there was two choices. You can opt for the three years or the 10 years, and out to the farmers to sign. Let there be no, no mistake. You have a document here which concerned many farmers across this province. And what you insist on and what you have indicated is what you ask for security under clause (5):

To secure payment of my existing Production Loan, my Extended Production Loan and any future loans under the Production Loan Program that may be granted to me by ACS, I hereby grant to ACS a present and continuing security interest in all of my present and after-acquired personal property of whatsoever nature and kind, whether tangible or intangible, and all proceeds derived therefrom, including without restriction any interest whatsoever I may have in goods, chattels, livestock, livestock products, fixtures, machinery, equipment, vehicles, supplies, inventory, now . . . or hereafter acquired and wheresoever situate (the "Collateral.")

That's what you asked the farmers of Saskatchewan to sign. That is the information that went out to them. That's what many or most of them were required to sign.

I ask you: had all the farmers have this specific information that they could come running into you and ask to change the collateral, or were the farmers misled and you had a special arrangement for a few? Because the farmers of Saskatchewan didn't know they had an alternative. They had major concern in respect to this clause (5) of all of blanket protection . . . or blanket lien on all of their personal property.

And I'll tell you, Mr. Premier, some of the farmers sent those forms back crossing out (5) and you indicated in return letters: you either sign it with clause (5) in it or you're on to Option I, which is the three years. I ask you, Mr. Premier . . . You have deceived the farmers of Saskatchewan because now you indicate that you have six people that have been able to slide in under it, other than what other farmers.

I ask you: have you made this position known to all farmers in Saskatchewan, and why didn't you have another clause in your agreement that either you sign this or you put up real property as an alternative security? Is that in the agreement, Mr. Premier?

Hon. Mr. Devine: — Well I've already told the hon. member that we provided the alternative. If people said they'd rather put up something else that is equivalent security, we would sit and talk to them about it. Are you recommended we don't do that, that we don't . . . Shouldn't we do that?

An Hon. Member: — Did you send them out a notice to that effect? Did you send them out a notice?

Hon. Mr. Devine: — The member from Regina North East will obviously get his opportunity to ask questions.

An Hon. Member: — I'm asking now.

Hon. Mr. Devine: — Well all right, get on your feet and then you ask. We have given them the alternative when they came in. If we'd said no, then you'd be asking, well why didn't you give them a choice?

Mr. Chairman, when they ask, is there an alternative with respect to equivalent amount of security, we say, well we'll talk to them. I mean, that's what financial institutions and the credit union or any others do when they send out an agreement.

They say, this is how you should pay. The guy comes in and he say, I can't pay. What are you going to do? Well, he says, there's no alternatives; I didn't list any here. We won't even talk to you. And then the farmer says, well, that's not very fair. Can't we talk about some alternatives here? And that's what the manager does. He sits down and says, look, I'd rather put up this than I would that. And that's precisely what we've done and the farmers appreciate that.

Now you're saying that we shouldn't allow any alternative — we shouldn't allow any alternative. Well, Mr. Chairman, we've allowed the alternative for individuals. About 40 per cent have opted for Option I, and about 50 per cent have opted for Option II, and some have said, well, can I put up some equivalent collateral as opposed to the personal effects. And we've said, we'll entertain that. It seems to be as fair as you could, if you could deny them, but we've given them that flexibility.

Mr. Koskie: — Mr. Premier, were all the farmers of Saskatchewan that signed this form given the option to either sign clause (5) or consider alternate security — all of the farmers in Saskatchewan?

Hon. Mr. Devine: — Mr. Chairman, all of the farmers in the province of Saskatchewan were given the alternative to go for three years or to go for 10 years. And if they'd come in and they're talking to people as they're filling out and say, is there alternative security, and I'd rather opt for land — and most farmers would not want to opt for land, and you know that, very few; and I think we've only got six out of 50-some thousand. I mean that's how much credibility you've got to your argument — six out of them out of 50-some thousand who would opt for this, that would opt for property as opposed . . . as inventory.

I mean any farmer . . . you know that farmers would rather have inventory as collateral than they would their land. I mean, for Heaven's sakes, we've given them a choice. They can put up land as opposed to inventory. And you're saying that that wouldn't . . . I mean most farmers would say, take some inventory as security, take some machinery as security, but I don't want to put the land up. If the odd one says, well I'd rather put up land as opposed to inventory, then you'd say, well no, deny him that — deny him that.

We've got 99 per cent of them who have said, I'm going to opt for Option I or Option II, and then have come in under Option II, any of those that took it, and said, well I do really want to put up land as opposed to my grain or something, and we said, well, we'd entertain that, and

you said we shouldn't do that. That's what you said — don't do it, don't do it.

Well I'm just saying to you that most farmers would agree with me that they'd rather have the alternative on inventory, that is grain, than they would have put up their land. But if the odd one wants to put up land, we said, well, we'll look at that, and obviously 99 per cent of them agree with most of their neighbours who said, if I'm going to sign security, I'll do it on wheat or cattle rather than on my property. I'll give them the choice. When he came in he says, I'll put up a quarter as opposed to some inventory. And you say, don't do that; don't give him the choice.

Mr. Koskie: — Ninety-nine per cent of the farmers didn't have an option because they didn't come running into your office. You said, if they came to see you or your administration, that then that you'd start considering. Why won't you be fair with all farmers? If it's good for six or eight or 10 or 12 or 100 of farmers on option, why isn't applicable to all of them? That's the question. Why didn't you make that a public policy available to all? Why don't you admit that you didn't? That you actually . . . this form gave them the only option, if they went for the 10-year, that they had to sign, including clause (5). There was no option. And many farmers, let's face it, thousands of farmers across this province did not know they had an option, nor could they come in to negotiate.

And I'll tell you that the farmers sent this here in, stroking out clause (5) and had it returned to them. And your answer, from your department, was either sign that or you don't get the loan, you're back on the three-year. You didn't say, well you come in and make another arrangement; you didn't ask them that. You didn't ask them whether they could put up other security; whether it was RRSPs (registered retired savings plan) or whatever, or Canada savings bonds or whatever they wanted to. If you can do it for some, why is the door open to a few selected people to be able to come in and renegotiate what thousands of farmers have felt that they had to sign. There was no option to thousands of farmers.

Did you miss — specifically, I'd ask you — did you specifically make it known to every farmer in this province that they had an option to change clause (5) and to substitute other forms of security?

Hon. Mr. Devine: — Mr. Chairman, I would say to the hon. member, if anybody . . . if he wants to find out if farmers . . . (inaudible interjection) . . . I'll be as fair as you can be. If farmers want to trade in real property as collateral over inventory and personal effects, I'd be surprised.

But if you want to find people . . . You go find me some farmers, okay, you find me farmers that want to trade real estate, real property, for collateral . . .

An Hon. Member: — You just found six. You told me.

Hon. Mr. Devine: — Six.

An Hon. Member: — That wandered in and wanted to do it.

Hon. Mr. Devine: — That wanted to do something.

An Hon. Member: — The others didn't know.

Hon. Mr. Devine: — Well, all they have to do is to write and say, I would rather put . . .

Mr. Chairman: — Order. Order. Order. Allow the Premier to answer. if you want to ask questions, I'd appreciate it if you'd do it from your feet.

Hon. Mr. Devine: — Thank you, Mr. Chairman. Mr. Chairman, if the NDP critics want to find farmers that they think would rather put up real estate as opposed to inventory, then I would be glad to share with them, and have anybody sit down with them, because most farmers do not want to put up real property as opposed to inventory; 99 per cent of them want to deal with inventory, not their farm, not their base.

They don't understand agriculture at all. They don't understand farmers. Farmers don't want to put up real estate, their farm, their home quarter, their land; they want to put up inventory. They want to put up inventory.

If the odd one, like 1 per cent or less than half of 1 per cent, came in and said, I'd rather put up the home quarter as opposed to inventory, we said, look, we'll entertain that.

So I just throw it out to the hon. member. You go get me farmers that would trade in real estate, real property, as collateral for this security agreement, and they can have a full hearing. If they want to put up their home quarter or their land or their farm land for a \$10,000 loan or a \$3,000 loan or \$20,000 loan . . . I mean, you must not understand farmers very well. They don't want to do that.

They're telling us in our travelling surveys with MLAs and caucus . . . They said, don't even force us to put up the home quarter; don't force us to put up property; let us deal with inventory. And you're standing up here saying, no, we should have everybody be able to put up property. It's exactly the opposite.

You couldn't find . . . I'll venture you couldn't find 10 per cent or 5 per cent of the farmers who'd come in here and say, no, I'm willing to put up the home quarter. You wouldn't find half of them. You wouldn't find . . . Well by far the majority will say, I'd rather have my inventory — that is my grain and my livestock — as security than I would land.

What I'm saying to you is, if the odd one comes in and says, no, I'll put up the home quarter, we'll say, fine. If you want to do that, that's your business. We'll take that as collateral.

The beauty of a general security agreement is that it's on personal property as opposed to their farm land. You must know that. If I'd asked for farm land for personal security, you'd be mad at me for asking for farm land. I didn't ask for farm land; I just asked for personal effects, which in most cases include inventory like grain and livestock. And now you're saying, well, it should have been the

other way. I mean, if it was black you'd say it was white. I mean, you'd . . . I understand that.

Most farmers, vast majority of farmers, would rather have the security agreement on their inventory than they would their home quarter. For the odd one that would rather put up his home quarter or some real estate, we said, fine, if that's what you like.

So I would say to you that if you think that a whole lot of farmers out there wanted to put up land as opposed to inventory as security, then I think you better go revisit the farmers and talk to them. Because I would suggest to you, you couldn't get very many farmers that want to put up their home quarter as opposed to wheat or livestock as security.

Mr. Koskie: — You're trying to sneak your way out of this, Mr. Premier, but you're not going to, because what has happened here is you got two standards. The question I am asking you, and I want an answer, is: why didn't you give all farmers of Saskatchewan at least that option? Why just some who came crawling into your office?

(1530)

Hon. Mr. Devine: — Mr. Chairman, I've said to the hon. member, he can talk to all the farmers in Saskatchewan and he can canvass them all, and if he can find individuals that want to put up their home quarter for security over this, I'm willing to talk to them, or the officials are willing to talk to them. If they want to trade in real estate for this, I mean, it's so far out of line, I mean, it's such an exceptional case that you wouldn't find one in a hundred that would want to put up their personal property — one in a thousand — that would want to put up their personal . . . their farm estate as opposed to inventory.

I mean, everybody knows that. So I mean, it's such an exceptional case . . . He's standing up here and saying, why didn't you give everybody and opportunity to do it. I mean, not one in a thousand would want to have their farm up there, their real estate, as opposed to inventory lien. And I'm sure the hon. member knows that.

Mr. Koskie: — Very unfair not to give the farmers of Saskatchewan the option. First of all, you deceived them prior to an election that they had a loan which required no interest whatsoever, then you send out to all of the farmers across Saskatchewan a firm commitment that they had to put up all of their personal property. Now you say, if they came into my office they could get a different deal.

Mr. Premier, there's a number of deals. You don't have to start talking about the home quarter and make it . . . try to turn it around. There are other options that could happen. If a farmer, for instance, owed very little on a mortgage on his land, would your department also consider, other than the home quarter — say he has three quarters and he has \$30,000 against it in a first mortgage — can he come in to your office and say, ACS, will you take a second mortgage on this because the land is worth a lot more and that will free up my inventory and my operating flow of cash? Would you in fact look at that?

Hon. Mr. Devine: — Mr. Chairman, the hon. member lost on the first count, so now he's off on a fishing trip.

I will say to the hon. member that a general security agreement . . .

An Hon. Member: — I'll tell you we're on a fishing trip, all right, and you're on the end of the hook.

Hon. Mr. Devine: — Mr. Minister, would you just ask the member to please listen to the answer?

An Hon. Member: — You're on the end of the hook.

Hon. Mr. Devine: — Would you ask the member just to co-operate so that we can provide some information here?

It will probably cost about \$45 to register a general security agreement, and the hon. member, as a lawyer, should know that. I also remind him, because the NDP lawyers have been in the farming business an awful lot; there would probably be about \$150 in legal fees if you wanted to register a mortgage and search for it, and so forth.

Now I ask the hon. member — I'll throw it out; I won't ask him — I mean, is this why you're after mortgages? Is this what . . . this is what you're after? I mean we know now that NDP lawyers have been foreclosing on farmers. They know that the legal fees are three or four times as high to register mortgages as opposed to general security agreements.

He's standing up here knowing there wouldn't be one in a thousand, but if he could get it into law, then obviously you could make three times the money for the lawyers. Now as a lawyer he's standing there, and he knows the legal fees associated with it. He knows what it's worth to him to foreclose on farmers. And he knows that NDP law firms have been doing that, and he's very, very familiar with it.

So I just say to the hon. member, it's not fair that you should abuse farmers. It's not fair when they're in some difficulty that you should be foreclosing on them, and it's not fair that you should ask now to have it in law to have the lawyers pick up three times the fee to register mortgages as opposed to a general security agreement, which is about \$45.

I believe I know where you're coming from now. As a lawyer sitting there, you're saying, well, I can see the numbers. And you know that not many farmers would put their home quarter up. But if you could get it into the agreement, then you'd know how to make a little bit of money at it.

Well obviously, Mr. Chairman, farmers are smarter than the member opposite, I would say, that's for sure. And he will now recognize that most farmers would rather put up their inventory than they would pay the legal fees to register a mortgage and have it searched and all the rest of that. And most of them wouldn't want even to put up their home quarter or their land, they'd rather put up inventory.

So it saves lawyers. It's better and it's safer for them, and that's why they've opted for this. And they're happy with it, and so are the financial institutions and everybody else.

So I'd say to the hon. member that I don't think farmers should have to pay \$150 legal fees unnecessarily, particularly when they don't want to have any part of putting up their home quarter for collateral.

Mr. Koskie: — My understanding, Mr. Premier, is that you want your friend, the Royal Bank, to draft up one that would really sink the farmers. That's what you did. Your friend, the Royal Bank, drew up this her form and told you what to do.

I think one thing that you said is true, that you should be fair. And I think you should be fair to all the farmers. And I think the farmers should have the option, not you stand here lecturing them as to what security they want to put up.

And if you talk about drawing up the securities, you have a department that can draw it up. You can draw up this here one that you sent out to the farmers. Why can't you draw up another security from your department if you're thinking of the farmers?

The question that I want to ask you, Mr. Premier, is when did you announce to all of the farmers of Saskatchewan, under what official document, and can you file it, whether the farmers of Saskatchewan were given the other option which you allude to? That's the question I'm asking. Are all the farmers in Saskatchewan, to your knowledge, aware that they had an option to strike out this and to negotiate and to put down another option for security? That's the question.

Hon. Mr. Devine: — Mr. Chairman, I have said to the hon. member many times now, when the odd farmer, like one in a thousand — a little less than that; one in ten thousand — would come in and say, rather than put up my grain, I'd rather put up my home quarter, we'd say, well look, not many farmers would like to do that. You want to do that, we'll talk about it and we'll entertain it.

So obviously not many farmers in the world would put up their land when all they'd have to do was put up some inventory. But if the odd one come in, we'd say we would entertain that. And he's saying, don't do that, don't give them the flexibility. Well I just say to the hon. member, when a farmer did — and not many, like six out of 50,000 — would come in and say, I'd rather put up some land as opposed to inventory, we said, fine, if you want to talk about that we'll sit down with you. We didn't deny them the right to come in and give us the suggestion when they offered.

Mr. Koskie: — Mr. Premier, you can't hide behind the six because nobody knew your policy. Nobody knew your policy. I ask you again: did you publicly indicate to the farmers of Saskatchewan, in a general way, that they had an option to change this; or do they have to come sneaking into your office and negotiate? That's the question. Did they have the option? Were they notified of the option? That's a simple enough question.

Hon. Mr. Devine: — Mr. Chairman, we said to the farmers when they signed on that we wanted a general security agreement, knowing that there wouldn't be one in 40,000 that might want to ask for property included. If one comes in, we said we would entertain it. That's all that it is, and it's the alternative that's there so that they can have that flexibility. Most farmers know that they'd rather put up inventory as opposed to any other form of the home quarter or real estate, and that's precisely why we provide it.

Mr. Koskie: — Mr. Premier, by your own admission, what you didn't do — and you won't answer because you didn't do it — you didn't notify the farmers. So how can you make a . . . be a judge as to what they wanted to opt for? They weren't given the option. Only a few that happened to sneak into your office were given the option, and you hide behind that number. I ask you again; if you're so convinced, why didn't you send out the option to them and let them decide? And will you send out to the farmers of Saskatchewan, indicating to them that there is another option? Will you in fact do that?

Hon. Mr. Devine: — Mr. Chairman, it's like asking for the option — if you paid me twice as much money, twice as fast, we'd adopt it. Okay? I mean it's such a remote possibility, it's so remote that the farmer would put his farm as opposed to some inventory, that's it's . . . Most farmers, I'll say to the hon. member again, most farmers do not. And they told us time and time again, all over the province, we do not want security on the home quarter.

And you're asking them now, well give them the right to throw in the home quarter; why didn't you give them the right to throw in the home quarter? They don't want to put in the home quarter, Mr. Chairman. They don't want to put in any land. Only very, very few would opt to put in some land, and they are obviously in a much better financial position.

So it isn't even something that was worth considering, not even worth considering, because nobody is going to opt for it. I mean, very, very, very few would say, I'll put up my home quarter rather than some inventory.

So obviously, Mr. Chairman, there could be people who would come up with some very, very unique ideas or isolated circumstances where they would want to put up something else. But I mean the general security agreement has applied in agriculture, as the hon. member know, for years and decades and decades. And from once in a while when somebody came in and said could I put something else, I would say for decades they have been at least give a hearing.

You're saying, well, no hearing; or you say, or any other possibility that might ever come to mind, we'll throw that in the mill. Well I'm saying to the hon. member, if the odd one came in and said, can I look at something else in terms of putting my home quarter up, we'd entertain it. And he said no, you shouldn't have done it.

What he's saying is you'd have been better off . . . don't give them any alternative, just say it has to be security. Then he'd be standing up here and he'd say, well isn't that

unfair because there's no flexibility. We give them some flexibility and he's standing up here and saying, well that's unfair because you are being flexible.

Well, I mean, clearly the member and I have disagreed on agriculture policy for a long time, and will likely continue to disagree for a long time to come.

Mr. Koskie: — Mr. Premier, I want to ask you: is it your view then that the six people that came in and put up another form of security — and I don't know what it is yet, other than signed what you asked for here — do you consider them to be stupid having done that?

Hon. Mr. Devine: — Mr. Chairman, I said it's a choice that the individuals have, and that most people would not want to put up their farm, wouldn't want to put up their land — wouldn't want to put it up. So some did, and we said if they don't want the choice, then that's up to them. And they came in and they asked for it and we said we'd entertain it and we'd look at it.

So, Mr. Chairman, I can only say to the hon. member, if I didn't give him the choice, the alternative, he'd be on my case, because well, once you give him, the odd one might want to put up his farm. Well I said, all right, I'll let you put up your farm rather than inventory.

Then when he says, well you did that, he says, that's not fair because maybe everybody'd want to put their farm. Well I'll say . . . You know as well as I do, and certainly the caucus members that travel the province, they don't want to put up their land. They don't want to do it. Okay? Now for the odd one, they might, and we said we would entertain them.

Mr. Koskie: — Mr. Premier, why didn't you give the choice to all Saskatchewan farmers, at least for them to choose? Why have you. . . You've given it to six people. You've said they're stupid to do it. And you said that the farmers, to use this option, would be stupid. But six did — the ones that were able to make contact with the right person, apparently. They could do what they wanted to and set up that type of security. Why didn't you give at least the option to all of the farmers of Saskatchewan? That's the question.

You have admitted that you haven't. And here you've got two standards, and all we're asking you is to be fair. Let the farmer make the choice. Because you came in, and if you happened to have the right connection you could come in and do exactly what you wanted to. And you say six people put up different security.

But across this province, I'll tell you, Mr. Premier, that's not the information that the farmers had, because I'll repeat to you, many of them stroked out the clause (5) and you sent it back and you said, fill it out; accept clause (5) or accept the three year. You didn't say, do you have . . . if you find this clause reprehensible, if you don't like this clause, you didn't write back and say, you have the right to come in and to negotiate yet another type of security. Isn't that correct?

Hon. Mr. Devine: — Mr. Chairman, you wouldn't find people who would be concerned about the security

clause — they'd be anxious to put up their home quarter — would you? You know . . . or other quarters of land — farm land. He's saying, he's saying he knows all these farmers who'd put up farm real estate as opposed to inventory.

An Hon. Member: — Well I know a lot of farmers that had no option.

Hon. Mr. Devine: — They always . . . If they don't have an option with respect to it, and he knows the situation . . . So I mean, obviously, Mr. Chairman, he must know, or think that he knows farmers who would put up the home quarter or quarters of land in place of inventory as collateral. And it's just not the case. No place in the world do we know farmers who would rather put up their home quarter or land, as opposed to inventory. I mean, the odd one might for very unique reasons, but generally farmers told us, we don't want you to take security on the home quarter; we don't want you to take security on farm land. And so that's why we put it in the general security agreement — that's precisely what they asked for.

(1545)

Mr. Koskie: — You don't make a lot of sense, you know, with your logic, but that's not new in this House. You know, you say that six people opted for it. Now either you have to come to the conclusion that they were absolutely stupid to opt for it, or you gave six people an option that you didn't give to other people in Saskatchewan. Obviously that's the only conclusions you can come to, and six people opted for it.

Now either you're saying that they're stupid and you shouldn't have given it to them because they're stupid, but the fact remains is that you didn't give the other people, other farmers of Saskatchewan, the same option that a few had when they sneaked into your office or had the right contracts.

That's the point that we're making. You've been unfair in dealing with the farmers of Saskatchewan. That's the nuts and bolts of this because thousands of farmers were forced to sign this. And I'll tell you, I'll ask you: how many forms did you get back with the clause (5) struck out?

Hon. Mr. Devine: — Mr. Chairman, we reviewed the production loan and the question comes up: do you think that anybody might want to offer property, real estate, as opposed to inventory for security? And the answer came back, not likely — not likely. Most people would put up inventory.

So the question comes back up: well if the odd one did, would we entertain it in place of inventory? And the question came back: well if the odd one wants to, should we deny them that choice? And I said no, don't deny them the choice, give them the opportunity to . . . if they want to offer something else up. The odd one might want to put up their farm, but very few will, and it bears that out.

Now you would say to me, I shouldn't have done that. You said, well you should have said no, shouldn't do that, shouldn't give them the choice. And if they want to do it,

don't give them that.

Now anybody that wanted to look at the alternative of putting up their farm as opposed to inventory, we looked at and we responded to. So I mean he's saying, well no, don't do it, shouldn't do it, shouldn't do it. Well I can say, Mr. Chairman, all we did is, the odd one might for their own unique reasons what to put up the home quarter. We said okay, fine, if you want to do that we'll talk about it.

We could have said as you would, no, we wouldn't do that, don't want to look at your land. We said, if you want to do that and put up the land as an equivalent collateral, or real estate, we'll look at it.

So we've given them every choice, given them every choice. And if somebody wanted to do that . . . and the average farmers out there, as you know, don't want to put up the home quarter and they don't want to put up land as collateral; they'd rather put up security associated with their inventory, either grain or livestock.

So, Mr. Chairman, I can only say again that farmers, if the odd one wanted to put up his farm as opposed to inventory, we said we'd look at it, we'd give him that flexibility.

Mr. Koskie: — Would you provide us with the names of the six farmers that were given the special provision of opting for this special putting up of real property, if you want to come clean. Because you didn't offer it to the rest of the people of the province of Saskatchewan, the rest of the farmers. Somehow six got in to where they were able to negotiate a special deal, which other farmers of Saskatchewan weren't able to.

Why wouldn't you give all farmers the option — why just six that have connections — the right to come in and negotiate what they want? You can't give away saying it's stupid. Six of them opted, an option which other farmers of Saskatchewan didn't have.

I ask you, Mr. Premier, why didn't you? And if you haven't, Mr. Premier, if you haven't notified the farmers of Saskatchewan that there are special options to clause (5), will you in fact notify all the Saskatchewan farmers that, if they come creeping into your office, or if they get in contact with the right person, that you'll make a special arrangement for them? Is that the policy of your office right now?

Hon. Mr. Devine: — Mr. Chairman, I'll make the offer to the hon. member. If he has any individual farmer, if you have any individual farmer that wants to put his farm land up for collateral as opposed to inventory, please give me the name of the farmer and we would be glad to talk to him. I mean, if there's any individual farmer in Saskatchewan, anybody that would rather put up his home quarter or his real estate as opposed to inventory, please give me his name, and our officials would be more than happy to visit with them.

So in your mind, if any fairness, even if he signed it, if you've got somebody out there that says, no, I'd rather put up my farm land rather than this general security agreement, please let us know and we would be glad to

discuss it with him.

Mr. Koskie: — Mr. Premier, I asked you a question specifically: how many applications did you receive back from farmers where clause (5) on the initial . . . when they sent it back was cancelled or struck out and sent back in that form, deleting clause (5) because of their concern that was covering all of their personal property. How many of those were sent back to you, and what was your response to the farmers of Saskatchewan?

Hon. Mr. Devine: — Mr. Chairman, I don't know how many forms come back with a line through it or with somebody writing on it. And the response was that you have the alternative to go for the three-year money or the 10-year money and the general security agreement. And if one or more wanted to put up some other kind of agreement, we would talk to them about it with respect to the real estate.

I come back to the hon. member and say that if he has any farmers that think it's a good idea to put up their home quarter or real estate or would rather trade in that for collateral over this, I mean, I would be glad to talk to them, and I'll call him on this. Okay? You find them and we'll deal with them. You find them and we'll deal with it, and we'll find out whether it's really a lot of farmers would like to do this or not. And I'd venture to say that not many, not many at all would rather put up their home quarter or real estate as opposed to a general security.

Mr. Koskie: — Mr. Premier, you can't hedge your way out of this talking about home quarters. Farmers don't just farm with home quarters. But the question that I asked you is this, and you have to know it. Any department, any minister of Agriculture would know: how many farmers sent this form back initially with striking out clause (5)?

Now don't say you don't know. You don't want to tell us, because a lot of farmers wanted more options. A lot of farmers were concerned with the degree of security that you requested here. A simple question. Ask your officials; they can tell you.

There's a number of them because there's a number of them in my constituency that sent them back. and what I'm asking you, I'm asking you this: how many of these applications did you get back with clause (5) struck out? You can find that information but you're scared to give it. That's why you're hiding. You won't even put the facts before the farmers of Saskatchewan.

Here you have a vicious agreement here of all personal property, and then on the side, for Tory friends you have another little package. That's what you're saying here today in the legislature. That's what you're saying. We got a special deal for special people. That's what you're saying, and that's the way you run your government. You got special deals for special people. And people of Saskatchewan are sick and tired of you with your special deals for special people.

And I ask you again, can you give us the information as to how many of these forms came back with clause (5) struck out? And you can give it if you want.

Hon. Mr. Devine: — Well, Mr. Chairman, I cannot provide the hon. member with the names of individuals who opted for Option I or the names of individuals who opted for Option II, or the names and numbers of individuals who wrote out . . .

An Hon. Member: — I didn't ask for names, I asked for numbers.

Hon. Mr. Devine: — You asked for the names of the individuals that have asked to have their farm property put up. I'm not going to give you that. I'm not going to give you the names or the numbers of individuals who apply for this or apply for that. I've told you already that 55 per cent have opted for Option I and 40-some per cent have opted for Option II, and I'm not going to get into the names and addresses of individuals on either option.

And he should know better than that. I mean, he wants to make the point, and nobody's going to believe him. Nobody's going to believe him that the production loan program that we have universally . . . I mean, first, Mr. Chairman, he argues that the program should not be universal. He says pick and choose. And then when we have it universal, he say, oh, but you still pick and choose.

I mean, he doesn't make any sense at all. He wants to stand up and try to tell the people of Saskatchewan that the production loan program was partisan because it was universal. And then he says it's partisan because you pick and choose. And then it's partisan because you have Option I, II, and III. Then it's partisan for some other reason. I mean, he knows, he knows very clearly that it is administered by the agriculture credit corporation across the entire province for everybody — north, south, east and west — livestock people, grain people and all others.

We've given them the option of three years at 6 per cent, 10 years at 8 per cent, which included still the three years at six, and they can pay it back at any time without a penalty. And he knows that. And some, the odd one that's come in and said, well can I actually use my farm land for security as well, we've said, if that's what you want to do, fair enough.

Most of the farmers tell us they don't want to put up the farm land, and we know that. It would be a very, very, exception.

And finally, I've offered to the hon. member, I said, if you think you know farmers that want to put up their farm land as opposed to inventory, then I'll be glad to have my people, I'll be glad to have my people meet with them. And I'll venture to say that you won't find very many that'll trade in security, real estate security, for inventory in the province. And you know it. You know it. So we've given them all those options, and they're there.

And I ask you, if you really think it's a problem, go find the farmers that want to trade in real estate as opposed to the general security agreement, and we'll talk to them all.

Mr. Upshall: — Thank you, Mr. Chairman. Well, Mr. Minister, we see again in this House a classic example of a Premier and Minister of Agriculture not laying all the

cards on the table. You know, you went from one agreement to another agreement, and now we find out there's another agreement.

If you can wheedle your way in somehow to bypass the original agreement — an agreement that, I might say, Mr. Minister, that some farmers had as few as four or five days to make up their mind, to make the decision on which option to sign. And months later, we're finding out that there indeed was a further option.

And it's not for you, Mr. Minister, to decide whether a farmer should make that decision or not. That is none of your concern. And yet you say that there is an option beyond Option I and Option II if the farmer requested it. And you didn't give any indication. I've looked through all my literature, all my correspondence, and in no cases has there ever been anything to indicate that there was an option whereby you could put in other assets.

Now, Mr. Minister, I ask you this: are there any cases specifically where personal properties have been used as assets, any cases any specific personal properties have been used as assets — as security?

Hon. Mr. Devine: — Mr. Chairman, that's what a general agreement is, personal property. So 99.9 per cent of them have used personal property because they didn't want to use their farm land.

And I extend the same offer as I did to the member from Quill Lakes. If you know farmers who would rather put up their property or their farm land as opposed to their inventory, please let me know, and we'd be glad to talk to them — even those that have sent them in — and he will find that it will be very, very few.

Mr. Upshall: — Well, Mr. Minister, let me be a little more specific by way of example. Are there any cases where farmers have the production loan and have negotiated security on that loan specifically to a piece of machinery — let's say a combine or a tractor or some other personal property — other than the blanket clause which section (5) of this agreement says? Are there any farmers who have negotiated a specific agreement with a specific personal property?

Hon. Mr. Devine: — I'm advised, none.

Mr. Upshall: — So that in other words then, if I came in, if I hadn't negotiated my production loan, I would not be able to say I have . . . let's, for example, say my loan is worth \$30,000; I have a tractor that is worth \$35,000; I can't assign that tractor as security on the production loan. Is that true? Is that what you're saying?

(1600)

Hon. Mr. Devine: — No, I'm advised that it's a general security agreement or, in the exceptional case, it's real estate, and over a 10-year agreement it would, if the member thinks about it, not likely be a depreciable asset because of the value for security. So I'm advised that they're general agreements or, in the odd case — six out of 50-some-thousand — that somebody has put up real estate as opposed to the general inventory.

Mr. Upshall: — Well, Mr. Minister, can you tell me now: how many farmers sent back the production loan forms, either Option I or Option II, the number of farmers that sent back the forms without full payment under whatever option they considered?

Hon. Mr. Devine: — Well we don't have the exact number of individuals that might have not made the full payments, but we'll have a . . . Approximately, of the 58,000 farmers, 55 per cent of that opted for Option I and 45 per cent opted for Option II. Some paid the whole thing, and some still have some payments to make with respect to meeting their full obligations in either Option I or Option II.

Mr. Upshall: — Well, Mr. Minister, I think it's information that the general public should have. There are still some contracts, I believe, that are pending, people who haven't made a complete decision of what they're going to do; they've sent some money. There's a multitude of ways people are returning these things.

And I think it's pertinent information that the general public, the farmers, and this side of the house should have as to the numbers of farmers who have selected an option but not been able to make full payment on that option.

Because the next obvious question is: what does the Department of Agriculture and ACS intend to do with those people who have not made full payment, and how much time are they going to be given? Let's say I can only make partial payment and this could be strung out over a number of years. How much latitude are they going to be given to repay that loan in full?

Hon. Mr. Devine: — Well, Mr. Chairman, that's what they do every day is they sit down with farmers and work out the best possibility for them, given the alternatives that the farmer has, whether he's in livestock or grain, or there's children farm, or what other debts that they might have. I mean, that's the . . . we try to be as accommodating as we can, saying at the outset that the loan has to be paid back.

Now I can say to the hon. member, the first year we said you didn't even have to pay the principal, pay the interest. Then the next year you said, you've got an option, you can go to 10 years. And some people said, well I still can't make my full payment. Well come in and try, give us your best shot at it, then we'll hang in there with you. And we've got counselling and assistance, and we've got other programs that we provide for people to accommodate them. So the agriculture credit people continue to work with the farmers.

The only farmers that are in some difficulty, in a legal sense, are those that won't even talk to you, won't even go in there and say, I don't want to even talk to the credit corporation, I don't want to talk to the credit union, I don't want to talk to the bank. If they don't talk to anybody, then you've got to start some action so that you can in fact get some information from them.

But if they're talking to us, providing us with some

income, providing with some payments and trying, then we're trying to work with them as best we can and as best they can work with us.

Mr. Upshall: — Well, Mr. Minister, I wonder if those farmers who refuse to talk would it make a difference if they knew they had a third option.

An Hon. Member: — What's the third option?

Mr. Upshall: — Your third option of signing some other asset. Now, Mr. Minister, the problem that we have here is that we just laid out before this House the fact that your government changes the rules constantly, and these people who haven't made full payment and who can't make full payment now, I'm sure must be wondering, well, what's coming next? You know, is there another way we can get around this? You know, what's the next card that's going to be played that the government hasn't told us about? Why don't you come clean with them all and give them a break for a change?

The problem that you have . . . Okay, let's just go back to the beginning. I said some people had as much as four or five days . . . as little as four or five days with which to make a decision on whether to sign Option I or Option II. There was a number of people calling me, and I'm assured you and other members of your caucus, saying, look, give us 30 days to think this thing over. Give us an extension before we have to sign it. Why did you not consider that?

Hon. Mr. Devine: — Mr. Chairman, let's make it very clear that the loan is just that; it's a loan, and farmers have to pay it back.

Now we will provide various alternatives to allow them time, and they have requested 10 years, and we've opted for that. They want low, long-run, fixed interest rates, and we've done that. They've said they'd rather use their inventory as collateral than farm land. The odd one has come in and said, well, would you take my land instead? And we've said, look, we'd look at that. I've offered to you, if you know any farmer today that wants to put up his land rather than his inventory, please let me know and we'd negotiate with that.

So let's make it very clear. It's a loan. It's to be repaid. We have counselling assistance. We have other mechanisms that they can use to get access to ongoing credit. We have extended it. We've kept it low. We've done several things, and we're negotiating with farmers every day and being as co-operative as we can.

If I didn't negotiate with them or if we weren't co-operative, you'd be on my case for not being flexible. When I am flexible, you'll say, well for Heaven's sakes, you're flexible. Well we've got a billion two of taxpayers' money out to farmers, and most of them are making their payments, most of them are doing the best they can, and we're providing flexibility to each and every one of them to the best of our ability.

The loan is to be paid. It's not going to be written off, so make that very clear; there'll be no mistake. It's a loan, it's taxpayers' money, and the taxpayer expects the farmers

to pay it off, in some cases maybe longer than others, but we're as flexible as we can be. But we are encouraging people to pay it, and to pay it on time; of course, that's what we would normally do.

The kinds of security are the same security you had when you were in power. Farmstart loans were exactly the same, and you had a general security agreement. You know all about that. In some cases you were flexible under the farmstart agreement and you'd work something out with farmers — flexible. Then you'd say, well my gosh, you were flexible. Why didn't you tell everybody else that this was the kind of flexibility you had for this and that and so forth?

You cut lots of deals for farmers as they come in, from time to time in their unique circumstances. Okay.

Now you're saying, oh, but I can't; that wouldn't be fair, if you were flexible and had some leeway to help them out. So I mean, you can't have it both ways — either you want flexibility for families as they come in and talk to you or you don't. We've provided it; we're glad to.

And I offer you — I've just extended to you — if you know of farmers that want to put up their land, their real estate in place of inventory, please let us know, and we would be glad to talk to them.

Mr. Upshall: — Mr. Minister, I find it odd that you talk about the flexibility of your administration in your program. When farmers had four days to make a decision, you weren't very flexible as to saying, look, we'll give you another 30 days to decide what you're going to do, and you know that put them through severe stress and strain. And then you say you're flexible.

After you had to make a deal with the banks to decide who was going to get first right of security, those people who had four days to sign had to already make that decision. You weren't very flexible in that respect.

You weren't very flexible after you told us today earlier that they had Option I or Option II. Then we discovered that you say you're flexible; they have another option — that they can assign real asset.

But you're not giving them the facts. You're not being honest with them, and that's the problem that we're having here today. If you would come clean with the farmers and tell them everything that is involved in the program, right up front, then we wouldn't have these decisions. You have constantly, constantly come out with changes, little niches and changes in your policy, that confuse the farmers as to know what really your policy is, because you're not being honest with them.

Mr. Minister, another aspect of this production loan program that I find amazing is that if I choose Option I, then I have three years; I have no administration charges. If I choose Option II, I'm paying 10 bucks up front for administration, and I'm paying 10 bucks every year for administration. And those poor farmers who choose Option II are those people who can probably least afford it, and they're the people who you're asking to pay more money. And it's not great sums of money, but it's the idea

involved.

And so it's back to your old philosophy to put pressure on those guys who are in trouble, to get rid of them, and then maybe things will run better. Well that's not what we believe on this side, Mr. Minister.

And I just don't want to go away again, because it's still bothering me, about the fact that the security, as you said, once before, could not be taken on personal properties and designated specifically to some asset. Was there any consideration given to that option of assigning a personal property specifically, rather than the blanket security agreement?

Hon. Mr. Devine: — Mr. Chairman, what the farmers told us, and I'm sure that you're aware of it, is that they didn't want a situation where they were going to trade in their combine or trade in their tractor that they've got to come and see the government. They wanted to say, if I'm going to be able to have operating cash into the future and I want to go to my credit union or my bank to get operating cash, I don't want to get permission from my government whether I can trade in my tractor for operating costs and so forth.

I mean, we generally would accept the general security agreement or, in the case of . . . for some, the odd one, id they want property. We'll put it up, but most farmers did not want to. I know the hon. member wasn't listening that carefully, but they did not want to have to come to the government to trade in their tractor. Do you understand what I'm saying. So they said, general security, fair enough — or farm land — but once you tie up depreciable equipment, then you've got come in and see agriculture credit or something else to get it released, to go trade it in. And they said, we don't want any part of that.

Financial institutions also said, on existing loans we understand exactly what's going on. On new loans they want to be able to have the same kind of security. And we said, fair enough, that's exactly what we'll do. So we provided that, then they had no problem with extending the production loan to 10 years.

I would say to the hon. member — he says we've changed this — we have changed it because people asked to have it changed. The first time we had three years, and people said, I don't want to pay; I'll pay my principal for the first year. And we said, we'll change it; you don't have to pay your principal.

Then the next time they said, we want to make some other changes; we want it longer. We said, fine; we changed it. Then they said, but when we put it into a 10-year program, we still want the same rights as the three-year guy so that we can opt for that. We said, we'll change it. And we want to be able to pay it off with no penalties. We said, we'll change it. we made all those changes on behalf of farmers and you stand up and say, you've made changes.

I mean there . . . I suppose that's what farmers appreciate. The fact is that the government listens and adapts to the kinds of things they want. When the NDP were in, there

was no change at all. It was land bank and that's it. All you got is land bank, period. Land bank — I'll buy your farm; if you want some help, sell me your farm. There was no interest rate protection, nothing else; just land bank was it, no change. Or, I'll tell you what we'll do, if we can just run your industry, if we could have supply management and beef, it'll be fine, and sell us the ranch into government and we'll help you. That's all there was. We've got flexibility and an awful lot of flexibility. We are not just hung up on the philosophy that says it's just for government.

So when you talk about change, we're very, very satisfied that the changes that farmers wanted . . . First they wanted the production loan; then they wanted it to be universal; then they wanted some help in terms of paying it; then they wanted an extension; then they wanted the same rules as the three-year applied to everybody else; then they wanted no penalties to pay it up. We've made all those accommodations — every one of them. And even after that, if they came in and say, would you entertain something else with respect to my real estate? We'll entertain that.

And finally today I say to you, if you know somebody that wants to put up their land instead of their inventory as collateral, just let us know, just let us know. If you want that, if you want to find them, please let us know.

Well, Mr. Chairman, all I can say is that we have been very accommodating at the respect of the farmers and they have got five or six alternatives. And he says, well you've changed. We've changed every time as a result of a request by farmers.

(1615)

And, Mr. Chairman, I'm happy to say that farmers want to know that we will fight for them in deficiency payments, low interest loans that will extend long-term credit. Right now we'll find out that in terms of the net income for farmers, 158 per cent of it this year is going to come from government.

And because we have stood beside them, as well as the federal government, and have changed the view so that we could accommodate these circumstances — and obviously the members opposite all they can think about is land bank, land bank, land bank, you can't get them out of that route . . . that rut. They just . . . they . . . the land bank . . . if the government could own your farm. Do you know what it would be like, Mr. Chairman, if they had their wish? You'd have tens of millions of acres of farm land owned by the land bank. And then they could run it, then they could run it and they could say these are the rules and this is how they have to market your stuff; here's how you have to do it.

Well I can say to the hon. member the NDP were rejected in Saskatchewan across the province, all across rural Saskatchewan, and in Manitoba, and in Alberta, and in British Columbia and all across the country, for good reason. Farmers don't trust them. They know that the NDP believes in one thing — socialized agriculture. That's what they say, socialism in agriculture. That means the government will own the land.

And the member from Regina Rosemont and the member from Regina North, they stand in here and say, socialism for agriculture. They believe it. Everybody knows they believe it. That's why nobody in rural Saskatchewan wants to have the NDP, because they don't want the government to own the land.

Well I'll say to the hon. members, he can say that we have changed to accommodate farmers; I'll say, you bet we have changed to accommodate farmers, and when they need help we're there. The NDP have not changed. It's socialized agriculture; it's land bank. Everybody know it; that's all they hear about. They have no new agricultural ideas. They don't come up with any new ideas. The government shall own the land. They can meet in Edmonton, they can meet all over the place, and all they find is that no new ideas; it's under review.

Well, Mr. Chairman, I would say, we will accommodate farmer; we will continue to give them help. We don't want to own the land; we want farmers to own the land. And any changes we can make in government policy to accommodate that, we'll be more than glad to do.

Mr. Upshall: — Mr. Minister, that little burst reminds me of an old badger you've got concerned in the chicken coop — he just lashes out at anything. And that's a sign of somebody who's backed into a corner in deep trouble. And that's exactly what you and your government are, because of issues like the production loan . . .

Some Hon. Members: — Hear, hear!

Mr. Upshall: — Well, Mr. Minister, back to the question. If you would have taken into consideration specific security on the production loan, I would suggest to you that you wouldn't have had the problem of going to the banks and deciding who was first up in line for the farm when she went down.

And if you would have only asked for the interest back on the production loan, as you did in the first year, that would have provided the flexibility that most farmers wanted. Instead you changed the rules again, as indicated time and time again. Whether it be community pastures or this issue or any other issue in here, you come along and change the rules in the middle of the stream, and you don't tell the farmers what all the options are.

And that's the problem that we're having. It's not the fact that they don't want to pay their loans back. Farmers know they have to pay them back. It's the fact that you're not coming clean with them. You're not telling them what the options are. You're constantly changing the rules.

Well, Mr. Minister, as far as the security provision goes, you and I know that that caused a tremendous amount of hardship in the farm community. And you can say all you like about your flexibility, that provision caused great, great stress on the family farms, and they didn't know what to do. You gave them four days to make up their minds in the many cases, and now we see that there are other options, and we don't even know yet what all the options are, I'll predict that.

So Mr. Minister, why did you not look at specific security on the production loan that would free up operating capital for farmers, and it wouldn't have put them through this harangue, this whole harangue that we had over the last few months?

Hon. Mr. Devine: — Well, Mr. Chairman, nobody would want to opt for the option that is mentioned by the member opposite. So we didn't look at it because farmers said they don't want to put up the home quarter. They don't want to put up specific pieces of machinery so they have to come back in here and ask us if whether they can trade it.

So, I mean, the general security is precisely what the NDP did. If I could just remind them again, general security is what you wanted in farmstart. You started farmstart and you had general security as part of the agreement. And now you're saying that isn't the case. And we provide more flexibility and you're saying, well that's a mistake. I mean, come on.

We've gone over this, we've gone over this all day. General security is what you had in farmstart and you thought it was a good idea and now you're standing in your place and saying it isn't any good. So I mean, how can you say that? Okay, so the . . . I mean they . . .

Mr. Chairman, the farmers have asked for the flexibility. We have given them a great deal of flexibility — far more, much more flexibility than the NDP did. The NDP farmstart, land bank and that was it, with general security agreements, period. No more of the programs . . . nowhere near the programs we did. And I can only say to the hon. member, his suggestion doesn't make any sense at all.

Mr. Rolfes: — Just a few questions. Mr. Minister, on the production loan program you indicated in the House earlier today that you had all these requests from farmers to make changes. Could you table in this House the actual requests that you had — you must have had them by letters — and could you tell us how many requests there were?

Or, Mr. Minister, is it something like the Minister of Education recently speaking to the Easter council saying that, oh, he detects a concern out there of parents that they are not happy with what's going on in education and therefore we need standardized tests? When he was asked about, well, who has written to you, how many parents? Oh, I detect a concern out there. And when the trustees' association said, no, we don't want standardized tests and the STF (Saskatchewan Teacher's Federation) said, we don't want standardized test, the minister says he detects a concern.

Mr. Minister, could you tell me: how many letters did you receive from individual farmers who — or representations to you — that they wanted a change from the three years to the 10 years? Could you tell me that first of all.

Hon. Mr. Devine: — Mr. Chairman, we detected a drought in '84 — we detected it. Farmers and families across southern Saskatchewan felt the real problems of

drought and grasshoppers in 1984 and '85, and that's why we came up with a production loan program to give them some help. And you're asking me how many farmers wrote me a letter? You don't have to have letters from southern Saskatchewan, particularly south-western Saskatchewan, to know that it's dry out there.

They asked for help, and we were there, on a program of drought throughout the province of Saskatchewan, '84-85, and we came in with it. Then the price of wheat started to fall off dramatically and they said, we can't come up with all the payment in three years; can we postpone it? We said, yes.

Then we had the SARM (Saskatchewan Association of Rural Municipalities) and the wheat pool and the others, all suggesting, well some will make the three-year payments, maybe we should extend it for 10 years for some. So we did that. And at the same time they said, and don't eliminate the possibility for all of us to get in on the three-, six-year money, and therefore no penalties, so if we pay it off in advance we still get that 6 per cent. So we did that.

I mean, and you're asking for cards and letters and people telling us whether there was a problem in drought, or where there was an income problem. You stood here for four days now, or three days, talking about the debt in agriculture and you want to know how many letters we had and whether there was a problem.

Clearly, clearly, when there is a grasshopper infestation, when there's a drought like we had in '84 and '85, farmers need help. We put out over a billion dollars across the piece to help, and they asked for more help and we helped them. They asked for deficiency payments and we helped them. They asked for low interest loans, they asked for cash advances, they asked for kinds of protection in the north-east because of flood, and we were there. We talk to people all the time in rural Saskatchewan, as well as urban, and they give us the indication of the things that we should do, and you're saying: how many cards and letters did you get telling you that there was a drought or a financial problem?

Well I can only say to the hon. member, we have literally put the Saskatchewan treasury up, and our shoulder to the wheel, to defend farmers in rural Saskatchewan. We will continue to do that. We will continue to defend them in the North, in the South, in the East, and the West if they need support. And right now they do, and they've asked for the flexibility, and they've asked for cash, and they've asked for low interest loans, and they asked us to help them internationally to get prices up. We will continue to do that, Mr. Speaker, Mr. Chairman.

I mean, you're asking here in the agriculture estimates how many letters did we get about drought, as if that was going to make some significant difference with respect to whether we come up with a production loan or not. I'll tell you whether we got any letters on drought or not. In '84 and '85 it was serious and we come up with a production loan program because we are close enough to farmers; we don't have to wait for the letters to come in, as you probably did, condemning the land bank, to know that there's a problem. And that's why we dealt with it up

front and as fast as we did.

Mr. Rolfes: — Mr. Chairman, I don't mean to laugh at the Premier, but I wish I had kept a hearing aid so that I could have given him one.

Mr. Premier, I never mentioned the word drought once. I simply asked you how many letters did you receive from farmers to change your production loan program from three years to 10 years. Could you just take it a little bit easy on your intellectual capacity and just address yourself to that question. That's all I asked you to do. Okay?

Hon. Mr. Devine: — Mr. Chairman, the largest rural organization in the province, the Saskatchewan Association of Rural Municipalities, that has counsellors all over the province, locally elected municipal people, met with us and provided us with a recommendation that we extend the three-year to the 10-year.

The Saskatchewan Wheat Pool, which is one of the largest organizations on the prairies, and one of the largest in Saskatchewan, met with us and recommended that we extend it to 10 years. Now they have delegates and members all over the province.

Now if you had to pick two organizations that probably represented rural Saskatchewan, that you could say the SARM clearly covers, on a non-partisan base, everybody, and the wheat pool is fairly large. Both those met with me, met with cabinet, met with our caucus, and said, please do this. Now that kind of representation is fairly significant to me, as Minister of Agriculture, and I would think would represent for you an awful lot of attitude and conversations and recommendations from people all over the province.

Mr. Rolfes: — Mr. Chairman, I appreciate the Premier addressing the problem. That's what I was asking in the first place. That's what I wanted to know. Now we're finally getting somewhere.

Now did they also recommend, Mr. Premier, did they also recommend to you that you change it from three years to 10 years, plus nine and three-quarters per cent? Was that also one of their recommendations?

Hon. Mr. Devine: — No, it wasn't part of their recommendation, as is the production loan program. They recommended that we have 7 per cent money out to farmers across the piece. We came in with 6 per cent money, so we didn't follow their recommendations.

When we came in with this one they said, extend it and have it as low interest rate as possible. And that's what we did. They also said, wherever possible don't eliminate the three-year 6 per cent, so that alternative is always there. So that's exactly what we did.

So the combination of 6 per cent plus nine and three-quarters, because that's the rate we have for urban as well as rural, was fair, and on average it's 8 per cent money.

Mr. Rolfes: — Well it's not quite fair, Mr. Premier. I

remember quite well that Weyerhaeuser, I think, got it at 8 or eight and a quarter. So it's not quite fair, but Weyerhaeuser is so poor they needed cheaper interest rates; I understand that.

But, Mr. Premier, what interest rate did Sask Wheat Pool and SARM recommend to you on the 10-year term?

Hon. Mr. Devine: — Mr. Chairman, I don't think they did recommend any. In my conversation with them, and from what I can recall of anything they had written, I don't think they recommended a rate.

They recommended a rate in the production loan program of 7; we came in with 6. If they did recommend one here that was different than what we have, fair enough. We listened to the recommendations and we put them together in the best policy possible.

Mr. Rolfes: — Mr. Premier, you mean to tell me that they would recommend an interest rate on the three-year production loan program, but they would not recommend an interest rate when they recommend it to go to the 10-year? You said they recommended that you go to the 10-year. And they did then not recommend an interest rate — when they would on the one program, they won't on the other? I don't think that that's quite saleable.

Hon. Mr. Devine: — Mr. Chairman, the wheat pool is careful when it comes to interest rates in their recommendations — very careful, because they charge twenty-three and a half per cent and a lot of farmers know that. So when they're coming in here pushing us too hard, they say, well look, you do the best you can, you do the best you can. And they know that.

So we said we would be as good as we can, and I don't think they recommended a specific interest rate. If they did, I stand to be corrected, but I don't believe that they did.

(1630)

But they did recommend that we go to 10 years. But I do know that it was long-run, low and fixed, but not to have us eliminate the three-year option at the front of it. So that if you did opt for the 10, you could still get in on the 6 per cent, nine and three-quarters for the end, because all urban mortgages are nine and three-quarters and that's only fair, rural and urban, over a 10-year period of time, long run, as we do with your house and farms, and it would average about 8 per cent.

But you know we do the best we can, as I'm sure the wheat pool does the best they can, with respect to our interest rate policy.

Mr. Rolfes: — Mr. Premier, I don't think that the wheat pool would appreciate your running at them at 23 per cent, because I don't think that's quite true that they charge 23 per cent on their . . . In my dealings with them, they have not charged 23 per cent, and I think you stand to be corrected on that. I think that I would take an exception to that as a wheat pool member. I don't think that my organization charges that kind of interest. They

have not charged me that.

An Hon. Member: — Well, have you got a special deal?

Mr. Rolfes: — Well, you know about special deals. Let me talk to you about special deals. Give'er snooze, Bruce — Bruce knows about special deals too, and we know now who Bruce is. And if you have made special deals with your six people — whose names you won't give us — we know that you know about special deals.

But I'm not going to get into that, Mr. Premier. I want to ask you — let's stay on the topic: on the production loan program, what did they recommend; what did the wheat pool and SARM recommend as far as security is concerned? Did they make any recommendations as far as security of loan is concerned?

Hon. Mr. Devine: — Well I don't believe that . . . I don't recall that they did make recommendations with respect to security.

But I would just — for the record, this is a country services division credit application and credit agreement — just so that you know what it is — and it's 1.75 per cent per month or 23.15 per cent per year. So just so that . . .

An Hon. Member: — Would you table that for us?

Hon. Mr. Devine: — Certainly. We'd be more than happy to have it.

And with respect to any recommendations on terms of security, I don't recall them making recommendations with respect to security. Obviously those that manage the taxpayers' money have to consider all the things that should be considered when extending money over a 10-year period of time — we do with respect to urban extension at nine and three-quarters; we do with respect to rural extension at nine and three-quarters.

Mr. Rolfes: — Mr. Premier, on the production loan program, when you first initiated it, you weren't too concerned about security. Why then, when you changed the program, were you so concerned about security? If it wasn't important in the first place, why then, without any warning to the farmers — and I can't recall any warning to the farmers — you changed the rules of the game?

Why then, suddenly, did it become important for you to tie, very closely to the loans, the security, when it the first place, when you initiated it, security was no importance at all? Or was it the timing of the loan? Was it the timing when you first initiated the loan, which was before the '86 election? Did that have something to do with it, maybe?

Hon. Mr. Devine: — Mr. Chairman, it has to do with extending a lot of money over a decade, a lengthy period of time. And to be responsible from a financial point of view, security is needed in taking the taxpayers' money and extending it over 10 years.

And you would understand that, I'm sure, with respect to the farmstart program, where you asked for general security — and you did — to protect people. Now if you go over a 10-year period, as we do with urban mortgages,

and you go over longer periods of time — I mean, the normal things that financial institutions do over a longer period of time is to provide for some sort of security.

Mr. Rolfes: — Mr. Premier, I'm not arguing with you on some form of security, but you didn't have any to begin with. What changed in the three . . . in that time period? What changed in that time period that made you suddenly think that you had to have much more security from farmers?

If in 1985-1986 all you needed was a promissory note, no security whatsoever, why then suddenly, a year or a year and a half later, did you have to change it? What has changed that made you change your mind?

Hon. Mr. Devine: — Mr. Chairman, I should remind the hon. member that the three-year agreement hasn't changed at all — nothing has changed. If you opt for that three-year agreement, you've got it exactly the way it was signed before the election after the election. In fact, we kept the same agreement, even just pay the interest. Their allegations about before and after elections don't make any sense at all. You have the same choice — the same option. We didn't change a thing.

Then they came in and said, well give us a 10-year option, and we said, fine, you can have a 10-year option, but over a longer period of time we're going to ask for some security. They have either way. And they can opt for the 10-year one and still pick it up in the second or third year, pay it off, and they have no penalty at all. They have every option possible. And it is true, because you have that choice today.

Even every individual that signed the 10-year one today, if the price of wheat goes up in the second or third year and they want to pay it off, they get 6 per cent money, no security; it's gone; there's no penalty; it's over. Now that's before and after — it's everything. I mean, we've just accommodated farmers for any alternative they want to look at.

So I say to the hon. member, they have that choice, that option, and never changed. Before and after, it's still there. If they want to go for a longer one they can, and still no penalty if they want to pay it off faster.

Mr. Rolfes: — Mr. Premier, you're avoiding the question. All I'm asking you is, and the wheat pool agrees with that — pool against loan repayment changes. The pool agrees that if there was no security needed, if there was no security needed before the election in '86, why did you suddenly need security after the election?

And don't come to me with that three years . . . that that three years to ten years is what changed your mind, because I don't buy that. I don't buy that, that there was any magic to the three years and the ten years. The magic was that the election was over. The election was over, and now you could make some changes, unilateral changes without any consultation with the farmers whatsoever — without any consultation with the farmers.

You made those changes. Wheat pool and farm organizations were upset with that; individual farmers

were upset with it. They said: look, in the middle of the stream you suddenly changed the rules; these were not the rules that you gave to me when I took out the loan.

I don't blame farmers of being upset, because I think they were betrayed — one rule before the election, another rule immediately after the election. And I think, Mr. Premier, if you were honest with the House here and honest with the people of Saskatchewan, you'd say to me: yes, member of Saskatoon South, you're absolutely right; I did it; I did it because I had to do something that would get the farmers' vote before the election of '86. Well after election we had a better look at it and we realized that we had made a mistake, and we had . . . we made a mistake, and we had to get some security.

I think if you're honest with the people, that's what you would tell them. Isn't that correct?

Hon. Mr. Devine: — Mr. Chairman, I just pointed out to the hon. member that the three-year option hasn't changed at all — before or after. Do you understand that?

An Hon. Member: — I know that.

Hon. Mr. Devine: — Well admit that then. Admit that it's exactly the same before as after. And I make it . . . For the television cameras, I want the public to recognize that the hon. member acknowledged that that's the case. It's the same before as it is after. If you opted for the three-year program and you stick with it afterwards, it's exactly the same thing. Now he acknowledges that that's the case.

Now farmers said, could you extend it over 10 years — the wheat pool did? And we said, yes. We talked to people who have extended credit over periods of time. Do you know what they do? They have security agreements and they charge very high interest rates.

And I'm tabling here for the hon. member — this is the interest rate charged by those that are recommending that we have low interest rates: 23.15 per cent on the security agreement. Send it over to the hon. member. All right? That's for a security agreement.

Now we said, we will treat rural and urban exactly the same — nine and three-quarters for the rural and nine and three-quarters for urban over a longer period of time. But please acknowledge, please acknowledge that the agreement did not change on the three-year program, exactly the same today as it was when we took it out. So he can't . . . you can't say that's the case. It's the same as before election; it's the same afterwards.

Except now we've given them another option with no penalties to pay off any time they want, and that's complete flexibility. So your "garbledgook" with respect to pre-and post-elections has no credibility at all — none, because it is exactly the same program before and after. And to make that allegation is . . . well you should be able to back it up — back I up.

You have to admit that if we didn't change it, even giving them the alternative to go to 10 years, it's exactly the same program before and after. And everybody has that choice. Some have opted for the 10-year program so that they get

access to 8 per cent money over the long period of time. That we've asked for security — we do all the time — and you did and so does the wheat pool and others. You don't have to have security now if you opt for the same one you had prior to the election. Acknowledge that fact, and then we can get on with some common sense here.

Mr. Rolfes: — I'd love to get on with some common sense, but I'm having some tough time with you. I also remember some common sense when you wrote an article some years ago where you said 80 per cent of the farmers are inefficient; I remember that too. That wasn't common sense. No, that was economic agriculture — I think that's what you called it — where 80 per cent of the farmers are inefficient.

Let me say to the member opposite: if you didn't need any security in the first place — when you put out the production loan program, you didn't ask for any security; you asked for no security — why then is it so important, when the farmers are in worse shape today, for you to ask for security? If in the first place you said: I believe the farmers; I can give them the loan; I know they will repay it if they can; I don't need any security because I have faith in the farmers — why then immediately after the election, suddenly you lost your faith in the farmers, you no longer can trust them? Now we need security; now we want not only general security, but now he's talking about asking for their home quarter. No farmer in his right mind would put up the home quarter for security. Why would they?

I'm simply saying to you, Mr. Premier, if you needed no security before the election, why do you need security now, or are you assuming that the position right now of the farmer is such that you cannot have the faith in them now that you had before '86?

Mr. Premier, I want to say to you again: I think that you changed your mind after the election — after the election; you had won your election. I don't think you were totally honest with the farmers. You pulled them in. You said: all right, here, I'm going to give you all this money; I'm going to be Santa Claus; no security — no security, I'm going to be the farmer's helper. But once they voted for you, you betrayed them. You then came in and said, no, now I no longer trust you, and I want security.

I say to you, Mr. Premier, what prompted you to change that position from no security to security, that's what I want to know. What changed your position from no security to security? And don't tell me it was because of the term, from three years to 10 years. I don't buy that and the farmers don't buy that.

Hon. Mr. Devine: — Well, Mr. Chairman, there is no change in the original option. You opted for three-year money before the election, and the option now is for three-year money and there's no security. So what are you talking about? There's no change; you have exactly the same option now as you did prior to the election, exactly, exactly.

Now when we go to the 10-year, we ask for security. Over a 10-year period of time, with \$1.2 billion out, the taxpayer, as we do urban and rural, has to have some security when you're looking over 10 years. Now they've

got this same principle before as they do after — exactly the same. And I've reminded the individual — how many times this afternoon? The same situation before as after. If you opt for the three-year, you've got the same interest rates, no security, exactly the same thing.

People have come to us and said, give us a 10-year one and we said, 10 years, we're asking for security; three years, you've got it exactly the way it was.

So the question whether it was any different before or after — there's no difference. If we hadn't opted for the 10-year, you'd have exactly the same before as after. Would you acknowledge that?

An Hon. Member: — I didn't ask you that.

Hon. Mr. Devine: — No, but you've got to acknowledge that that's exactly the way it was. when you want an alternative, we come out with the alternative. And the alternative is there. Maybe you miss it.

Do you understand that prior to the election we said three years at 6 per cent money, no security. Today you have the option of three years, 6 per cent money, no security. Now that's exactly the same, Mr. Chairman, exactly the same.

An Hon. Member: — Could you sit down and I'll ask you the question.

(1645)

Hon. Mr. Devine: — Well you've asked the same question 14 times.

Clearly, Mr. Speaker, the NDP must have a strategy. They've asked the same question for two or three days — the same one. They're not off Item 1; the same thing over and over again; they're trying to impress people in rural Saskatchewan that they know something about agriculture. They're all standing up and say, well we've got . . . this is their strategy — we'll ask the Premier the same question 20 different time so we can impress the public that we have some concern for agriculture. How many letters did you get, Mr. Premier, on drought? How many letters, Mr. Premier, did you get on, we should extend this? How many letters did you get with respect to deficiency payments?

I mean, they . . . I mean, somebody . . . I mean, I don't know who's doing your research, but if this is the plan, to have days and days of the same questions to look like you know something about agriculture — I'm sure people have turned the television off a long time ago, a long time ago — that this is going to be the new policy by the NDP. Politically they're going to say, now, look at all the questions we can ask the Minister of Agriculture — the same question over and over and over and over again.

And I say to the hon. member: you had a three-year option with no security at 6 per cent prior to the election; and I say, you have a three-year option a 6 per cent after. And he asks the question all over again: but why, Mr. Premier, is it different? And I answer him again: you have the same option before as you did afterwards.

Well, Mr. Chairman, I suppose if we come out with a new program with a deficiency payment that went up another \$25 an acre, he'd say, why did you change it later? I mean, he's all for change, and then when we make a change, he say, but you changed your mind; you changed your mind; you're going to give them more. We've given them more and more and more and more, and now he's standing up and saying, but you changed your mind.

Mr. Chairman, I can say to the hon. member — and I'm sure the public has shut their television off long time ago. You've now duly impressed the public that you can ask questions in agriculture. You stood up and you said — from Regina North East and from Regina Centre and from Saskatoon Nutana, Saskatoon South — they stood up and said: we can ask a question in agriculture; boy, we'll ask him, what was it like before and after the election.

And I've said: how many times; how many times, please? How many times have I answered the same question the same way. You had an option before and an option afterwards. People said, keep it exactly the same way, add a new option that would extend it over time, and have some security.

Now we extended it over time, asked for some security. The financial institutions and the farmers have all responded, and they said, it's just fine. But the NDP said, no, we've got to have a little more mileage here in agriculture, because we didn't do well in Manitoba in agriculture. we got blown away in rural Manitoba. I mean, all you've got left is northern Saskatchewan, but all the rest of the farmers, they didn't want any part of you, no part of you at all. They said, the NDP just wants land bank in Manitoba, they want land bank in Alberta, land bank in Saskatchewan. The people don't want any part of you.

So you say, we've got to impress them. We'd better get the member from Saskatoon south to stand in his place and ask him a really tough question on agriculture, something really, really critical, something real critical. And then we'll get the member from Regina North East to as a question on agriculture, and another member from Saskatoon, a member from Rosemont, he'll stand up and he'll say: but what about water in Saskatchewan; what about Rafferty?

Well, Mr. Chairman, how many times can I respond to the hon. members when they said, why did you extend the loan for 10 years? I extended it because people asked for it. They wanted an extension. The public wants some security when you extend it. But the original option is identical today as it was before. The new option is longer and it comes with security. Now he says, but you changed. Obviously I changed. I give them a new option.

Well, Mr. Chairman, I can only say to the hon. member, he will probably ask — mark my words, mark my words; I want everybody to listen — he'll ask the same question again: is it the same before as it is after? And I give it to the hon. member, ask the question again — and it will be for the 24th time — please rise in your place so that all the public can hear you ask the same question again.

Mr. Rolfes: — Mr. Chairman, there is a real display of a man under quite a bit of real pressure. I know you're worried about Wednesday. I wonder where you'll be on Thursday. You won't be in this House on Thursday. I know you're under a lot of pressure, but don't demonstrate that kind of irrationality in the House here, Mr. Premier. We would appreciate if you just stuck by the Department of Agriculture.

But you just displayed why you're here so long. I asked you a simple question, a 15-second, and you went on for five minutes, you know, going over everything except the question I asked you. But I'll ask you very slowly, I'll ask you very slowly: Mr. Premier, the wheat pool said that no security was required before the election of 1986. Now you go after the election, when you've won it, you say: well now I suddenly realize that, you know, I have no security on this loan, so I've got to change this thing because the people of Saskatchewan are demanding that I have security. But they didn't demand this before the election of course — of course they didn't.

Well I'll tell you, Mr. Premier, anybody can see through that glass house. You're not going to fool anybody with that kind of illogic. I will ask you the question, Mr. Premier: why, why, Mr. Premier, did you not need security on your three-year loan, and suddenly under a 10-year loan you need security? Why — why did you have to have security?

Hon. Mr. Devine: — Thank you, Mr. Chairman. He has asked the same question again, and I'm sure the public will appreciate the same answer. The answer is, on the three-year agreement there is no change at all. On the alternative, which is a longer period to pay it back, there is a change in the interest rate and there's a change with respect to security. It's a new program, a brand-new program. The old one is identical. If you stay with the three-year one, it's exactly the same today as it was prior to it starting.

The new program is just that — new. Now we did not opt for the interest rate charged by the wheat pool; we didn't opt for some other interest rates. We said we'll go nine and three-quarters and we'll have some security, and over 10 years it'll be 8 per cent money.

So if he could just follow it, on the original program there's no change at all. On the new program, it's new; it's new, with longer term security and a different interest rate.

Mr. Rolfes: — Such a non-answer. Mr. Premier, why don't you admit and be honest with yourself. One was before the election and the other one was after the election. You know that 10-year term had absolutely nothing to do, absolutely nothing to do with why you needed security — absolutely nothing at all. The election was over and now you could put it to the farmers. You changed it without any discussion with the farmers at all. You simply . . . and the wheat pool didn't recommend it; SARM didn't recommend it. The election was over; now you could do it.

Mr. Premier, obviously you're not going to answer it, but I want to say to the people of this province, the real reason

was, before the election he needed to get the votes of rural Saskatchewan to get himself re-elected, therefore he wasn't honest with them. He wasn't honest with them; he tried to pull the wool over their eyes. And after the election, yes, after the election he didn't have to worry. No.

I say to the Premier, Mr. Premier, if I may ask you another question . . .

Mr. Chairman: — Order.

Mr. Rolfes: — Mr. Premier, I want to ask you a question now on the farmers who asked to have their loans changed. Would you tell me, would you tell me why or how many farmers had struck out clause (5)? How many farmers on that loan . . . The same question was asked by the member from Quill Lakes.

I know you may not know the answers, but your officials will. The officials will know how many have come in and how many people struck out clause (5), because a number of the farmers I talked to and asked me about it, I simply said, look, I'm not a lawyer. I won't advise you. Go and see your lawyer. Go and see your lawyer. That's what I told them, to go and see their lawyer.

An Hon. Member: — The member from Riversdale. Right? And this is how you can foreclose on them.

Mr. Rolfes: — And . . . Well, I say . . . I want to have the . . . I want to let the farmers of Saskatchewan know that the Premier is laughing at this and making a joke about the whole situation — a situation . . . The Premier is sitting in his desk right now and laughing at the farmers of Saskatchewan who are concerned about clause (5), who are concerned about clause (5) enough to go to their lawyers to try and find another option.

And I'm asking the Premier again: how many of the farmers that have sent in their reapplication, how many have struck out clause (5)? Ask your officials on that.

Hon. Mr. Devine: — Mr. Chairman, the hon. member talks about being concerned for farmers. We have provided low interest rate loans for farmers; we have provided cash advance for farmers; we've provided deficiency payments for farmers; we provided programs for water, programs for drought protection and flood protection, processing and manufacturing; all kinds of incentives — rural gas, individual line service, burying power lines, literally billions of dollars. And this year alone, this crop year, the over two billions of dollars for farmers. And he talks about concerns for farmers.

When the NDP was in government there wasn't a dime at 20 per cent interest rates, and he can talk about concerns. He didn't have a concern for them. He had on alternative — land bank. The government can own your land. That was it. Nothing else.

And he shouldn't even . . . he shouldn't even speak about helping farmers. And then he stand up and he says, well he recommended the farmer go to their lawyer if there's in trouble. It wouldn't be to the law firm of the member for Riversdale, because he'd be the first to foreclose on it.

And he knows that. I mean, that's pathetic. What a hypocritical stance to stand there and say he'd refer a farmer to a legal firm when his leader is foreclosing on farmers.

You know better than that. I mean, no wonder. I've got letters here from farmers who said, written to the member for Riversdale, and said, your firm foreclosed on me. Your firm foreclosed on me. People from Albertville, who said that law firm . . . the Bank of Nova Scotia said, all right, you're on contact, you foreclose on farmers on my behalf. And you talk to me about looking after farmers.

You know that this province is based on agriculture and based on rural people and based on farm families, and when they're in trouble, we have gone to the wall and put our treasury at stake — \$1.2 billion at stake in a production loan program. And you're asking me if we've got more flexibility. You know very well that you can get one year mortgage at 9 or 10 per cent, and if you go to a 10-year mortgage it goes up considerably. Any financial institution will tell you that, regardless of when you did it.

The hon. member, you know this. When you buy a one-year mortgage it's at a low rate. When you buy a three-year mortgage, it's a little higher. If you go to a 10-year mortgage, it's at a higher rate. And you know that. It's got nothing to do with anything else except when you extend the length of the term the interest rate goes up, the risk goes up, and the security goes up. That's just normal. You know that.

But you'd stand in your place and talk about . . . talk to the public about concerned about farmers. All you had was land bank and succession duties and death taxes, and then when you got kicked out of office, your leader went and made a living foreclosing on farmers. You should be ashamed of yourself. You shouldn't even mention agriculture in the legislature. You haven't earned the right to talk about agriculture in this province or indeed across the country. You don't understand backing them up. You say you defend the poor. Well the shenanigans you got caught doing in this by-elections, I mean, you don't defend the poor.

You said, oh it's fine to deal with them as long as they're poor. Right? Students is poor. You don't defend students. What do you say to them? Eighteen thousand students, bye boys, you don't have to write exams, we'll defend the union leaders. Right? We asked the professors to go back to work so people could write their exams, rural and urban.

Do you know what rural people said? Rural people said they wanted their students to write exams. And the NDP said, I don't care. I don't care about rural people. We'll stick up for those radical few professors who said, I'd rather strike. That's what they said.

Now you don't defend students, you don't defend farmers, you don't defend families, you just stand up there and say, we defend the poor. Well rural people understand what you did for them. You took their farms — you took their farms. You had land bank to offer them. You don't understand agriculture; you never did. What's more, people across Manitoba and across Alberta and

Saskatchewan, every place in rural Canada, know that you don't understand them. They don't vote for you; they have no reason to vote for you because you don't understand agriculture.

I'll say to the hon. member, we are going to continue to support agriculture — farm families, individual members, processing, manufacture, livestock, cash advances. We're going to continue to provide rural gas to towns and villages and farmers to help them. We're going to continue to lobby internationally for higher prices. We're not going to be like the member from Humboldt who said it's okay to subsidize in Europe. I mean, that's going to go all over Humboldt, I'll tell you, that he stood in his place here and said it's okay for Europeans to subsidize agriculture and wreck our lives here. That's the NDP's position. Just do it like good old Europeans, just subsidize and wreck our prices. And he says it's fine.

We understand, Mr. Chairman, that rural people need to be defended. We're going to defend their families; we're going to defend them against high interest rates, against drought, against grasshoppers, against international unfairness. We're going to go to the wall for them, and we're going to put our back to the wall and our treasury to the wall to defend them. And you stand here and say, well you have some flexibility, you've got all these programs.

Well, I can only say to the hon. member, we are not isolated to socialist views, that it's only land bank and that's all we've got. I mean, people didn't come to this province and to this country for the government to own their land. That's why they left Europe; that's probably why your ancestors left Europe. They probably left Europe to own their own farms.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — And you know that that's true. They came here to own their own land, to own their own businesses, to build their own schools and build their own churches, and do all those kinds of things that they couldn't do in Europe because the government owned everything.

And he stands there, Mr. Chairman, he stands there and says: I want to see some action in agriculture. He doesn't deserve the right to speak about agriculture and in this legislature. He's going to hear a lot more about sound agriculture policies as opposed to just land bank and socialism for rural people.

Some Hon. Members: — Hear, hear!

The Assembly recessed until 7 p.m.