

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Ms. Atkinson: — Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and through you, 33 grade 7 and 8 students from Buena Vista School in the centre of my riding in Saskatoon Nutana. They're accompanied by their teacher, Mr. D'Eon, and chaperons, Darlene Hamilton, Carol Dalke and Linda Krukewich.

I will be meeting with the students after question period for pictures and drinks. And I would ask all members of the legislature to welcome my guests.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Shortage of Radio-Therapy Technicians

Ms. Atkinson: — Mr. Speaker, my question is to the Premier of Saskatchewan, and it deals with the very serious problems at the Saskatoon Cancer Clinic, problems being faced by cancer patients and their families.

These problems were brought to my attention in a very real way by one of my constituents. You will know that there are three out of the ten radio-therapy technology positions at the clinic that are now vacant, and two more soon will become vacant. Because your government has failed to deal with the problem, there is now, for the first time ever in the history of Saskatchewan, 75 cancer patients waiting for radio-therapy treatment.

Mr. Premier, can you tell us, and the people of this province, particularly those with cancer, what you're planning on doing about that problem?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Chairman, I believe that the Minister of Health addressed the question, either yesterday or the day before, with respect to the cancer clinic.

He did go on to point out, Mr. Speaker, that it is a brand-new facility. And we are in the process, Mr. Speaker, of dealing with the line-ups at hospitals on all fronts. And as the hon. member knows, in Saskatoon the line-ups are going down, the bed closures are becoming smaller, and in fact we see now in some hospitals there won't be any closures at all. That's a very good sign, Mr. Speaker.

And as result of the allocation of day surgery and many other things we're doing towards specialists, it's going to get better. And obviously, the hon. member must acknowledge that the new facility is important and will help us address the very problems that she has raised here.

Ms. Atkinson: — Supplementary. The new facility won't address the problems because we are short three radio-therapy technologists; two more will be gone by the end of the summer; we'll be down to five out of 10 positions. In order to move into the new cancer clinic, Mr. Premier, two more positions will have to be funded. It will not be solved.

My question is simply: what are you going to do to alleviate the manpower shortage that has developed at that facility — not the new facility, but the present facility — in order that cancer patients can get treatment?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, that's precisely what we're going to do, is provide the specialists so that, in fact, we can increase our capacity. So at the existing facilities and new facilities we will be providing the specialist and the people that are needed to have those facilities working to full capacity. That's the intent of why we've spent the extra money; it's so that we can deal with the public problem as she's described it.

We had seen the demand to build it; we are building new facilities, and we will provide the funds. I'm sure they're out advertising and seeking to have specialists come in now, as we speak. So when they're in place, obviously they're up to full capacity; when they're not in place or you've just built a new cancer clinic, it takes you a little while to have it fully operating.

As I said about the new wing at University Hospital, we've just finished building it and we will begin using it. You don't just finish building it and have all the beds full the same day. We're in the process of having that happen. You'll see the burn unit open as quickly as possible; you'll see beds starting to be used, I believe, as early as May 7.

And that's precisely what we're doing; we're spending money on facilities and staff at the same time. It takes a little bit of time to put them in process.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — New question. Mr. Premier, these are real men and women who are cancer patients, and they need radio-therapy now; they can't wait. The question is simply this: we have seven positions in Saskatoon out of 10 positions that are presently filled. Two more positions will be gone by the middle of summer. There will be five people there to provide the treatment out of a component of 10. We have a problem.

And my question is: what are you going to do to ensure that cancer patients have access to radio-therapy treatment? Bricks and mortar are not enough, Mr. Premier. Staffing is what will lead to high-quality health care.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well I can only say again, Mr. Speaker, that that's precisely what we're doing, and we

will be staffing the facility so that they can be run to capacity. And the hon. member says, well you're short two now, and by July you'll be short five, and by August you'll be short more. That's not true.

We will be staffing, and that's what we're in the process of doing now. So I can only say to the hon. member, my concerns about people receiving treatment, whether it's your family or my family or others, are just as sincere as yours. We are spending a great deal of money. We want to have the professionals in place.

That's why we've not only built facilities, but adding staff and adding the professionals, advertising for the right kinds of people so that indeed, as we saw here in Regina where we have specialists moving back in because we've taken the effort to deal with people who have concerns with respect to cataracts and other eye problems. We had the specialists moving in. We'll see the same in Saskatoon. And obviously that's one of the things that we want to do when you have a brand-new facility designed to treat people because of particular cancer problems.

Ms. Atkinson: — Supplementary. My information comes from Dr. McGowan, the head of the radio-therapy department, Mr. Premier, and he says that by mid-August half of those 10 positions will be gone, and we do not yet have assurances from your government that you will fund the two additional therapy positions that are needed to move into the new cancer clinic. In the meantime people are waiting for cancer treatment.

My question is this: when are you going to come to grips with the problem of 75 people on a waiting list for radiation therapy? When is your government going to deal with that tremendous social problem?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I've said to the hon. member that in fact we have the money there, and in fact that's what we've said with respect to the new facility, and why our operating budgets are up so significantly, why we've added extra money in Saskatoon particularly. And if you talk to the hospital administration, they will say that's exactly the case, and that the line-ups are going down, the bed closures are going down, and people are being served.

So I can only say to you that we will be increasing the capacity, and the money is there. If you want to know, if you want to tell your friends whether there will be money for people in terms of the cancer facilities, yes, there is. It's to be allocated and it is there as the new facility is there.

Some people said we wouldn't build a new facility; it's there. Some people like you have said we won't fund people to be there; we will. You will see that the effective program is in place and it will be efficient, effective, and run at capacity, and that's precisely why we designed it.

Ms. Atkinson: — Mr. Premier, this morning I was contacted by a woman by the name of Muriel Gustafson from Elrose. She has very aggressive estrogen-negative cancer and she, on April 12, 1988, had a radical mastectomy. Last Thursday, April 28, she was informed

that because of the problems at the cancer clinic in Saskatoon that she may have to wait until July to begin her radio-therapy treatment.

This is urgent, Mr. Minister. When are you going to deal with the problem of 75 people, for the first time in the history of Saskatchewan, on a waiting list to get treatment for cancer? When are you going to deal with that problem?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I've answered the hon. member several times but she obviously wants me to play the game that she wants to play. I have told you that it will be funded and we have built the facility and the funds are there and they will be hiring people and that's why . . .

An Hon. Member: — When? Tomorrow? Next Week?

Hon. Mr. Devine: — If you would just care to hang on, I'll respond.

Let me just . . . Mr. Speaker, when I do answer the hon. members aren't interested in the information; they just want to raise the rhetoric. I will say to the hon. member: part of the reason for the first time that you've got this problem, part of the reason is that the union there refuses to work overtime despite people are lined up and want to have some information and some treatment. Now that's part of the problem. Okay.

Now I want you to go back to whoever you're talking to and say, please, I would like some co-operation with the staff, with the funds that are there and the people are there. If you can't get them to work overtime, despite the health care needs, I would think that if you have a great deal of support from unionized members or union leaders you could say, at least co-operate with the public.

They shake their head; they don't care. You see, the point is they don't care. All they care about is the politics of it.

I would ask you, I would ask you, please, please recognize that the new facility is there; recognize that hundreds of millions of dollars are being allocated, and the city of Saskatoon is doing better and better all the time.

And I will finally say, Mr. Speaker, you have raised, and the other member has raised, the Health critic has raised with respect to information that has been inaccurate in the past — very inaccurate. There was raised with respect to people who have said we haven't been in contact with them. I have information, Mr. Speaker, to show that we have been in contact with them many times, and they weren't telling it as it is.

So I will only take your information as you give it, okay — as you give it. I will do the research and I will find out, because in many, many cases when I do respond, you ask the same question and the same question. All you want to do is inflame it rather than get some results.

Ms. Atkinson: — Mr. Minister, I spoke to the Saskatoon Cancer Clinic this morning about this case, and this case

was raised with the member from Elrose. So your information is there if you just care to find it.

Now the question is simply this: is it acceptable, in your view as a government leader, is it acceptable that a woman is advised on April 28 that she may have to wait until July to get cancer treatment? Is that acceptable to you, as the Premier of this province, that someone should have to wait that long? And if it's not acceptable, then, Mr. Premier, what are you going to do about it?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm going to call the hon. member on this one. I would be very surprised if you were receiving confidential health information from the cancer clinic on individual patients. And if you are . . .

An Hon. Member: — I don't believe that.

Hon. Mr. Devine: — Well I don't think anybody believes it. But if you aren't, and if you're making this up, or you're telling me and you're telling the public that you can go into the cancer clinic and you can get confidential information on patients . . . Mr. Speaker, I'll just say to the hon. member, you have tried this many times before. You don't care, right? All you care about is the rhetoric. You've been wrong before. I don't believe they're giving you that kind of information.

We are building this new facility, Mr. Speaker, and we have built it precisely to deal with line-ups, and we have put hundreds of millions more into health care to deal with it. And the hon. member stands in her place and she says, well I have this information on this confidential basis from the cancer clinic and health people, saying that these are the facts etc. I don't believe it.

I'm going to go back and check it out to find out if in fact confidential health information goes to the hon. member on an individual by individual basis, that is absolutely confidential. I don't believe it.

Ms. Atkinson: — Supplementary. Mr. Premier, we don't need long speeches from you. We don't need you to question the integrity of other members of the legislature. That's not going to help the people who are waiting for cancer treatment.

Mr. Minister, is it acceptable that a woman who has a radical mastectomy on April 12, 1988, and requires radiation treatment, is it acceptable in this province that that woman has to wait perhaps until July? Is that acceptable to your government and to you as Premier? Answer.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, the hon. member told me in this legislature that she got confidential information on patients from the . . .

Mr. Speaker: — Order, order, order. Order. Order.

Hon. Mr. Devine: — Mr. Chairman, the hon. member — we'll check *Hansard* — has said that she received

confidential information from the cancer clinic on particular patients and this was the case. Now I'm telling her two things, two things — well three — once more about the new facility and the money we're prepared to spend.

I will also tell her that I don't think it's very acceptable, because she hasn't raised it, that people who get paid will not work overtime to help the very person that you're concerned about. And third, I don't believe it. I don't believe that you are receiving confidential information about patients, about their condition, from the cancer clinic as you said here in the legislature. so I could suggest to you: one, make sure that you are receiving confidential information.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Supplementary. Mr. Premier, just to clarify the situation. I told you that I was in touch with the cancer clinic to confirm the information that I was given by this woman. The member from Elrose can confirm the information given by this woman.

My question, which you haven't answered, is this: is it acceptable that a woman goes . . .

Mr. Speaker: — Order, order, order, order. Give the hon. member an opportunity to finish her question.

Ms. Atkinson: — The question is this: is it acceptable, a woman gets a radical mastectomy on April 12 of 1988, and she is advised that she may have to wait until July to get radiation therapy treatment. Is that acceptable, and is that your government policy? Answer the question, Mr. Premier.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the hon. member has just said that she has confidential information confirmed by the cancer clinic. Now I will be very surprised if the cancer clinic is confirming confidential health information to the hon. member or anybody else, with respect to private concerns with respect to health.

Secondly, I would say to the hon. member, she knows, she knows that if there is funds, if there are funds available, if there's sufficient money there, there's sufficient professional staff . . . and the only reason that this individual may not be getting treatment as quickly as she'd like is because people have refused to work — refused to work. And they know that if they'd work overtime . . . Now we'll find out because the NDP are saying they would never advise the union leaders to do that. If the union leaders have put a ban on working overtime to help people because of health, Mr. Chairman, I'm going to find that out, Mr. Speaker. I'm going to find that out.

And we'll see who settles down, because if you have not received confidential information, and if in fact you are encouraging union members not to work at the cancer clinic, Mr. Chairman . . . and the public will be very happy to know that about the NDP.

Some Hon. Members: Hear, hear!

Heavy Oil Upgrader at Lloydminster

Mr. Solomon: — Thank you, Mr. Speaker. My question is to the Premier this afternoon. Last Friday afternoon after the legislature rose for the afternoon, your Energy minister, once again in your government's typical speak and run fashion, announced a deal concerning the Husky heavy oil upgrader at Lloydminster. As of today, there has not been released the deal that you signed committing the Saskatchewan taxpayers to a loan guarantee of \$191 million.

When will you and your government make that agreement public, and what are Saskatchewan taxpayers getting in return for this \$191 million loan guarantee?

Hon. Mr. Devine: — Mr. Chairman, obviously when the package is being built and all the parties are in place, then anything that we do will be tabled in the legislature and you will have full opportunity to go through it, probably in Energy estimates or in Crown Corporation, or in both.

I can only say to the hon. member, you clearly questioned whether we would build an upgrader in Regina. You encouraged students to go out and look at it. You questioned whether we'd build a paper mill; you questioned whether we'd build packing plants; you questioned whether we would expand the turbine manufacturing. Clearly, Mr. Speaker, we are glad to do those things despite the fact that the opposition does not want to admit that we are creating all these projects.

The deal will be tabled in the legislature when they finally put all the packages together, and we'd be very happy to share it with the hon. member.

Mr. Solomon: — Supplementary, Mr. Speaker. You've signed an agreement committing the Saskatchewan taxpayers to \$191 million, but you won't release the deal. The taxpayers of Canada are being asked to sign another loan guarantee and put up \$250 million or more in the same project.

Loan guarantees are a claim against the taxpayer, Mr. Premier. Why won't you tell the taxpayers who are taking the risk what they are getting in return for their \$191 million risk capital? Why won't you release the deal; what are you trying to hide?

Hon. Mr. Devine: — Mr. Chairman, I mean, this is really interesting. We are building a project that's going to provide from 3,000 actual jobs to 7,500 jobs across the country, make gasoline and diesel fuel out of our own oil, upgrade to have 100,000 barrels a day processed in this province — an awful lot of economic activity, more economic independence and energy independence — and the member stands and says, what are you trying to hide.

Well the public has waited and waited for so long for processing, manufacturing and diversification. For the first time in our life, Mr. Minister, we are now going to be making our own gasoline, our own diesel fuel out of our own heavy oil. Rather than like the NDP did, and buy it all

from Alberta, we're going to do it right here in Regina because of this upgrader.

And when the Husky upgrader goes ahead, Mr. Speaker, we will have the same kind of capacity to have a process-manufacture product that can be for sale for us here in Saskatchewan for our use and for all over Canada; indeed, all over North America. And the member stands and says, are you going to hide this? Are you really going to hide this?

I'll tell you what . . . we have hid the fact from the public long enough. I think we're going to have to tell them that under years and years of NDP administration . . .

Mr. Speaker: — Order, order.

Mr. Solomon: — Mr. Speaker, a new question to the Premier. Prior to the last federal election campaign over four years ago, your government promised this upgrader at Lloydminster. You've since promised this project almost as many times as you've promised to balance the budget, and you've been equally as successful.

Mr. Premier, you have no credibility on your promises. When are you going to stop with the federal pre-election public relation effort and start delivering on this project? When are we going to see shovels in the ground and real jobs?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Chairman, I mean, he has to stick to this script. He says, what about promises? We said that we would build an upgrader in Regina. We said that we would build a new rehab centre in Regina. We said, Mr. Speaker, that we would build a paper mill, and we said that you would have a brand-new packing plant, and we'd have recreational vehicles. We'd have turbine manufacturing. We said we'd provide rural gas, individual line service. Mr. Speaker, we said we'd help farmers and home owners against high interest rates.

We had all kinds of suggestions from the public. That's why they elected us in 1982 and again in 1986. They elected us in 1984 and, Mr. Speaker, I'm fully confident when they see the brand-new upgrader in Lloydminster, they're going to elect us again in 1990 or 1989 or 1991 as a result of building — building for the people of Saskatchewan, not just complaining about the fact that there's nothing that you could do about it.

Mr. Solomon: — Well, Mr. Speaker, it seems the Premier is getting a bit upset, and I think he should calm down because these are very important questions to the taxpayers of Saskatchewan.

Your Energy minister, Mr. Premier, on a new question, and she is here today, stated the other day that construction would start early next spring. Premier Getty of Alberta indicated that the construction of the project would commence this coming fall.

We'd like to know in Saskatchewan what's going on, Mr. Premier. It seems the left hand doesn't know what the right hand is doing. Who's telling the truth, your Minister

of Energy or Premier Getty?

Some Hon. Members: Hear, hear!

Hon. Mrs. Smith: — Mr. Speaker, my apologies for being late. The agreement that has been signed allows for negotiations to carry on until the end of December in finding other private sector equity. After December we have the option of either setting into place another agreement or giving some thought to other ways and means of trying to get an upgrader into Lloydminster.

This statement for the springtime, Mr. Speaker, was based on that December 31 deadline that is on this agreement.

An Hon. Member: — What about the Premier of Alberta?

Hon. Mrs. Smith: — Well the member says, what about the Premier of Alberta? He should be more concerned of what's happening in Saskatchewan as opposed to Alberta.

The good member says what are we getting in Saskatchewan for this, Mr. Speaker? What we are going to be able to do in Saskatchewan, for the second time, because NewGrade was the first time, and that is, for a change, have the jobs, the investment and the opportunity to upgrade our oil at home, as opposed to sending it south of the border or into eastern Canada. And I think that's pretty significant, and I think the member would probably agree.

Mr. Solomon: — A question now, Mr. Speaker, to the Minister of Energy. It seems to us on this side of the House that you're talking about two different projects. The Premier of Alberta says one's going to start in the fall, and you say one's going to start in the spring. But Husky is seeking a further \$344 million in private equity. But they've indicated publicly that they've expressed some doubt that that equity would be available. The Government of Alberta has, on the other hand, expressed some interest in taking an equity position.

My question to you, Minister: are you and your government interested in taking an ownership position in this new upgrader?

Hon. Mrs. Smith: — Mr. Speaker, the agreement that is in place for the financial arrangements of the upgrader will remain until December 31, and to put forth any kind of hypothetical suggestion of something else at this point in time is simply silly, in my opinion.

Some Hon. Members: Hear, hear!

Possible Moratorium on Irrigation Project

Mr. Calvert: — Mr. Speaker, my question is to the minister responsible for Saskatchewan Water Corporation and for the environment of our province. It has to do with irrigation.

Mr. Minister, you will be aware of a report by Professor Les Henry of the University of Saskatchewan, studying soil salinity and related problems to freshwater irrigation. I might add that you commissioned that study. You'll also

be aware that that study recommends an immediate and total moratorium on further irrigation projects in this province.

So my question is this: are you going to follow the recommendation of the report and place a moratorium on irrigation projects, or are you going to ignore that report and its recommendation and proceed with your multimillion dollar irrigation projects?

Some Hon. Members: Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, in reading the report of Professor Henry, you won't find what the hon. member is saying, that it's a complete moratorium on irrigation.

What he's indicating is the serious problem that has occurred in irrigation district no. 1, which was the irrigation district opened up when that government of the NDP were in power back in 1971. That particular irrigation program was not well planned and not well researched right from day one.

What he is saying is not that the new irrigation system that we are putting in is a problem, but rather that the old one that has been there for a while, that was not well designed, is having some difficulty.

So he's suggesting to us that we not do further irrigation in irrigation district no. 1, and until we have an assurance of directions that could be taken to improve that district, we likely will not proceed with further irrigation in that particular district. Others can go ahead.

Mr. Speaker: — Time has expired. Order. Order. Order.

INTRODUCTION OF BILLS

Bill No. 6 — An Act Respecting the Consequential Amendments to Certain Acts Resulting from the Enactment of The Regional Colleges Act and The Institute Act

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill respecting the consequential amendments to certain Acts resulting from the enactment of The Regional Colleges Act and The Institute Act.

Motion agreed to and the Bill read a first time.

Hon. Mr. Hepworth: — Mr. Speaker, with leave, I would refer said Bill to the Non-Controversial Bills Committee.

Mr. Tchorzewski: — We would not necessarily object to moving it to Non-Controversial Bills Committee, but we really have no knowledge of the Bill or what it states. I would suggest to the minister, let's take a look at it, and in second reading before the second reading we can then move it. But we really think it's only fair if the opposition has an opportunity to look at the Bill.

Leave not granted.

Mr. Speaker: — Order, please. We're having a little difficulty getting these Bills introduced. I'd like some co-operation from the members.

Bill No. 7 — An Act to amend The Reciprocal Enforcement of Judgements Act

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

Motion agreed to and the Bill read a first time.

Hon. Mr. Hodgins: — Mr. Speaker, I ask for leave to refer the said Bill to the Non-Controversial Bills Committee.

Mr. Tchorzewski: — We would not intend to hold up any Bills that are non-controversial, but I will say that, as I have said under the other minister, we're not going to give leave on first reading until we see the Bill. If the government can't get its act together to show us the Bill, then we will want to see it and then decide on second reading whether we refer it or not.

Leave not granted.

Bill No. 8 — An Act to amend The Public Libraries Act, 1984

Hon. Mr. Hepworth: — Mr. Speaker, I move first reading of a Bill to amend The Public Libraries Act, 1984.

Mr. Speaker: — Order. Could we have order in the House, please. We're having some difficulty.

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

Bill No. 9 — An Act to amend The Fire Prevention Act, 1980

Hon. Mr. Swan: — Mr. Speaker, I move first reading of a Bill to amend The Fire Prevention Act, 1980.

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

Bill No. 10 — An Act respecting the licensing of Persons who Perform Work of Electrical Installation or Sell Electrical Equipment

Hon. Mr. Swan: — Mr. Speaker, I move first reading of a Bill respecting the licensing of Persons who Perform Work of Electrical Installation or Sell Electrical Equipment.

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

Bill No. 11 — An Act to amend The Ophthalmic Dispensers Act

Hon. Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Ophthalmic Dispensers Act.

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

Bill No. 12 — An Act to amend The Medical Profession Act 1981

Hon. Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Medical Profession Act, 1981.

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

Bill No. 13 — An Act to amend The Denturists Act

Hon. Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Denturists Act.

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

Bill No 14 — An Act to amend The Dental Profession Act, 1978

Hon. Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Dental Profession Act, 1978.

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

Bill No. 15 — An Act to amend The Optometry Act, 1985

Hon. Mr. Hodgins: — Mr. Speaker, I move first reading of a Bill to amend The Optometry Act, 1985.

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

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

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

Item 1 (continued)

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, when we began these estimates I asked if you would supply me with a number of answers to some specific questions as it related to the government's departments. I was wondering . . . We've had nearly a week now and I haven't received them. I was wondering if you will be able to table those documents today.

Hon. Mr. Devine: — Mr. Chairman, in about an hour we should be able to have, I believe, the complete package ready. So we'll get it over to you as quickly as we can.

Mr. Upshall: — And you also indicated, when I asked a question for a breakdown of the expenses on the equity financing document that was prepared, I was asking for a breakdown, and you have that and you were going to send it over — I was wondering, could you send that over? But also I would like to know what moneys were paid to members, of the government members who participated on that, and a breakdown of the members and the amount paid.

Hon. Mr. Devine: — Mr. Chairman, the members that were on the committee didn't get paid any salary. They get paid their travel expenses, and that's the meals and general expenses that go with it. But they're not paid any additional salary. They're just MLAs, so they would receive that as a normal course of events.

Mr. Upshall: — Could we get a breakdown of those expenses, Mr. Premier?

Hon. Mr. Devine: — No, we don't provide them by MLA. We will give you the total cost, and I'll tell you that the expenses . . . the only money that was received is for expenses. They didn't get paid a salary. And you can have the total amount and all the meetings they went to, the number of meetings held. But I can't pick each individual MLA and say, well he had a peanut butter sandwich for lunch and somebody else had French fries, and so forth. I don't think that's relevant.

Mr. Upshall: — Then I understand, Mr. Minister, that you will be able to send over the lump sum of the five members that were on the committee.

Then I would ask the minister, on the Saskatchewan agriculture cabinet committee on farm inputs, you made available the expenses for each member on an individual basis. So I guess if that's the case with the input cost committee, I see no reason why that cannot be the same with the members for the equity financing committee.

Hon. Mr. Devine: — We have here the agricultural people that were on the road; the non-agricultural people I would not have. We will make an effort to go back and provide you comparable information received from other committees that has, in tradition, been released.

The minister of rural affairs chaired the meeting. His expenses would be under rural affairs; I don't have those. But any of those in Agriculture, we'll be able to provide you.

Mr. Upshall: — Well, Mr. Minister, this is amazing. I mean, it's not that hard of a question; it's not that hard to get that information. I don't understand why you're trying to make it difficult for me just to access information that should be readily available to this House.

I mean, you can go into each department yourself, and seeing that equity financing comes under the Department of Agriculture and you commissioned it, I think it's your responsibility to get those figures. So I'd ask you again, could we have that breakdown?

Hon. Mr. Devine: — Mr. Chairman, the first committee, I understand, was a cabinet committee, and the information provided by individual cabinet ministers may be one thing, compared to the information that would be MLAs that would go out, some under Agriculture and some that would be a cabinet minister like rural affairs.

I'll get all the information that we've got, provide you as much as I can on each of the information, and we'll get it to you as quickly as we possibly can. So you can look at it

and say, that's good enough, or then you can make a judgement whether you want more or less.

Mr. Upshall: — Well, Mr. Minister, no, I guess I can't accept that. All I'm asking for is a breakdown, by member, of their individual expenses when they were involved in the equity financing meetings that went around this province. It's as simple as that. Would you provide that? Not just what you could come up with; I don't want that, I want everything.

Hon. Mr. Devine: — We'll give you standard, as the hon. member said, standard stuff, okay — what normally comes out when committees and MLAs go around, you'll get the standard kind of information. I will get that together as quickly as I can and you will receive it.

If you want unique things that are not received in a standard fashion, then we'll probably be here for some time. But I'll give you the standard information that normally goes out with the committee, whether they're standing committees or cabinet committees or Agriculture committees or whatever. You will get the standard information.

Mr. Upshall: — Will that standard information, Mr. Minister, include all the moneys that cabinet minister . . . or that members received while on the meeting with the equity financing proposal that went around the country? Will that information include a breakdown of each member's expenses, a total breakdown on an individual basis?

(1445)

Hon. Mr. Devine: — Mr. Chairman, it will include all those expenditures that the hon. member mentioned. I don't know yet whether it will include each and every member broken out. So I will go back and find out what they have, and I will also have to go to other cabinet ministers that were there because this involved MLAs and some Agriculture people and some that were just plain cabinet ministers. Their expenditures are in their departments.

So I'll get you the standard information and hopefully it will be just what you want. But I say right now, I don't have what the other ministers' expenditures were here because this is Agriculture estimates. Their expenditures were covered under rural affairs, if it was the minister of rural affairs. In fact it was that cabinet minister who chaired the meeting.

Mr. Upshall: — Mr. Minister, you're making a very simple question awfully difficult. All I want to find out is what the expenses were for each member of the committee, including whether they're a cabinet minister or whether they're just an MLA. I want a breakdown on an individual basis — their expenses as it relates to the equity financing road show that you put on around the country — a total breakdown on an individual basis of each of them.

Hon. Mr. Devine: — Mr. Chairman, I can say to the hon. member, these are Agriculture estimates. I don't have the information; an Agriculture minister doesn't have it for

the minister for rural affairs. You can ask him what his expenditures were on that committee. I have it for agricultural people, and we'll provide it for the agricultural people. Okay? So I will do that. That's all I can say to the member.

These are Agriculture estimates. If the Minister of Health was on that tour, his expenditures would be under Health. If it's rural affairs, it's under rural affairs. This is Agriculture. I'll provide you the agricultural portion of it, and that's all that I have access today.

Mr. Upshall: — Mr. Minister, who commissioned the *Farm Finance For the Future* study?

Hon. Mr. Devine: — The Department of Agriculture, under the Minister of Agriculture.

Mr. Upshall: — Well then, Mr. Minister, if you commissioned the study, the expenditures were developed from you commissioning that study. I think that we have every right to know what the complete cost was, so will you supply it to us?

Hon. Mr. Devine: — Mr. Chairman, if I commissioned a study and I had the federal government participate in it and they covered their expenditures, I couldn't give them to you. I say . . . and this is the Department of Agriculture. I've got Agriculture expenditures, and when you run into rural affairs you'll be able to get rural affairs expenditure on that. I don't have them here, because Agriculture doesn't pay the bills of rural affairs.

That's all I'm saying. You'll get the information. You'll get the standard information. I have it in Agriculture. That's all I've got, okay? I'll give you that stuff in Agriculture.

Mr. Upshall: — Will you give us that information now, please?

Hon. Mr. Devine: — I said that I'll give it to you within the hour, and you'll get it within the hour.

Mr. Upshall: — It's pretty sad, Mr. Minister. We're in Agriculture estimates, right. Expenditures that you commissioned . . . I mean, it's pretty simple . . . simple remedy for you just to go and get that information, yet you refuse. I think that is just another indication of how uncooperative and how secretive and how difficult you try to make this whole procedure, instead of co-operating on a relatively straightforward, simple question.

Well, Mr. Minister, I have a few more questions with regards to equity financing, and my first question is: will the Government of Saskatchewan provide any loans or an operating grant to the corporation?

Hon. Mr. Devine: — I can't say, Mr. Chairman. We don't have an equity mechanism working, and it may or may not. It may not involve any cash at all. It may be just a mechanism that allows people to cut a deal and be controlled locally.

So I wouldn't rule it out, but it hasn't been ruled in because we haven't done it. We have several proposals that are before us and several that are before the public.

We are meeting on a daily basis with farmers and financial institutions and others to find out how we can best deal with the farm debt situation. Some include some cash injection by government, some don't.

Mr. Upshall: — Well, Mr. Minister, with the problems that we have in this province that we've gone over for the last four days, barring yesterday, and you still don't know what you're doing — and I ask, okay, are you considering that the provincial government will provide loan and operating loans that are operating grants to an equity corporation, if requested by that corporation?

Hon. Mr. Devine: — Mr. Chairman, we may or may not provide it. That's all I can tell the hon. member. And so we're in the process of talking to farmers about setting up local associations to help in the intergenerational transfer of land. If farmers think that they might need some help from government to set that up, we wouldn't rule it out. That's all I can tell you. We wouldn't rule it out and it may be something we'd consider, particularly if it's local land associations set up by people as I described to you, say from Humboldt, that wanted some help. We haven't ruled out helping them.

Mr. Upshall: — Well, Mr. Minister, will the provincial government be putting in lands held through lands branch into the equity corporation? Are you considering putting provincial lands into equity corporation in return for shares?

Hon. Mr. Devine: — Mr. Chairman, right now I don't even believe that it's eligible to be tendered in any fashion that would fit equity corporation. So certainly at the outset, we would consider doing something with local farmers in their association that they may be able to be set up because of legislation or enabling legislation that we would provide here.

Maybe some time down the road, if it looked like it was really working and it was a very doable proposition because farmers were receiving benefit and they wanted support on that basis, then again we haven't ruled it in or ruled it out.

Mr. Upshall: — Let's consider that you said it's a possibility that provincial lands branch land would be put into the corporation. If that lands branch land was put into a corporation, would they be able to maintain the present number of years that they have in their present lease?

Hon. Mr. Devine: — Well, Mr. Chairman, I can't answer that. I mean, it's pure speculation. If you want to know our . . . Are you asking about leases on land bank land? We're not going to change the agreement that's already in there.

That isn't to say that the ownership couldn't be put in some other framework because the government owns it, and also the option to purchase. People might want the option to purchase. If we have government land now . . . I can say to the hon. member, we have sold records amounts of government land to the public, and they like that. Even during difficult times they've bought thousands and thousands of government acres.

If they're on land bank land and they want a new

mechanism to purchase the land that would be favourable to them, an option — not forced to but an option — we certainly wouldn't rule that out. So if they could get into a situation with the land association locally to buy some of their land bank land, for Heaven's sakes, we would be very open to that suggestion, and obviously would be prepared to co-operate.

But I can't say what it would look like until it's established, and what might be appealing to people who are on land bank. They may want the option to purchase because the value of the land is very reasonable, and they may think that's a good idea. They probably have been anxious to buy it for some time if given the proper conditions.

Mr. Upshall: — Mr. Minister, the problem that I am having here is that we're trying to . . . I mean, you have a report that took a year to develop. The situation in rural Saskatchewan is not getting any better. And still, all I'm trying to establish here is some of the programs that are going to be put into the equity finance corporation as it appears that you're pushing forward.

And I mean, you can say, maybe yes, maybe no, if you want, but that doesn't help me or doesn't help the farmers of Saskatchewan to know what they have to look forward to. I mean, it's the same old story. Here we go, over a long period of time the government trying to make up its mind, not telling the people what it's doing. And all I'm trying to establish is some of the facts that . . . or some of your thoughts on the equity financing corporation.

So I ask: will Farm Credit Corporation be putting land into the equity corporation in return for shares?

Hon. Mr. Devine: — Well, Mr. Chairman, that is certainly something that was discussed along with the agriculture credit corporation, the credit union, the banks and financial institutions. That's the whole concept, and they've explored many models.

So if the Credit Union Central has a model where they would participate this way, and it involves write down so that they can start over again — FCC (Farm Credit Corporation) has its own research that would show that, then clearly that's what it's all about.

I mean, we've been through this for three days, so . . . I've gone over and over it with several of your members. That's the principle, that you put it in there at a write-down value, and then you start over again, which is a lot better for the farmers and everybody else.

So you're asking me: would it be entertained that you'd have FCC land in there or credit union land? That's exactly what they've gone through in the models.

You were at the meeting and you saw the values that they put it in. And you keep asking that same question. How many times does a person have to give you that illustration? I mean, you were there; you saw it on the blackboard and on the slides.

That's what they do. They put the land in, write it down at a lower level, and the farmer can pay it off with higher

cash value — cash operating funds. It's just that straightforward.

So the illustrations have been there; we've been through it for several days. Yes, that's the thing that the financial institutions have talked about in even exploring this, is that they would put their land in, because it's not getting paid for. The farmer has a certain equity; they have an equity — start over again at a lower interest rate and lower payments, because your cash flow is improved, and everybody has a chance. The way it is, at the high levels that you got originally, you don't have a chance.

You've heard me answer that question days and days and days in a row. And I've said the same thing to you: yes, that's the principle. The principle, once more, is that you put your equity in and somebody else does, and you start at a lower rate, and it makes it easier for you to make the payments, and the people that have some equity perhaps can get something back over a 20, 25-year period.

Mr. Upshall: — Well I think the problem, Mr. Premier, is the fact that we've been going over this, and the reason that we're still asking questions on it is, you just give the same rhetorical answer, and we don't know any more now than we knew before.

The farmers out there have to know what they're looking at. The problem that I'm having is the length of time which you're having to go through in order to establish this, and unable to answer any questions in any manner that would give us any clues to what form this corporation would take.

Mr. Minister, under the equity financing scheme, would investors receive any tax credits for moneys that they put into the corporation?

Hon. Mr. Devine: — There's just no way to decide that and to define it to date. We may find that if there's a local association that would want to facilitate something like this, they may come to us and say, would you encourage those that have money in the bank to help us out, to invest here in this agricultural situation so that in fact we can improve it for farmers and the lenders alike.

So it . . . I believe the report of the group that went around said, if you . . . if there are any incentives, make sure those same benefits that go to the taxpayer go to the farmer at the same time. So what they said, is, let's have corresponding incentives. If there's incentive for people to invest here to help me, then I want to see the same kind of benefit for me in the agricultural sector. And I think that's only fair.

Mr. Upshall: — So what you're saying then is if there's any tax credits given to investors who invest in the corporation, the farmers will be given an equal amount in some form or other?

Hon. Mr. Devine: — Mr. Chairman, that's the recommendation of the report, and that could show up in a multitude of ways. It could show up in a longer, lower-run, fixed interest rate; it could show up in the way they structured the debt; it could show up in many ways. Because if there is an incentive for people to invest their

funds in agriculture, then you could have a corresponding incentive built into the structure that was going to service agriculture. So the recommendation made perfect sense to me. I mean . . . and you've had the chance to read it, and I'm sure you'd agree with that.

Mr. Upshall: — Mr. Minister, the land that's placed in the corporation in some cases will be owned jointly through shares, if I'm correct. Who will pay the taxes on that land?

Hon. Mr. Devine: — Under the concept that has been set up, the owner would pay the taxes.

Mr. Upshall: — So the owner . . . the definition of the owner would be, in a case where the farmer put some land in, would be a person who holds the majority of shares in that parcel of land. Is that right?

Hon. Mr. Devine: — Mr. Chairman, the equity was held by most likely the farmer and somebody else, the land association. So if he put half of it in and had half the equity and the land association had the other half of the equity, they would most likely split the taxes on the basis of who owned whatever was in there. I mean, that's just shared ownership. That's all a partnership would need, so I don't think it would be any more complicated than that.

(1500)

Mr. Upshall: — Mr. Minister, the Peat Marwick report suggested that there should be a Saskatchewan Stock Savings Plan set up. Would farmers be eligible to participate in that?

Hon. Mr. Devine: — Well I would think that any shareholders or anybody would be, certainly in agriculture, and farmers would be eligible. I don't see any reason why they would not be eligible, unless you've got some reason why they wouldn't be. I'd appreciate you advising me.

Mr. Upshall: — Well the study indicates that farmers' shares would not be eligible for the Saskatchewan Stock Savings Plan. Is that . . . are you going to be following through with that suggestion?

Hon. Mr. Devine: — In my view, Mr. Chairman, that if a farmer buys shares, his shares should be eligible for the same tax treatment as anybody else that buys them. It seems to me would be fair. Now if you would rather not make farmers eligible to get the same benefits as others, I would be interested in your view on that.

Mr. Upshall: — Mr. Minister, you say, if a farmer buys shares. But if a farmer puts land in and receives shares for that, those shares would not be eligible. Is that true?

Hon. Mr. Devine: — Mr. Chairman, I may get the hon. member to re-ask the question, but I'll separate it out and then he can see whether he wants to ask it again or not.

We have the farmer that may own a certain amount of equity in the land association, and then you've got others that would own equity; it might be split 50-50. If somebody comes in and buys some equity, they buy it from the land association and they're entitled to

Saskatchewan Stock Savings Plan. It doesn't mean that they bought the farmer's equity, or any part of it.

On the other hand, if he wants to buy some of that equity that's in there, then, as an individual, he will be entitled to the Saskatchewan Stock Savings Plan if that was something that was entitled to the public. So as an investor, you're entitled to it. On the reverse situation, are you wondering if somebody buys some, whether they're getting a hold of the farmer's equity? No, they're not.

Mr. Upshall: — Well that's fine, Mr. Minister. Mr. Minister, I think probably what will happen when farmers start selling their land, or putting land into the equity corporation, the immediate response would be to put the poorest land in there and retain your most productive land.

Are there going to be any criteria or limits or any rules as to the quality of land or the amount of poor quality land that the corporation will take on?

Hon. Mr. Devine: — I'm not sure that I understand the question. I mean, you're saying that somebody in Melfort that has land under the older system would be 5,000 a quarter, could play this game, and somebody that was farming very, very light, sandy land, could not play it. What are you asking? A farm is a farm, and it's assessed on the value of the land and what it can produce and its productivity, whether it's on light soil, brown soil, dark soil, grey, you know what I'm talking about.

So why would you . . .

An Hon. Member: — No, he doesn't.

Hon. Mr. Devine: — Well, maybe he doesn't. Why would you discriminate on the basis of land type or soil type? A farmer does different things with different kinds of land as to communities and so forth. I don't know if you've really thought that through very carefully.

Mr. Upshall: — Well, Mr. Minister, I've thought it through quite carefully. Because if I'm a farmer with six quarters of land and I want to participate to get some cash back out of the corporation, and out of those six quarters of land I have two quarters that are marginal land, whether it be alkali or whether it be light sandy land, whatever, I would make the decision to put the poorest two quarters in and retain the most productive quarters.

I think the problem might be that the investors, if there's no cap put on — and I suggest that in order for this thing to work, you might have to put an amount on the number of poor quarters that are put into this — because the investors are going to look at it and say, look, this unproductive or lesser productive land is not going to . . . Why should I invest in it if there's no good, high quality land in it, because that land, the price would be lower, you know, all the time?

So is there any chance that there will be a cap or a certain amount of acres put on poorer productive land that might go in the corporation?

Hon. Mr. Devine: — Mr. Chairman, the question doesn't

make a great deal of sense in that you do different things with different kinds of land, and their productive value and their sale value are different based on their productivity.

Now you're telling me that land that was, say, somewhat alkali or in bush, would be valued at the same price of land that was nice and flat and heavy soiled, and they'd both go in at the same value. So you've got it all figured out; you'd just put in your cheap land, but charge the same as your valued land?

I mean, what's the difference in productivity if the price reflects what it's worth? There's no difference. You haven't thought through that very carefully. It doesn't matter what kind of land goes in if it's priced properly. I mean that's the whole key. When the NDP bought land bank land, evidently they went and they paid one price for sand and another price for stuff at Melfort. I mean, was there a limit to how much poor or high or other land you deal with? I mean, you obviously haven't thought through that very carefully.

So, no, it depends on what you price it at; clearly, what people are prepared to . . . (inaudible) . . . If you took very expensive land and you didn't depreciate it at all, no write-down, nobody would invest in it if you put all the good land in. Right? Of course not. If you took some land that was worth 200 bucks an acre because it had bush on it, and it dropped down to \$50 an acre, there may be an awful lot of people that would invest in it. It's all based on what it can produce and at what value you should put it in, what values that it was to start with.

And financial institutions will tell you that. In some cases they're in trouble on very poor land because it was way over-valued; in some cases they're even in more trouble on very good land — very, very good land. And you'll find that in communities.

The member from Regina Centre, who grew up next to me out north of Moose Jaw, knows exactly what high-valued land can do to you if it's over-priced. We went through that example for two hours the other night. So it depends on its value.

Mr. Upshall: — Well, Mr. Minister, the Peat Marwick study indicates that the corporation . . . I'll just read what it says:

The farmers will want to sell off their poorest land first and the corporation must refuse to take an excess amount of poor land.

And I think that's . . . this is very important. I know that the value of the land will . . . of poor land will be less than the value of good land; the amount the farmer receives, it won't be all the same.

But as an investor, to lure investment in here, into your corporation, I think they're going to want to be looking at the more productive land for a number . . . the price, you know, you just mentioned, the price of the best, of the highest quality land. And that's the point, that that land will . . . the gap between the buying price and the selling price could be much greater than the gap between the

buying and selling price of poor land, because you know it's not proportional.

So I ask you: will there be any limits put on — let's make it simple — any land? Will any land in the province be available to go into this corporation?

Hon. Mr. Devine: — Mr. Chairman, I won't go through this. I'll just say that individual associations, if they're set up locally, will be able to manage their own. And if they want to buy because it's a relatively reasonable thing to do to take pasture land and livestock land and land that can be used for various combinations of purposes, and that's the best value, then I encourage them to take for the best values.

If some of it is just fairly highly assessed flat, black soil, then they'll be taking that. Who am I to decide what the value is? I mean that's what you go in there and you price it for.

It is not unlike your colleague there, day before yesterday he was saying, well if you could decide in here how you're going to run this mechanism, then I could decide right here in Regina whose crop I would take off on what days.

I mean, the value is based on what you can do with the land. You may find that it would be in your best interest to deal with all marginal land, because it had dropped so much in value that that's the place that you'd want to invest. You know that in any kind of investment you will buy property, be most anxious to buy it, if it's dropped the most in a relative sense. It doesn't matter whether it's good property in the sense of being high quality brick house versus a poorly built wooden house, if the value is there, that's what you're interested in.

So I would just say we'd leave it up to the local individual associations to decide what they think is the best situation that they could deal with. And certainly, if you talk to the local credit union they'll tell you. They will differentiate themselves. Some cases it would be mostly land that's in livestock. In other cases it would be mostly land that would be for straight grain.

Mr. Upshall: — Well, Mr. Minister, we're not talking about the value. What I asked you simply was: will all agricultural lands be eligible to be placed into an equity financing corporation, or will it not? Simply and straight — will all agricultural land be able to be put into the — at the discretion of the farmer — be put into the equity corporation, or will there be rules that say certain lands, for whatever reason, may not be able to go to this corporation?

Hon. Mr. Devine: — Well, Mr. Chairman, you didn't — in all respect — you didn't ask that. You said, would there be limits on poor land and limits on some other land. Then you said, we're not talking value. If value isn't of concern then nobody would care.

So I would just say, in my view and in theory, we would leave it up to the individuals to decide. I wouldn't want to limit them out of pasture land that could be there or the amount of grain land that would be in there. Leave it wide

open.

Mr. Koskie: — Mr. Chairman, I just want . . . We've gone through, in some detail, in respect to the equity financing proposal, Mr. Premier, but I want to zero in on a few ideas here.

First of all you indicate that there will be write-down in value of the land that goes into the equity financing corporation, which is referred to as the Saskatchewan farm trust corporation, I believe, in the Peat Marwick study or proposal. You say that the land that goes in will go in at a write-down value.

I'm going to ask you then: who is going to absorb the write-down value? Is the financial institutions, and do they take the write-down? Do they absorb the write-down in the value, because many of their mortgages are probably higher — there's a higher amount of mortgage than the current value of the land. That's what you said the other night, that the land has dropped 50 per cent over the last number of years.

Now let us assume that the credit union has a farmer out there, and you say he's in difficulty. And the credit union has a choice. You say this land will go into the equity financing corporation at a write-down value. Who will absorb the loss in that instance?

(1515)

Hon. Mr. Devine: — I have the information that your colleague was asking for, so I'll send it across.

Obviously, the person who has lent the money out and is not getting paid is going to have to take the hit, as it were . . . (inaudible interjection) . . . No, no. If you're the farmer and I'm the financial institution, I lend you \$400,000, and you tell me you can't make the payments, then what I'm going to have to do is take this and say, I've got to sell it to somebody. And the market value, as you know, is about half that, so I'm going to take the hit. Rather than do that, they may say, let's cut a deal, all right?

Let's get in it together, start over again at some lower value, and we'll work it out over time. Which means, for farmers, what you're going to have to have is the co-operation between the financial institutions and the farmers so that you can have a mechanism by where they will do better than just saying, well I guess it's all over. And the financial institutions are going to get hurt that way, as you know.

And the farmer's saying, look, I want a farm but I can't pay you something that was equivalent to \$7 wheat for \$1,000 an acre. We've got to start somewhere fresh, so let's take a crack at it. He's made some payment, but it's just no more than interest. The bank's going to have to take some heat, and take a hit and take some cuts, and they're doing it every day. What we're looking at is a mechanism that allows them to do that with as little hassle as possible so that they can help each other.

Mr. Koskie: — Why are you . . . if there's going to be a write-down, Mr. Premier, and you say the banks are doing it every day, then this farmer that is in serious

trouble should be able to, under your scenario, maintain his title at the reduced value.

Why wouldn't the institution go directly to him, rather than going in, giving up all his ownership, his title — and title to land is a very, very important ingredient to farmers? Why wouldn't you continue this and maybe even facilitate it, by federal and provincial government or Farm Credit Corporation, so that the farmers that are in serious trouble, that you do facilitate a write-down and the farmer starts at that reasonable rate you say, and has title to his land and can work to pay it off and maintain his title, rather than becoming in essence a . . . no title because the title gets transferred into the equity financing corporation? That's what it is. And he ends up with a little share — that's what he does — just like Pioneer Trust.

People of Saskatchewan here invested in Pioneer Trust. They bought shares. Well I'll tell you, it didn't help when the management was in with the executive officers of Pioneer Trust, and holding that share didn't help them. That's really what you're doing, is setting up a corporation with shareholders. And I'll tell you, investors aren't going in there just to help farmers because that's not the game they play. They play the game of wanting to make money and control it. That's what they want. Money, they want. Profit. They're run by it. And I'll tell you, the farmer, I can't see how they're going to get a deal on it because they're going to lose thousands of farmers are going to be, essentially, just share-croppers, renters.

And I ask you, who decides all the details of the rental rate? Who decides whether he can remain as a tenant? Who decides how long the lease will be for? Obviously it's somebody that goes and invests in the corporation, I would think, would have a board of directors that would want to make policy. I can't see them putting the money in there and saying to the farmer that has had to go into it: you run it the way you did before.

So I ask you those specific question: who will be making the decisions? Because what you have is, farmer may have a few shares, but outside equity will be with the investors. And do they not . . . do you not propose that they have a board of directors and that they make the policy? I ask you that.

Hon. Mr. Devine: — Well, Mr. Chairman, I could say to the hon. member, as I did to the member from Regina Centre, we can decide the rules here in this House. I mean, it will be Saskatchewan law and if you want a mechanism, if you want a mechanism that would encourage this process to take place so that it would help farmers so that he has the hammer and the right to buy it.

Why shake your head? Why not try? Why not say that if you can take it, as I described to the member from Regina Centre a couple of days ago, if you can get a break from these farmers, up to \$90-some an acre in cash-flow benefit, and we set the rules so that, as you said — I'll just go along with you here — you said, look, let's design it so the farmer can own it and the farmer has the right to buy it.

I will say to the hon. member, now with the bank or the credit union, the farmer doesn't have title. The bank holds

the title until he pays it off. All we're saying is that you share it. What you do is that I have so much equity and you do. As I buy more of it, I have more equity and eventually I'll own the whole thing.

Now you, I'm sure, would like the farmer to have the right to buy it all, over time. That's what we're both looking for, right — own it over time. You can't give somebody the total title and all of its value if he doesn't own it, or else we'd just hand out titles. I mean, you're a lawyer; you should know that. He who pays for it has the title. When you lend money to somebody — like the banks now have got title to a lot of land, and the farmer gets that title when he finally makes all his payments.

He's saying, I can't make my payments. So what we're saying is, let's cut a deal at, say, half the price and we'll start over again. The farmer has some equity in it, the bank has some equity in it, or somebody does, and we'll work it out over time, and the farmer will have the ability to buy it at his pace that he can afford, and his cash flow is improved.

As I pointed out yesterday, and I'm sure you heard the example, where if you had land that was \$800 an acre at 8 per cent, that's \$64 an acre. If it went to 16 per cent interest rates, he's gone up to 128. But we write it down to 400 at 8 per cent, you know what he's got; he's got \$32 an acre. He's got a huge savings in cash flow that he can afford. That's all we're trying to do.

You and I can design, let's say, the index of his payments. His payments are based, as they've done with the FCC, for example — commodity based. Take all the commodities that he can grow on that farm. Here's the price of commodities, here's the land values, and here's the formula. You've done it with the rent on land bank. Design the formula, you and I could sit here and design the formula that would allow for the rent to be there, or his payments.

He pays more than that, he gets more share of ownership. If he gets lucky and prices go up and he can put a big bunch against it, he might own two-thirds of it within three years.

But we've given him the option of more cash flow to make those payments, and he can look at the formula that you and I would design and say, here's my payments; I know my cash flow is way up; the financial institution is happy because they'd just have to go to court and fight me; and both of them are paying lawyers. They don't want to do that. They want to cut a deal and get on with it, and this could facilitate it.

We could set up a mechanism. If you can't maybe stretch your imagination, just go back to the formula used for deciding what rent you pay on land, and you've, I'm sure, been in cabinet talking about that, and there is a mechanism there. Base it on that. Base it on a basket of commodities and you run that over time. As commodities go up, his payments go up. If they go down, the payments go down. The investor knows that.

I have one last point. When Al Blakeney was in the legislature, the former member from Regina Elphinstone,

he agreed with me that this could be very good for farmers. Then he asked the question, and I'm just paraphrasing: we'd have to make it attractive enough to get people to invest in it that were non-farmers. What I'm saying to you is that we can do that. We already see the benefits for farmers. Financial institutions are saying right now they'd rather cut a deal than go to court.

So what we're doing is that can we find this an attractive mechanism for investors that have pension money so that indeed, as you know and I described to the hon. member the other day, they can get a return that they know is fixed, and we'll design the formula that you and I are just talking about, and some appreciation in the portfolio that they've bought, and that happens with land values.

Now you couldn't find a much better time to look at that than right now. Farmers know that; you know that, I'm sure, being from rural areas. So the mechanism is there. It's a big help for cash flow. And I'm sure if we had some co-operation between your colleagues and our colleagues here, we could put together legislation that would facilitate this.

Total control by the farmer — total control, controlled by local associations or Saskatchewan associations, Saskatchewan legislature. Why do you not want to try?

We set the rules here in this House. We design the legislation. Well, Mr. Chairman, obviously they don't want to . . . they obviously don't want to try very hard because the money is there and the mechanism, and farmers want it written down and financial institutions are telling us that they want the chance.

And the member just shakes his head so he must . . . I won't pursue it too long, but I mean, if you want to pursue it, you want to link to trust companies and so forth, then we can get into arguments about land bank and your solutions and you can wail on me and trust companies and I'll do it on socialism.

I'm just trying here on behalf of farmers — farmers. Don't laugh. Farmers are in some trouble and they need some help and some suggestions. The suggestions that are forwarded here are sincere suggestions to help farmers.

And if I could have any co-operation from members opposite to design some legislation on the formula — and the question was on this formula — could you do it? How would you set it? We can design that, here in this House. There are the rules and if the people want to participate, as they did in renting land, then of course they'll take it and it's under provincial law. And that's the way it should be.

Mr. Koskie: — Well do you intend to get outside investment into this corporation? What is the nature of the expectations of investment that will be poured into this equity financing corporation? From where?

Hon. Mr. Devine: — Mr. Chairman, obviously it would depend on what we can design here in Saskatchewan with the co-operation of the opposition members, whether we get Saskatchewan people to participate, or they get pension funds to participate.

And at the outset I can say, Mr. Chairman, we don't even need money. We just need an association that would allow people to do this. You don't need to exchange any money. They just both say, I'm going to be a part of this equity corporation and we'll share in it over time at a given interest rate and a formula.

Credit union could cut those deals right now if we had provincial legislation — right now, sir. You know they can't do it because they can't take an equity position. If we allowed that to happen, then they could write her down and start all over again. You know that. So we need to provide them at least the flexibility to do that without any money.

Now if you do that plus allow people to invest here, you could have hundreds of millions of dollars in cash going into agriculture. But you stand there and do not even . . . well it seems to me you're not even allowing us to even entertain the possibility of that kind of help for farmers.

Mr. Koskie: — Mr. Premier, you've been trying to sell this, and you haven't done a very good job because you've been turned down across this province. And farmers after farmer has turned it down. The Credit Union Central has turned it down. And you sit here saying what a marvellous solution that you have — that you're going to take all the titles away from the farmers and you're going to let large outside investment come in. That's what you have held back.

I'm going to ask you, why would investors want to invest? They would want to invest because of speculation in the appreciation of the land. That's what they'd be going in for, and you're also indicating the other night that you're going to guarantee them a return on their investment. Now that's good for the banks and that's good for the people that have lots of money. But I'll tell you, it doesn't help the farmer very much. It doesn't help the farmer very much.

Well I'll ask you, Mr. Premier, if you're so confident, why haven't you launched it? That's the question I ask you. Why haven't you put it out two years ago if this is a solution? Where were you when the farmers were going broke? Eleven per cent are insolvent; 28 per cent, your own report indicates, in serious financial problems. If it's the solution, and you're right, and it's best for the farmers, why haven't you launched it?

Hon. Mr. Devine: — Mr. Chairman, Mr. Chairman, the NDP had the same people go to the meetings all over the province and stand up in front of the television camera and say exactly what the NDP in here told them to say, that this is exactly what it is — they're going to take our property, they're going to take our equity. I mean, you don't care. If you cared you'd try with me.

I mean, if we had some co-operation from the opposition we could do an awful lot more. But the opposition holds it back and holds it back. They won't even allow us, won't even allow us to entertain the concepts about standing up here and saying, there's no work. You're just going to take it from farmers. I mean, you heard them. So I mean, they won't entertain the principle of it, the principle of it.

Mr. Chairman, I would say to the hon. member: he asked me how we could design the index; I told him. Then he stands up and said, well why would you invest in it. I said, you invest in it for two reasons. One, because you could get a guaranteed return. And we'll set up the index of what that return is, and some appreciation on that portfolio over time. That's exactly what you would do. And the farmer owns it all because he can't pay for it now at \$1,000; if you made it at 400, then he could.

So he won't accept any possibility of helping him because it might work and then he wouldn't have credit for it. Well I think that he's being very, very unfair to the farmers of Saskatchewan not wanting to help. I'm really disappointed in the member from Quill Lakes, and frankly the member from Humboldt, who would stand in their place and deny farmers this kind of a write-down, this kind of low interest rate loans, this kind of ability to pay it back over time with tremendous increase in cash flow, and they won't even acknowledge that it's a possibility. They just stand in their place and deny them even the right to do this.

(1530)

Many farmers would like to see it happen. It reminds me, Mr. Chairman, when interest rates were 20 per cent they wouldn't consider any help either. All they'd consider and say, well I guess we'll have to buy your land for the government.

Now look, we can go over and over that. We are approaching the 21st century. We're not back in the third century or the 13th century where the government owned everything. We want to modernize. When this is modern agriculture you have to look at new financing mechanisms, new technology in agriculture, modernize health care, modernize education. We have to be in the global village, not way, way back to where the government owned all the land. The farmers have told us even in difficult times they want to own more land. This can facilitate the farmers owning the land.

You and I could design the legislation to make sure they got it all, and all the power to control it. But you won't even entertain that. I mean, you won't even entertain the principle. And you say, well, where's your legislation. Where is the legislation?

You have never even acknowledged that it's a possibility; you've never even acknowledged it.

Well, Mr. Chairman, I'm extremely disappointed that the members opposite would do two things: one, speak against the possibility all the time; and secondly, on various kinds of symposiums and counselling and meetings with farmers, I mean, we heard the same rhetoric from the same farmers that obviously got advice from the members opposite to say, we don't want any part of this.

They know very well — I'll just close on this — they know very well that the bank's headquarters are in Toronto. And the banks have shareholders all across Canada and the banks own the title. They know that. So who do they

think they're kidding?

The banks finance most of the farm land here. And they said, oh we'd never want to do anything a little bit different. I think an awful lot of farmers would like to be able to finance land from one generation to another without just going to the bank or without just saying, I've got to have the government own my land. That's all you've given them.

You said, well this new mechanism with the bank is just fine. The banks own the title and the banks have shareholders all across the country, and you seem perfectly happy with that.

I'm telling you, there's a lot of farmers that would like an alternative. They would like an alternative. This don't make any sense. Do the banks own the title? You're a lawyer; do you know that? Banks own the title until you pay it off, and banks have a lot of title right now. Farmers don't want that. They want an alternative. We're asking for co-operation for an alternative, and I would just seek the co-operation from the member opposite.

Mr. Koskie: — Well, Mr. Premier, every time you get cornered in, you can't even articulate what your own report said. I want to ask you; is it accurate that the Peat Marwick proposals on one of the shortcomings, has cited that farmers with the most serious debt problems will in fact not be indeed eligible for participation in the equity financing corporation? That's what the Peat Marwick report indicates.

Hon. Mr. Devine: — It's Peat Marwick — Peat Marwick. All across Canada it's called Peat Marwick. It's a Peat Marwick study.

In my view, Mr. Chairman, that whether a farmer has 50 per cent equity or 10 per cent equity or any combinations, they could be eligible for significant assistance in a plan that you could set up control by local people.

So that if it is 75 per cent equity owned by the financial institution, 25 per cent equity owned by the farmer, they start on that basis. Here's the new deal, let's go.

If it was 10 per cent by the farmer and 90 per cent by the financial institution, here's the ability for him with a cash flow payment to buy it all — to buy it all. Right now he can't do that because he bought at a very high price, interest rates went higher and he got caught.

So I'm saying that I could see the possibility where it could help virtually all farmers — most of them. And I would not make any arbitrary line where you could not keep various kinds of land in it, whether it's livestock land or whether it's bush land or whether it's top-notch grain land, or people with various kinds of debt/equity situations. I would include them all conceptually, at least in theory, and I'm at least happy that you've moved to that to say that you may show some interest in this, that if people are in some difficulty, it will be the people in difficulty that need this.

Precisely those that are in difficulty would come in and say, look, I don't want to go to the lawyers, I want to cut a

deal with you, let's do it. And you know they're doing it every day. I want to see us with a situation where I can buy it back. I have the right to buy it and I've got a certain percentage equity and I'm going to buy more, and my cash flow is up so I can put that against equity, not just interest.

Mr. Koskie: — Mr. Premier, I asked you why, if you're so confident in this, and the farmers are in support of it and it's going to completely solve their problems, why haven't you launched it?

Hon. Mr. Devine: — Mr. Chairman, I am, and I've asked for the co-operation of the members opposite for day after day after day after day, and they won't even consider it. They just stand up there and say, no co-operation. They just say, no, I reject it. Inside and outside the legislature — no idea that they would support legislation here that would help.

And he asks me why it isn't proceeding as fast as he would like. He doesn't want it to proceed, let's make it very clear. You haven't shown me that you're prepared to co-operate to allow the credit union to do this.

You've stood in your place in this House and said, I'll talk to the credit unions, I'll tell them not to do this; I know people in the credit unions. I mean, you've done that yourself. You said, don't get near this.

All right, I will say to the hon. member, a little bit of co-operation. I think and believe we could design legislation that would facilitate a great deal of help to farmers and ranchers across this province, and particularly, Mr. Chairman, those that have financial difficulties from north, south, east, and west.

Mr. Koskie: — Mr. Premier, I asked you why you haven't launched this program. You say you have the banks, and it will be good for them and it will be good for the financial institutions, it'll be good for the farmers. They'll locally control it, they'll have the same as ownership, they'll have a cash flow.

I'm asking you: why haven't you launched it? What are you waiting for?

Hon. Mr. Devine: — Mr. Chairman, when we bring the legislation forward, I would respectfully ask the hon. member to treat it at least fairly — at least fairly — so that when we're looking at the legislation that will be necessary to facilitate this, that you will say . . . the first thing that you would say is that, I want to see real help to farmers; and secondly, I want to see some laws that are in there that will make sure the mechanism works fairly for everybody; and third, that we want to increase the cash flow in agriculture so that in fact we can remove some of the debt and replace it with some equity.

If I can have some sort of assurance of co-operation of at least an attitude from the opposition that just drags their heels on so many things, that gives me an idea that the faster I bring it in, the better.

Mr. Koskie: — This is a remarkable turn-about by the Premier. When he slashed and cut and devastated the

drug program, he didn't ask us for his co-operation in designing a health care consistent with the wishes of the people of Saskatchewan.

And what I'm asking you here . . . you're the government, Mr. Premier. You can't even put down a specific proposal, how it would work. You've said that today.

You talk about local people controlling it. And what does that mean? Give me the scenario. Give me a theoretical scenario of how you would set it up with outside investment, and how you expect to get investors in there, who are speculators — they could care less about the farmers. All they want to do is go in and take profit, get the land, and when it appreciates, they want to fill their pockets.

That's what they want to do. And that's what you're putting the farmers into the threat of. Putting them in the hands of the speculators. Bad enough with the banks. But now you're going to have shares you propose to sell on the Toronto Stock Exchange, if you can feature it. People from outside of Saskatchewan having shares in the land of Saskatchewan.

That's what he has said. That's the proposal that he has put forward across Saskatchewan. And look at the writings. Hong Kong people, ready to come in with a hundred million people. Farm Credit Corporation actively working with them. Good buy — this land in Saskatchewan — to the multimillionaires over in Hong Kong. And that's what you're playing to here.

Now if you aren't, and if you're honest, then why don't you launch the programs? Simple question. What's stopping you? Is it that you need our co-operation? Why, why did you not ask for your co-operation when you launched the production loans? You didn't ask us whether that was a good programs or whether it should be universal; you launched it.

Now if you are interested in the farmers, I'll tell you, you can't lose if you've got the solution. Go ahead and launch it. And I ask you: when do you intend to bring it in to save the farmers, the 40 per cent that are in desperate shape right now? Why don't you launch it? When will you launch it? Will you launch it during this session?

Hon. Mr. Devine: — Mr. Chairman, I would think that the public watches this Assembly on television often enough to know that we should be able to be mature enough, mature enough, to sit down and work out an arrangement that would help farmers.

An Hon. Member: — I get a lot of calls . . . (inaudible) . . . my boy. I get a lot of calls.

Hon. Mr. Devine: — Mr. Chairman, he doesn't want to listen to the response. I mean, all we're asking for is the co-operation, the co-operation from the opposition to deal with a very serious problem, and he stands up here and says: I'm not going to have any part of it; all you're doing is trying to rip off the farmer. He knows that we've put an awful lot of programs in for the farmer that we've got a lot of credit for; he doesn't like that.

And if he wants to talk about land speculation, the land bank was the biggest speculative venture in the history of agriculture in Canada. You went out and you bought land at a very low value, and then when it went up, you said: well we can sell it to the children; we'll speculate. And Mr. MacMurchy, the former minister of agriculture, and the cabinet minister, and others — from Quill Lakes — said, isn't this a great program? They speculated on the backs of the farmers. They did it for generation after generation. Well I mean that's all he wants to talk about, so we can go back and through it.

We will be dealing with this situation and the appropriate legislation to help farmers, Mr. Chairman. I'm asking for their co-operation. I guess I have to admit today they're not going to co-operate. They don't want to co-operate on all kinds of things: they won't in terms of resource policy; they won't in terms of refining and processing; they didn't co-operate on upgraders; they won't co-operate on paper mills. They won't co-operate on the largest single job project in the history of Regina and Saskatchewan here; they don't want to give us any credit for that.

And they won't face . . . I mean, he mentions all the problems that we have today. He won't face the facts with respect to the crime and drug abuse on streets; he never even mentioned it. He wouldn't face it; he hasn't got the courage to face it — hasn't got the courage. And they were afraid to. They said, all we . . . geez, that's something else that we better not be able to touch that.

Well I'll tell you, we respectfully ask for your co-operation. If we don't get it, then we'll have to deal with it ourselves, okay? And you'd rather fight about it than co-operate. I know that. And I'll just watch your response. You'll stand up again and you'll beat all over us in every program that we've done. I just ask for your co-operation in helping thousands of farmers that need our help.

You and I can design the legislation to make sure that the control is here and the control is local and the control is for farmers. And you won't even admit that you have that power. This House has that power. This Assembly has that power. And you stand there and deny us that right.

And I will seek your co-operation when any legislation with respect to agriculture is introduced. But I would gather today, Mr. Chairman, that the opposition is just bent on being contrary, they have for some time, and I guess the public will just have to recognize that fact.

Mr. Koskie: — Mr. Premier, the problem that you have is that you don't have any credibility left out in the farming. That's what's happening. And you can't go out and sell it to the farmers because they don't believe you any more. That's the problem that you have.

And I'll tell you, you don't have to worry about our actions here; we'll account for those and we'll make our representation. You look after yours because, I'll tell you, this opposition is going to be increased tomorrow by two more members. And that'll represent how popular you are, Mr. Premier, and how much credibility you have.

Your pretence, yes, your pretence that you're looking

after the farmers. You said that you were going to open the treasury. And now your Finance minister says, well it's too big a problem. We can't open the treasury. The treasury is broke.

But, you know, you have no problems when it comes to the multinational corporations. You stick it to the farmers at nine and three-quarters per cent and you give it to Weyerhaeuser of Tacoma, a multinational corporation, at 8 per cent. And you defer any payment until they get the pulp . . . the paper mill built, on the debentures. That's what you've done.

Now that . . . the farmers would like that, but you wouldn't defer their interest until there's a turn-around — no way! But you said to old Weyerhaeuser of Tacoma, Washington: we'll give you eight and a half per cent. Farmers, we'll stick it to you, nine and three-quarters. Those were the choices that you made.

And how can farmers stand up and believe that you are on their side, when you give a deal like that to the multinational corporation and you won't come to the assistance of farmers.

Mr. Premier, if you were serious . . . In the 1987-88 budget, the Minister of Finance said that the problem of major crisis is farm debt. That was in '87-88. That was repeated this year, and that was repeated again in the throne speech. You have identified the problem. We agree with that. All I'm asking you, Mr. Premier, you haven't delivered.

(1545)

You are prepared, I think, to see thousands of farmers divested of their family holdings as we knew it. And I'll tell you, the farmers of Saskatchewan as you have said yourself take great, great value . . . great care of their land. They have a great love for the land. And in my community and in my constituency, I'll tell you, owning that land means an awful lot.

An Hon. Member: — Is the land bank land theirs, Murray?

Mr. Koskie: — Well lookit, Mr. Premier, you go a little squirrely again on land bank. That was a total voluntary program — voluntary program, totally voluntary, no one was forced to go into the land bank, you know that.

The problem is, Mr. Premier, what you're setting up here and the farmers are afraid of, is that you're going to turn it over to the speculators, the realtors, and the real estate, the Century 21's of the world, the Marathon Realty's.

An Hon. Member: — Now run down business.

Mr. Koskie: — That's . . . I'll run down business because I want to protect the family farm.

An Hon. Member: — You'll run down business.

Mr. Koskie: — Yes I will. I'll run down speculators who want to take over the ownership of our land. You're right, I will. Marathon Realty, I'll tell you, I wouldn't let them

buy up the farm land. I would make a program where the farmers could retain their title. That's what I'd do.

You haven't even . . . you know, you don't even have the interest of the farmers at mind because this problem of debt can be solved, because you can work in conjunction with the federal government and you can handle that debt. And you can weather the storm until the turn around in the prices, and obviously the prices will have to turn around or else there will be no farming left.

But I ask you, Mr. Premier, if you are so absolutely and totally convinced, since you identified the problem a year and a half ago in the '87-88 budget — the Minister of Finance indicated that debt was a crisis — I ask you, why have you sat on your hands? And if this here proposal is so good, I ask you why haven't you introduced the legislation; and when will you introduce it during this session?

Hon. Mr. Devine: — Mr. Chairman, I will try my very best to co-operate with the hon. member. As a signal of co-operation, I'll do my best to introduce legislation this session that will help farmers in several ways. I will just say to the hon. member that we had \$705 million — almost three-quarters of a billion dollars — out to farmers at 8 per cent. And obviously we've got 1.2 billion that we put out at 6 per cent. And that option was clearly there for both, so we had almost a billion . . . three-quarters of a billion at 8, and almost 1.2 billion at 6 per cent.

I would only say to the hon. member that we will do our very best to co-operate with you in getting legislation through that would help farmers in several different ways, as early as this session.

Mr. Koskie: — Would you enunciate the several different ways that you have in mind in dealing with the crisis that we have right now?

Hon. Mr. Devine: — Well, Mr. Chairman, we will be bringing forth pieces of legislation that will provide for alternatives that the hon. member will be able to look at in very clear detail. Some will be on the protection side for farmers; some will be on new money for farmers, in a combination of things that we can do to allow the farmer to feel better, the financial institutions to have more co-operation with the farmers, and generally, for the public to know that we are doing the right thing for rural Saskatchewan.

Mr. Upshall: — Thank you, Mr. Chairman. It's not surprising, Mr. Minister, that you didn't even refer in your several options that you're going to put forward to the equity financing proposal, and that was a specific question. Again, you evaded that answer.

Mr. Minister, you talk about co-operation from us, that we're not co-operating, and that's why you can't get it through. That's bunk and you know it. I mean, the people of this province and this legislature know how your government operates. They talk about consulting, and don't consult. They talk about participation from groups, and they don't listen to them.

And I'll tell you, Mr. Minister, I, on this side of the House,

will not co-operate with anything that is going to put farmers in even worse trouble than they are now. I'll tell you, this program is going to do that in the short term, unless you come up with some specific answers.

You have been unable to answer any questions on this topic, and then you turn around and say we don't co-operate. You have been unable to put legislation forward in over a year, and you say we don't co-operate. Well, Mr. Minister, the problem is you, not this legislature.

Mr. Minister, we've asked questions about financial institutions, and you talk about write-downs. You began on Monday by saying that the institutions were going to write down half of their . . . the debt to the farmers. And after about an hour or so later, you said, well I can't speak for the institutions. So you turned around and said one thing on one side of your mouth, and then turned around and said another later on.

What do you expect us to do when you make statements like that? There's no possible way that the farmers of this province would want this side of the House to co-operate with your deal, and they've rejected it in the country.

You talk about lower interest rates. You and the Farm Credit Corporation have the power — holding half the debt in this province, farm debt — have the power to develop a program at long-term, low interest rates. And you refuse to do it, just like you refuse to . . . and dragging your feet on this farm equity financing corporation.

I think I know why; it's because you don't know what to do, you know — that this brain-child, of whoever's initially, was going to, you thought, solve the problem. And then when you got out in the county, when you talked to the real people and they told you their message, you accused them of being the NDP mouthpieces, running around to every meeting.

Well I'll tell you, Mr. Minister, there were people that I talked to from every one of those meetings, and the majority of the people there were not interested in your program. And you accused us of not co-operating. Well I guess we wouldn't co-operate when it's not in their interests. Why would we?

Yet you want us to co-operate with you on a proposal that the farmers don't want. Well I'll tell you, we won't — we won't, Mr. Minister. We will stand up behind the farmers and stop you, if we can, from implementing a proposal that is not going to be helpful; in fact it's not going to be helpful to those 11 per cent who are insolvent; we know that. You won't admit it, but we know that the 11 per cent of the farm population who is insolvent is not going to be able to participate in this program because it will make no sense for them to do so unless they want to become tenant farmers.

You say that the banking institutions are going to cut their debt in half. You know darn well that's not going to happen. The banks are going to want to get every cent out of that land that they can because they're taking the loss on it now.

You talk about outside investment for people coming into this province with guaranteed returns, and you don't talk about guaranteed returns for farmers. I mean that's the angle you're coming at. It's the people with the money who make money off farm land, and have the farmer as tenants on their own land. I will not stand in here and co-operate with you in any scheme that goes in that direction.

An Hon. Member: — You like land bank, though.

Mr. Upshall: — Well, Mr. Minister, I'll tell you, the member from Kelvington-Wadena asked me if I like land bank. That program did more for the people of this province than this program will, and you know that. And they had the option to go in it.

You talk about principles, the principle of land bank, and I'll stand here and say that the principle of land bank was good. There were many things that went wrong, and you know that. You accused it of inflating the price of land. Well when you take that logic to Alberta and Manitoba, it just doesn't work, Mr. Minister, and you know the real reason.

But you continue to put out your rhetoric and that's why the farmers of this province are not believing you now.

So I'll tell you, Mr. Minister, we will not co-operate, we will not co-operate with you on any program that is going to make tenant farmers out of the people of Saskatchewan and, in the long term, not alleviate the debt situation.

So, Mr. Minister, I think I can say on behalf of the farmers of Saskatchewan, either you bring your program out right away so that we can find out what you're all about, or else forget it and go and try and find something that will work.

Some Hon. Members: Hear, hear!

Mr. Goodale: — Thank you very much, Mr. Chairman. I have a couple of questions to ask the Premier with respect to his equity financing plan, and then I'd like to move into another area entirely, having to do especially with the potential drought situation that much of Saskatchewan is facing.

But first of all, Mr. Premier, with respect to equity financing, as I have listened to your descriptions of what you have in mind over the course of the last several days, it seems to me that you've been using in your various examples two concepts that are at least in theory quite different from each other. I'd just like to seek some clarification from you about those concepts.

The first one was the notion of amending the Bank Act and potentially amending other legislation to allow banks to take an equity position in farm land, and then . . . once that amendment had been done, and then to let the farmer who is in trouble and his banker do some sort of deal to refinance the farm, starting from a new and lower total equity value. And presumably that new refinancing would include some combination of payments by the farmer to the bank, plus an equity position for the bank. That was one of the concepts that I heard you describe.

The second concept was the establishment of some kind of equity land association, as you've tentatively dubbed it in these discussions, a land association into which both the farmer and the banker would agree, I presume, to put the farmer's land, for the purposes of refinancing, but with some broader form of equity participation that goes beyond just the farmer and the banker.

I wonder, to start with, Mr. Premier, if that brief description is more or less accurate with what you've previously described in the House? I wonder if you could confirm that.

And could you also confirm that you are talking about those two different situations: one that would involve just the farmer and the banker doing some sort of deal with some kind of equity angle to it, and a quite different arrangement that would involve the farmer and the banker, but also other investors? I wonder if that distinction that I'm drawing is accurate. Then I have a couple of other questions I'd like to put to you.

Hon. Mr. Devine: — Well I think that's a fair separation. You could do the latter without any change to the Bank Act. In other words, financial institutions can't take an equity position right now, but they could sell to a third party at a certain level and say, I'm just getting out of it at this level. That third party takes an equity position along with the farmer.

So they could say, I'm throwing mine in here at this value and I'm rid of it and I'm done with it; I don't want any more part of it. The farmer, he has some equity in it, the third party has some equity in it, and they just cut a deal and they go operate as partners. You could do that without changing the Bank Act.

Alternatively, you can go back to the first alternative or the first scenario that you presented, and said, look, we can modify this so that financial institutions can have an equity position, and then maybe with some other legislation that we are looking at here, to help facilitate it so not everybody's in court settling on a very difficult situation, help mediate a value of what you can put it in there at. Then we can get on with our lives without everybody ending up in court for months and months, in some cases even years.

So frankly, we're looking at both. We're looking at mechanisms that would allow us to facilitate this co-operation between farmers and financial institutions because they're both in trouble; and say, could we do something in law to help you work this out without going through a great deal of expense, find a number that's good for both of you, make it fair, and then start over again and improve the cash flow, but the financial institutions also knows that they're going to get something out of it.

Now if you want outside investors — if you go to the full equity concept as you have in Australia that was presented here and the model that the credit union used — you're going to have to allow that participation from pension funds or others or the market as they invest to say, here's a guaranteed return or something that looks like it's a pretty fixed return, plus some improvement in my portfolio. And they will invest in that, if it's set up right. So

we're looking at both.

Mr. Goodale: — Mr. Premier, it may not be possible for you to answer this next question today, but I would be grateful if you could give me a written description of the legislative amendments that you would see as being necessary in the Bank Act or in any other legislation either federally or provincially, that would be necessary to allow banks to take an equity position in farm land.

I wonder if your research has produced to this point a definitive list of the sections in legislation, either provincially or federally, that would have to be changed to facilitate this? And secondly, I wonder if you could tell me if the federal government has to this point agreed to those amendments, at least some of which they would have to make? They're not within the jurisdiction of Saskatchewan.

Hon. Mr. Devine: — Well I can certainly share with you the discussions that we had during the symposium and in the research that was done for us and in the reports and in the examples of what legislation would have to be changed.

Secondly, we have not got an agreement from the federal government that they would pass changes. We had very specific proposals by the Farm Credit Corporation that said this is what's possible. But it hasn't been passed by the cabinet at the federal level, to say that yes, they would be prepared to do that.

(1600)

We are talking with them and with other governments across Canada, and indeed in the United States and other places, of what legislation you have in place, how does it work, and how could we facilitate the solving of this dilemma that the financial institution and the farmer faces at the same time.

We've done research in the United States, for example, where they had a mediation process that works quite well. Now they have different laws with respect to banking. We have looked at the modifications there and have looked at them carefully. I know the financial institutions have looked at them.

So if there is some light in terms of solutions, we're going to look at them very carefully and we will be prepared to table them here and obviously be prepared to argue for them in Ottawa or with the federal government if it looks like it's something that would be helpful.

I'll give you what we have in terms of the legislation that is proposed and what would be necessary to change. We've done some, as I say, in looking at it in the United States, describe what they have versus what we have, and it'll give you a pretty good idea of what you're up against.

Mr. Goodale: — Mr. Premier, going back to the original distinction that I drew between the two different concepts that you've described in your discussion about this proposal during your estimates, you indicated that the second option that I described could be pursued without legislative amendments. I will be anxious to have the

information that you can provide to me now on what potential legislation would have to be changed.

But presuming it isn't changed, in terms of your discussions with the banks, and I think you've indicated several times in these estimates that you had extensive discussions with the banks about whether or not they would be willing to participate in this kind of exercise, could you give some indication as to the preferences which the banking institutions are, at this present time, indicating to you?

Do they want the Bank Act and other legislation changed so that they can get an equity position in farm land? Is that something they are anxious to have, or are they more interested in the second option, that is selling whatever interest they might have in farm land to some other third party that would then take over both the investment and the debt? Which seems to be the bankers' preference at this moment in time?

Hon. Mr. Devine: — Well I'll give you my assessment of it, but you'd have to talk to the financial institutions to get their feeling on it.

I think they'd be most interested in having, first of all, an ability to restructure the debt with the farmer that they'd both be happy with and get on with some stable payments and a little bit more cash flow on both their parts. I think they would really like to be able to do that without a lot of legal hassle. In other words, when you put up a lot of road-blocks between both the farmer and the financial institution, it's going to cost them a lot of money to work out a deal.

I know, I think it's fair to say, when they look at the U.S. system and some others, where mediation is there in a very professional way, saying, this is a fair value, and it wasn't here, but it's down here some place; why don't you just agree that this would be a good place to start and just start over. Now that, I think that they would prefer. I wouldn't say that for everyone, but I would say that they would like to have some mechanism that didn't cost much. The farmer certainly wants one that wouldn't cost much.

Secondly, I'm not so sure that they want equity positions, that they necessarily want to stand there and line up and say, I want an equity in the farm. Unfortunately, they're getting some of it because they're going to have this title to the land, and they don't want to farm it and they're going to have to get rid of it.

So I'm not saying that they're standing up and waiting to say that they would like to take equity positions. I think they would prefer the latter. If you found a price, they'd say, look I'd just as soon get rid of it at this price, and you had somebody else prepared to take an equity position, I think that they would be more inclined to do that.

So if you want to rank them, I would say that what both farmers — I suppose farmers and financial institutions would like to have an ability to cut a deal as cheaply as possible to get out from under a situation where they're both losing and start all over. That would be the first.

Then the second would be some situation that would allow them to find either some new cash or some new money to get out of a situation that is very uncomfortable for both parties.

Mr. Goodale: — Mr. Premier, if some sort of legislative framework is established here to attract outside investment in farm land to establish some kind of farm land equity association in Saskatchewan, what kind of mechanisms do you have in mind for making this arrangement attractive to those outside investors?

I note in the news release dated April 15, which accompanied the report of your committee on the subject of equity financing, item number (f) on the second page of that news release recommends that the government should not offer incentives to attract outside equity capital unless farmers are assured of fair and corresponding benefits.

I wonder how you would propose to attract capital without some incentives to do it, and if that recommendation from your committee is to be honoured, what sort of fair and corresponding benefits do you have in mind assuring to the farmers' side of the equation?

Hon. Mr. Devine: — Well as I explained, perhaps when you were not in the House, an illustration that investors are inclined to invest in this for at least three reasons. And the financial houses that have done the research on this, Pemberton Houston and Willoughby and others, have described what pension fund managers and others look for.

One, they would look for a fixed return that was guaranteed, and that could be built right into a basket of commodity prices, and say, at this level we know that you're going to be able to receive whatever rent — would it be 6 per cent, 8 per cent, seven and half, or whatever; lock it in.

The second benefit that they would receive, or look forward to, is would their portfolio, their share value, increase over time. Now if you're going to buy farm land at any particular time this is probably as good a time as you're going to find. In other words, the probability of it going much lower is not as high as the probability of it going up very rapidly, or a long ways to move.

The third is that if you had some tax incentives to encourage you to do that. Now what the farmer said to us is that we would like to have some equity, and we would like to have an opportunity to rewrite this, and we'd like it at low interest rates; if you're going to give this guy an incentive make sure you pass some of those benefits on to us.

The first benefit is to be able to rewrite it all at lower interest rates. Now you could structure that benefit into the way that you charge the rent; the fixed payments you're going to give; the length of time that they may have to pay; how fast it would go up; the value of the land and what it's put in at. There's several ways that you could do that.

But I would think that the key for the farmer is to know that

they have the hammer. In other words, they have the right to buy that land and that's theirs, and no matter what else goes on, that that's the case. And that's what the opposition has been asking about.

So if you build that right in, and that is a corresponding locked-in legislative guarantee that we can pass here, if you have any sort of mechanism, then he's going to say, look, I don't mind some incentives over here if I've got the hammer; I get to control it; I know what the interest rate's going to be at these commodity prices as I do when I rent land from the government based on commodities and cost.

So the investor needs to know — I have a rate of return that is reasonable; I also have some up-side in terms of my share value increasing or the value of my portfolio; and I may have some tax breaks. Those are three reasons that they would look at this, at least theoretically. An investor will tell you that.

A farmer needs to know that at least at this level that his payments will be X, and if he makes some money he can buy all the equity that he likes. Now if he buys the equivalent equity to have his farm he can buy it in the first year. Once he knows that, and nobody else can do that as long as he's got that contract, then it's very powerful for both sides.

One of the reasons that I keep bringing it up, obviously, is that people do it all over the world. Investors that have money will buy credit cards. They will buy all kinds of things. And I just believe that if farmers could have access to the equity markets rather than just borrowed money from banks, financial institutions, it would give them at least an alternative. They don't have to, but if they had access to equity markets like you and I might or other people, it could be very powerful to the structure of agriculture for decades and well into the next century.

And frankly, they're just, as you know, I'm sure, a little tired of every generation having to go the bank and borrow it and refinance it over and over. If there was a way . . . I think that we have numbers here that say about 40 per cent of the transactions now are family to family — say it's equity. They just do it together.

And they are saying to us, help us get access to that equity money. Even if it isn't my dad's — somebody else's equity money — I just want to use his money. We'll control it, but use his money. And that's a very attractive feature, if we can design the legislation to protect the farmer and use other people's money, at least as an alternative to just going to the bank.

Mr. Goodale: — Mr. Premier, there are obviously some fundamental differences between what you are describing in terms of your equity financing proposal and what existed under the previous government in terms of land bank.

But I wonder if you wouldn't also agree that there are some troubling similarities between the two proposals as well, which cause farmers some difficulty. Some of the very things that worried them about land bank are also attached, at least in part, to your proposal.

I think, for example, of the loss of absolute ownership. Obviously under that land bank, that ownership was lost and the farmer became a tenant, and that was found to be offensive to a large part of rural Saskatchewan. Under your proposal, some of that quality of ownership is also lost.

And it seems to me that in many of the public hearings that were held, that was one of the repeated concerns that came back time and time again from farmers. The question was being asked, well in one case we were the tenant of the government, and under this new plan we're going to be the tenant of somebody else, but we're still a tenant. It may be temporary or it may be permanent, but that problem of a loss of ownership is a very disturbing thing in rural Saskatchewan.

The second similarity that I see, similarity in terms of problem, is that the speculation factor comes in once again. Under the land bank, of course, we had the peculiar situation where government was speculating on farm land in Saskatchewan, and again farmers found that to be offensive. Under this new arrangement, somebody else will be at least potentially speculating in terms of those private investors that might be attracted to the equity scheme.

I wonder how you answer those concerns, because they were concerns that caused grave difficulty for the land bank in rural Saskatchewan, and many of those same questions, in slightly different terms, but many of those same questions about the loss of ownership and somebody speculating on farm land to the disadvantage of the farmer — those questions that were raised in relation to the land bank are being raised in relation to this proposal.

And I think it's important for you to assure the farmers of Saskatchewan that the things that they found offensive in the government land bank will not be repeated in this new arrangement called equity financing.

Hon. Mr. Devine: — Well, Mr. Chairman, I'd be more than glad to answer that. Anybody that would, say, look at investing in a blue-chip stock on the stock market, if they consider that anywhere close to land bank, I'd be surprised.

People who invest in, say, General Motors or anything else that is a very high quality stock wouldn't consider that to be a government operation. And the connection here is that the fact that either neighbours or local people or Saskatchewan people, or indeed Canadians, could provide some equity to individuals so that in fact they could farm the land and they could have a situation where they could pay it back.

Now in land bank, the government owned the land. The government had the title. We still have the title. The NDP borrowed, I think, \$120 million to buy 1.2 million acres of land — and which still costs us \$20 million a year interest, never paid. We still do it. We own the title, the farmer doesn't.

Under this situation, which is equity, the farmer owns

some of it and somebody else owns some of it and he can buy as much as he likes. We've certainly had land bank land for sale so if they want to buy it, they can buy it. It's different in philosophy. So I would say they're completely different, completely different.

Now you mention, well what about the speculation and the value? You have, when you work through the banks, the speculation and interest rates, and it's going up all the time. If you have an equity partner, say, like your dad, you and your dad are in a situation and he's going to sell it to you for \$200 an acre. That land may go up over time and he owns some of it and you own some of it. Well obviously you both benefit if it goes up over time. You're going to have to pay a little bit more for it, but you've cut a deal on it with respect to some interest rates and some sort of settlement.

(1615)

Many equity arrangements are set up right now in Saskatchewan on that basis.

Now third point I put up, and if anybody that asks you about land bank and who owns the property — I just went through it here — is that, when you borrow from the bank, the bank holds the title; you've got nothing until you pay it all off. The bank owns that title for 20, 25 years and that's held in Toronto because the headquarters are in Toronto. So would you rather have your neighbour having a share in it, an equity, or rather have a bank in Toronto owning it — all of it — the title? See, and that's a significant difference.

So the government doesn't want to own it. I can say this government doesn't; I don't want any part of a new land bank scheme. If I can get cash that's out in the community now to help the farmer take some equity in it and the farmer can buy as much of it as he likes, then he doesn't have to speculate on the interest rates.

And third, most people are starting to recognize now that they don't have the title if they borrowed money from anybody. Whoever the lending institution was, FCC, Ag Credit (Agricultural Credit Corporation of Saskatchewan), the banks or the credit union — those institutions hold the title and the farmer has got nothing until he pays it all off.

Under this situation, he's better than both land bank and the bank situation. He's got some equity, he's got it in his hand, and he's got a long-run, low, fixed interest rate and he can buy as much as he likes as quickly as he likes, and he's got a better cash flow.

So if I was to think of a way to finance land, if I could have it on an equity basis, I mean, as we mentioned here today, you could even split the taxes. Much land, right now in this province, is either rented in families or purchased through families. They understand that very well.

Mr. Goodale: — Mr. Premier, there a number of other questions about equity financing that I would like to return to with you on another occasion, but in the time remaining this afternoon, I would like to turn to one or two other subjects that are also critically important in relation to agriculture.

To start with, I would like to refer to the other items that were referred to in your committee report on farm financing. And I don't have them in the order in which they were covered in that committee report, but of course equity financing was only one suggestion that was made. There were several others, and I have some questions about those others.

First of all, the report talks about changing the existing legislation in Saskatchewan that deals with farm debt. It suggests that the legislation is now found in a number of different statutes, some of which are exclusively farm related and some of which are of general application. And I gather the proposal is to draw all of them together in some kind of omnibus legislation dealing with farm debt, and I understand from the Minister of Justice that there's a task force within his department presently working on that.

I wonder if you could provide the House with a list of the legislation that is potentially to be affected by that consolidation. The Justice minister mentioned a figure in the House the other day as to the number of Bills that he thought were being examined. I wonder if you could provide us with a specific list of what provincial laws in Saskatchewan are potentially involved in this consolidation of legislation dealing with the farmer-creditor situation?

Secondly, beyond just a consolidation, will there be substantive changes in the law? Are you contemplating just drawing together all these various statutes so farmers and their lawyers can find them in one place, rather than in 17 different Bills? Is it just a consolidation, or in that consolidation will there be some substantive change in the law of Saskatchewan? And are you in a position at this point to indicate at least the general direction that that substantive change might be taking, if indeed you expect there to be some?

Hon. Mr. Devine: — Well, very briefly, we are looking at legislation and we have a committee working that would consolidate much of the legislation. On page 12 of the committee there are such Acts as The Land Contracts (Actions) Act, The Limitation of Civil Rights Acts, The Farm Land Security Act, The Queen's Bench Act, The Exemptions Act, The Provincial Mediation Board Act, and others. And if there are others that we're looking at, I'd be glad to share them with you.

But, as an example, some we're looking at putting in one place for two reasons: one, to simplify it and know where it's at; and secondly, to make modifications in either these Acts, or provide additional legislation that would make it easier for both the farmers and the financial institutions to get on with the job of resolving some of their problems. I touched on some of it today.

Obviously we have a concern with respect to the homes where people live, and there was a big concern with respect to the home quarter when we travelled around. Financial institutions are pretty touchy about the home quarter as well, because you have hog operations and dairy operations and others, as well as the house on the home quarter, and much of it has been used for security.

I believe there are some things — I mean, co-operation with the financial institutions — that we could look at with respect to the home quarter to make it . . . to be reasonable. I wouldn't be prepared to say what they were today, but we are consulting with all of them, and the Minister of Justice is doing that.

We will be doing, consequently, both. We will be providing in the legislation, as it's being drafted now, the consolidation and amendments. And I couldn't add much more than that today, to be fair to those who we're talking to, because they're giving us good advice on what sort of seems to be feasible and what isn't.

But there would be things like that, maybe some things to facilitate mediation, that would make it easier, in a legal sense, and less costly if we can arrive at a mechanism, and we're looking. I will frankly admit, we're looking at what the United States and others have done to make it . . . make the system as fair and professional as possible. It may take some legislative changes, things like that, that we're talking with credit unions, banks, FCC, and our own people about it. So that would be one side of the legislation.

The other side that we're looking at in terms of the two track, or second track, is: how do you protect and facilitate this world of debt restructuring? And the second side is: how do you finance it? What kind of help could we provide, under what kind of mechanisms and what kind of circumstances, what interest rates, over what period of time? So how do we adjust here? And on the second sort of stream of legislation that we're looking at, how do we help farmers that may need some new kind of adjustment?

I still don't believe that most farmers in the province know that we've got something like counselling assistance that can provide a great deal of help, and I'm seriously thinking about providing that information to an awful lot of farmers out there. Because when people do find out that there's tremendous assistance and government-backed guarantees, they say, well, gosh, I wish I'd known that. We've advertised it, and you know how difficult it is to get a message out in anything in the media today.

But there is the combination of things that we could do right now if farmers were aware of the legislation that's available and the programs that are available. The government backs young farmers in many circumstances, tens of millions of dollars in operating money, if they go through counselling assistance. So we're going to make sure that young farmers, if they've got a worry, if they've got a concern, phone the Department of Agriculture, get the advice, and they can get hooked into several different programs.

But very briefly, we're looking at both. I wouldn't want to say much more about the legislation in specific detail. But we are doing, as you pointed out, both things. We'll consolidate and amend, and probably bring in some new legislation if we think it's necessary.

Mr. Goodale: — Mr. Premier, just two technical

questions about your answer. The list of statutes included in this report includes The Exemptions Act, as you mentioned a moment ago. I wonder if you could indicate whether the consolidation and amendment of all of this legislation would take the step of rendering statutes, like The Exemptions Act, applicable to government lending agencies just as they apply to private sector lending agencies.

You and I have corresponded about this subject for some considerable length of time, and my concern flows from a court decision in Saskatchewan last year that specifically ruled that when you're dealing with a government lender, like the ACS (Agricultural Credit Corporation of Saskatchewan), The Exemptions Act doesn't apply.

I think in some of your correspondence to me you've said that has always been the government's presumption anyway, so that the court decision didn't come as any great surprise.

But I wonder why there should be a distinction in the law? Why should a government lender like the ACS escape the application of The Exemptions Act, whereas if the lender happens to be a credit union or a bank, they're covered by The Exemptions Act? Why is there that distinction? Will your consolidation deal with that distinction and make government sector lenders subject to the same rules and regulations as private sector lenders?

And could you give some indication of your time frame with respect to the legislation? For example, would you expect to have this omnibus Bill on farm debt legislation before this session of the legislature?

Hon. Mr. Devine: — Well I'm not quite sure why governments have been exempted for all these years. I really don't know.

We're certainly looking at the possibility that they might not be and that they might be treated like everybody else. And that's under consideration, because there is, I mean obviously, that the government has the capacity and power to do all kinds of things, but you don't necessarily have to make them exempt. So we're quite prepared to look at it.

In terms of legislation and the timing, some of it, certainly I think, will be available this spring in this session. On the protection side, I think that on that track, we're making enough progress that I would think there's a fairly high probability that we could get it through this spring.

On the other side, in terms of new financial arrangements that could be made, I think it's going to partly depend on how successful we are on the first. And if you've got a mechanism, say, to have mediation and you've got some new values being struck, and then you want to help facilitate that on some things that you could do with respect to the home quarter, then on the other side say, well now we got that process working, we can throw in a little bit of assistance here because we've got co-operation.

So I'm optimistic that we're making good progress and that people see some light at the end of this very large debt

problem in terms of things that governments can do, financial institutions and farmers, and maybe even, yes, investors, and the equity that's out there to make a difference.

Mr. Goodale: — Mr. Premier, I want to turn to another subject, and you will note that I've asked a number of questions in the legislature about it, and that has to do with the very dry spring that we have experienced across most of south-western Saskatchewan. We all hope, of course, that at some point it's going to rain and the problem will go away.

But so far, at least for most of my area, and a good portion of south-western Saskatchewan, that the Mother Nature solution to the problem has not yet arrived. For other areas of Saskatchewan there's been good moisture, indeed, just this past weekend. But the south-west is not that fortunate.

You will know that I first brought this issue up with you in some correspondence during the winter, and I've followed it up with several questions here in the House. It is a very serious concern. We've had a lack of moisture for most of last fall. The winter was very dry and open. This spring there was no run-off to run off, almost no spring rains except in, I guess, along the eastern side of the province and across the North this spring. But for the South and the West, there has not been appreciable rainfall. Dug-outs are low or dry. Virtually no sloughs in much of south-western Saskatchewan. Lakes are dry.

And you'll recall, Mr. Premier, that I raised in the House last session the difficulty at Old Wives Lake south of Moose Jaw, where what used to be an alkali lake is now an alkali flat. And that salt dust, whenever there's a wind, blows all over everything, causing substantial concern for people in the Mossbank district.

Streams and creeks are low or dry. Some community water reservoirs, such as the one at Limerick, has virtually run absolutely dry. There are water conservation rationing programs, or at least advisory programs, under way in a number of communities now. Water tables are low. That affects the wells for both farms and communities. And some statistics are saying that in some areas this is the driest prairie spring in this century. So obviously we've got a big problem on our hands now, and it could be a massive problem if the rains don't come very quickly.

(1630)

Mr. Premier, since January or February, I'm told that your government has been monitoring the situation, surveying the situation, drawing up various maps that are trying to track the existence of moisture and to put that on colour-coded charts and all of that, and of course that's interesting information. But in response to my letters and most of my questioning in the House, I certainly got the feeling that the government was not yet acknowledging the seriousness of the situation, hoping that it might somehow go away. At least that seemed to be the government's position until last week.

In some of your answers last week, Mr. Premier, I

gathered that something had changed in the government's view of the situation, that you were beginning to take it far more seriously, and that you were consulting with farm groups and municipalities and others about what the government might do to draw up a contingency plan to deal with the situation.

That all comes, in my opinion, a little bit late but at least something is beginning to move. And I wonder if you are yet in a position to say when a detailed drought contingency plan for Saskatchewan in 1988 will be ready for announcement. When do you expect to be able to say something in detail about that, and will that plan involve new initiatives and new money, or will it just recycle old programs and old money?

I ask that question specifically, Mr. Premier, because I think the magnitude of the problem that we are dealing with requires more than just the recycling and reusing of programs and services that are already on the government shelf, if you will. Certainly some of this problem goes far beyond what existing programming would seem to be able to cope with.

Hon. Mr. Devine: — Well I will share with the hon. member our sincere concern about the drought in parts of southern Saskatchewan as he, no doubt, knows that we have been in constant conversation and touch with municipalities and farmers.

He also knows that every constituency south of No. 1 Highway is represented here except yours, and we certainly do visit with people in there, so we've . . . from the east side to the south of Swift Current, Maple Creek, Shaunavon and Morse and Bengough, Milestone and Estevan and Souris-Cannington, etc., we have talked to people all the time and so there would be every indication that they know that we know that we're concerned about it. We were very happy to see rain come when it did.

There are two programs that you will hear about very quickly. One, is in part an ongoing program which is through the water corporation and thereof, the standard incentives for drilling and exploration, pumping water in dug-outs and pipe and so forth there. That one was way ahead of what they had in Alberta or in Manitoba. The Alberta announcement recently has sort of brought them up to where we are. The Minister of the Environment and the water corporation will be making announcements in the next few days with respect to any additional assistance that will be in that program with the water corporation.

Then there's the second program which would be all new money and that would be a specific targeted drought assistance program that we have been designing with the stock growers and the cattlemen and the municipalities. And that one would be targeted right to the farmer, and that one has been designed, if you will, in principle, with the farmers and municipalities and ourselves.

The question will be when we will need it and when it should be announced. And the farmers are telling us that, you know, the rain in this eastern half of the province made a difference. People are now making decisions,

even in your area and right straight through to the south-west, about what they should be doing, either moving water or feed or cattle. And sometimes it's one or the other, depending on their situation.

I will say, when I do make the announcement, that it will be targeted to the farmer; any cash assistance will go directly to the farmer or to the rancher. They can decide who they want to pay for what. You'll hear an announcement very quickly with respect to leased land. And normally you're isolated to using . . . or confined to just using your livestock on leased land. We may modify that, as we did in '84-85, to say under circumstances like drought, you'll be able to put your cows in somebody else's pasture and it might make it easier.

Those kinds of specific suggestions from the stock growers, from people like Mike Smith, for example, in the Mankota area, and others, have said, this is what we should be doing — are all there.

Now I'm listening to the farmers tell me, I don't think you should announce this yet, that you're going to be moving cattle up North or you're going to have X amount of dollars available. Tell them that the money will be there — I'm saying that today. It will be sufficient money to help them. They will receive the money by applying for it.

It will not be because we're drawing lines around situations. You may have a good part of your riding, other areas that are applicable — we will do it on the basis of need. It's not going to be comprehensive or right across the province, as you would know, for everybody. Because if they've had three inches of rain in Canora or Preeceville or something else, obviously they don't have a drought problem. Some cases they've got too many sloughs.

So you can expect announcements — if I could summarize briefly — one in the very next few days from the minister of the water corporation, Minister of Environment, with respect to drought-proofing, if you will, drilling and municipal activity and so forth that the water corporation deals with, and in co-operation with the PFRA (Prairie Farm Rehabilitation Administration), and probably some top-up there, as well as the existing money.

New money targeted just for farmers and ranchers in drought. We've got a program in place, in principle. We're meeting with the farmers again this week and they're giving us their advice as to what exactly should be in it and when it should be announced. And we will be prepared to announce it whenever they say; now, I think, is the time to do it.

Mr. Goodale: — Well, Mr. Premier, I'm glad to have that information because I think that is the most detailed response on this subject that has been available to date, and it will at least be of some comfort to farmers to know that the government is seized of the issue.

There are a couple of specifics out of what you've just said that I would like to pursue with you. One has to do with the services of Saskatchewan Water Corporation and those instances where they make pipes and pumps

available for the transporting of water from one source to a location where it can be more useful.

And if my memory serves me correctly, that service in Saskatchewan used to be provided by the PFRA. And a number of years ago the Saskatchewan Water Corporation took over that function from the PFRA, and in the process of doing so they acquired PFRA's capital equipment — the pipes and the pumps.

Now I'm given to understand that when PFRA was running the program the cost involved to the farmer or to the community was negligible, that it was a . . . there may have been a token fee or a token charge but that was really a no-cost proposition, PFRA made the pipes and the pumps available. But now, under the water corporation, I understand that there are specific fees charged of significant cost which didn't used to be the case under the PFRA.

I wonder if you are considering, in the circumstances of this year, waiving those extra charges that the water corporation would, perhaps in its normal operations, make? Would you consider providing the pipes and the pumps without that expense to the farmer or to the community? And secondly, would you make it possible for a community that needs to pump water over land — maybe five or six or seven miles — would you make it possible for them to be able to acquire the equipment outside of the water corporation, and yet have the water corporation pick up the cost for it.

And let me give you one specific illustration. There's a community in my constituency that plans to be pumping water six or seven miles. I understand that the kind of pump available to them through the water corporation is a tractor-powered pump; in other words, strategically along this pipeline they have to locate farm tractors to run the pumps for 24 hours a day for however many days it takes to move the necessary supply of water. And I gather that this is the only kind of pump that the water corporation makes available, this tractor-powered pump.

They find it rather impractical for them to try to find X numbers of farmers in that area to commit their tractor to park by the pipeline for one or two or three or four weeks, running 24 hours a day, until they've moved enough water. What they would prefer to do is to go to a company that rents irrigation equipment and acquire a proper pump that they don't have to attach their tractor to for a couple of weeks.

I wonder, Mr. Premier, if that kind of a modification, which seems to be a very practical suggestion, whether that kind of a modification in the arrangements being made by the Saskatchewan Water Corporation is a part of your planning. I think it could be very helpful, not only to the community that I have in mind, but to many others, if you had that kind of flexibility in your arrangement.

Hon. Mr. Devine: — Well, Mr. Chairman, I'll take the hon. member's suggestions and pass them on to the minister of the water corporation and the Environment. I believe his estimates are coming up. He'll be making announcements in the next few days.

I'll pass on your suggestions and he can take them under consideration. He may find them worthy of review and may make some changes on them. I just . . . I don't know where he's at with respect to the two things that you've suggested here. I'm sure he does. He'll be next up in terms of estimates and will be the person making the announcements. But I'll certainly give him your suggestion, and he will respond.

Mr. Goodale: — Thank you, Mr. Premier. I'm interested in your comment two answers ago about changes in lease policy. I had a number of calls to my office today from farmers in the south-western part of Saskatchewan asking that very question.

In a couple of instances, a rancher had, over the last number of years, reduced his herd. He now has more lease land that he personally can use. His neighbours are phoning him on a daily basis, saying, can I use your pasture? And up to this point in time he's saying, no, it's leased land, and the rules prohibit me from allowing you to put your cows in my leased pasture.

I gather from what you've said that you're considering changing that. And I wonder if you have anything further that you can add on that subject, because just judging by my phone calls today, that seems to be a rather hot topic in south-western Saskatchewan right now.

Hon. Mr. Devine: — Well I'm just happy that our policy changes were even before your anticipated concern came up. We're looking at it. We did it in '84, and it seemed to be practical and a great deal of common sense. And we just hope that farmers co-operate with each other, and not abuse it and not charge each other too much money. And generally they're very fair with their neighbours and others, so it would seem to be an accommodating thing to do under the circumstances.

Mr. Goodale: — Could I ask, Mr. Premier, if you are also contemplating changes as were done three or four years ago with respect to crop insurance in Saskatchewan? '84-85, I believe, was the period of time when there were some fairly significant modifications made in the crop insurance program.

It seemed to me at that time that those changes, although well intentioned, were implemented in a rather hurried fashion and perhaps without the opportunity for adequate forethought. There was a good deal of confusion surrounding exactly what the government was attempting to do. And you'll remember that there were some pretty big meetings in rural Saskatchewan talking about those crop insurance changes.

I wonder, while again I recognize you're not the minister specifically responsible for this, if you could confirm that there are some changes being contemplated for 1988 with respect to the application of the crop insurance program in Saskatchewan. Do you anticipate there could be some changes?

Secondly, how much advance notice will you be able to provide to farmers so that they can tailor their circumstances to meet those changes? Thirdly, what portion, if any, of the cost of those changes would be

borne by the federal government under the standing arrangement for cost sharing of crop insurance?

(1645)

Hon. Mr. Devine: — Well, Mr. Chairman, the modifications that were made in '84-85 in crop insurance helped an awful lot of people. The board of directors of crop insurance are very familiar with what worked and what did not or needed improvement. They will watch it very closely. Certainly our MLAs and others will be advising us if there needs to be something done later on.

It would be just too early for me to say there are going to be changes. I mean, it's too early to predict a crop failure in certainly a large part of the province. And I understand that they're forecasting rain for the west side of the province today, as a matter of fact, and tonight, and I imagine that everybody in the Assembly hopes it rains all week in south-western Saskatchewan.

But they'll be on top of it and quite prepared, I'm sure, to make appropriate changes as they see fit. They've already done some of that, and I'm sure that they will listen to farmers in the future.

Mr. Goodale: — Mr. Premier, I have just one area, one further area, on this subject that I would like to raise with you, and it has to do with the relationship with the federal government.

First of all, on the question of income tax: if we get into a circumstance — which we all hope we won't — but if we do get into a circumstance where farmers might have to begin to seriously consider depleting their livestock numbers simply because of the drought, there is the potential, under the federal income tax law, for those farmers to find themselves in a disadvantageous position. They don't want to deplete their herds, but the weather may force them to deplete their herds. That might create a bubble in income that could present them with an unfair tax problem.

I know there have been discussions in past years about amending The Income Tax Act to take that kind of a situation into account, and I wonder, as my first question, with respect to the federal government, whether your government is prepared to advise the Government of Canada that some modifications in income tax rules might be necessary so that a farmer who has that bubble in his income, because of herd depletion in one year, is not penalized simply because the weather turned sour on him?

Secondly, I wonder if you've had an opportunity to consider the federal government's position in relation to whatever they may do to deal with this potential drought situation. They have been talking, for example, in the media in the last couple of days, and even again today in the House of Commons, talking about funding whatever the federal government may be called upon to do to deal with the drought out of that commitment already made of some \$75 million for soil conservation and soil degradation programs.

It would seem to me that if there is to be drought funding

made available by the federal government, it should be in addition to their soil conservation initiatives and not instead of their soil conservation initiatives, because if anything, the drought is going to make soil conservation an even bigger issue. I wonder if you would be prepared to take up with your federal ministerial counterpart, Mr. Wise, the suggestion that if the Government of Canada is called upon to make a funding commitment, that it should not come out of that 75 million that's already been committed to soil conservation, but in fact should be in addition to that source of revenue.

And my third question in relation to the federal government is this. Some three or four years ago your government and the Government of Canada announced that you were working on a new federal-provincial program to meet potential rural disaster situations in the future. That announcement was made when we were in the last drought situation in '84 or '85, and everybody recognized at that time that what existed in '84 or '85 went far beyond what crop insurance could cope with, or grain stabilization, or any existing program of either the Government of Canada or the Government of Saskatchewan. So new, temporary one-shot programs were brought into place to deal with that situation.

But the commitment was made that your government and the Government of Canada would be working on a new long-term permanent emergency disaster relief mechanism to deal with this situation should it occur again in the future.

We have such an emergency disaster relief mechanism, federal-provincial mechanism, that applies to urban disasters. If a wind storm should go through an urban centre, for example, in Saskatchewan, there is a program existing between the federal government and the province to cost share the measures needed to deal with that situation. But we found through rather painful experience that that program is of an urban orientation only and does not apply when you're dealing with rural disasters.

The commitment was made three or four years ago that your government, the Government of Canada and, I presume, other provinces would soon be entering into a new federal-provincial agreement to deal with rural agricultural crises such as another broad spread drought. I wonder if you could indicate where those negotiations stand at the present time, and are we any closer to a new federal-provincial agreement than we were three or four years ago?

Hon. Mr. Devine: — Mr. Chairman, with respect to the modifications to the income tax by the feds, two things: one, we would certainly expect their co-operation on that if in fact it did come to pass.

I would say, however, we don't want to encourage farmers to sell, so I wouldn't want to be out there saying, well we're going to change the tax system if you just get rid of your cows. We want them to hang on to the basic herd, so we would say that we're going to do as much as we can to hang on to them. If they're in a situation where they have to, then I would expect co-operation from the federal government, or I certainly would lobby for it so

they wouldn't be penalized.

Secondly, with respect to drought assistance and the money where it should come from, I believe the minister, John Wise, said that they would be prepared — and they did spend between 40 and \$100 million on drought, if they had to, in '84 and '85 — and that he's prepared to look at that or whatever is necessary.

I believe now they've called a meeting of deputies in Ottawa, or Winnipeg, to talk about drought and what we should be doing and how much money might be available beyond anything associated with soil erosion and some other things, so that the money has got to be something that the farmer knows is not going to cut into another program.

With respect to rural disaster, the new national agriculture strategy has in there now a mechanism whereby if there is back-to-back drought situations that are extremely difficult, there automatically kicks into gear mechanisms that change crop insurance, and there's a 1 per cent top-off. And there's some other things that take place when it happens one, two, and it depends on the significance of it.

So there are some automatic disaster mechanisms and there are some that are at the discretion of the cabinet, and some at the discretion of the provincial cabinet.

Mr. Upshall: — Mr. Minister, I have a question with regards to the production loan program. Under the loan program last year there were some, I believe, 300-and-some-odd cases where the government had started actions against farmers who hadn't repaid their loan. Could you tell me: are those actions still ongoing?

Hon. Mr. Devine: — Mr. Chairman, while they're looking it up — some have resolved and some are ongoing. I don't have the exact breakdown, but they're looking it up.

Mr. Upshall: — Well, Mr. Minister: due to the fact that the rules were changed on the production loan program, are those farmers who have actions against them now going to have another chance? Are you going to be giving them another chance to put their loan over a 10-year period? Maybe that would solve the problem. Are they going to be given another chance?

Hon. Mr. Devine: — Well obviously, Mr. Chairman, when we extend it over 10 years, their payments dropped in about half, and we saved several hundred million dollars in actual demand on cash. So certainly that might have facilitated a better arrangement for many of them.

So that's precisely why you would . . . why we extended it, is to help people because the cash flow problem becomes much smaller, and they can say, hey, well I can make that one; I couldn't make my \$7,000 payment but I can make my \$3,000 payment; or I can make half of my payment because \$1,500 would be half of what it was rather than just a fraction.

So sure, we're quite willing to work with the farmers on the new 10-year program to help them make their

payments on a different basis.

Mr. Upshall: — Well, Mr. Minister, have you relayed to those farmers who had action started against them that those actions would be terminated and they would be given a chance to go under the 10-year program? All those farmers under that program, were they given any indication through letter that you would be stopping those actions and giving them a chance to readjust their . . . reassess their situation?

Hon. Mr. Devine: — Well I can say to the hon. member that in many, if not most, cases that the client has been placed on a legal recovery status and arrangements are made for repayment in many cases so that they . . . we talk to them.

As long as the farmer is talking to us, we'll advise them of all the possibilities that are there. And it's when they don't talk to you is where you got the problem. So as long as they keep talking to us we'll tell them, look, you've got your production loan now changed. We've got them through the livestock cash advance mechanism, and we've production loan clients as well.

We just encourage them to talk to us, make some payments, just be as co-operative that they can, any way that they can. The worst situation is where they just don't talk and then you have to talk through lawyers, and that's . . . we try to avoid that.

Mr. Upshall: — Well, Mr. Minister, it seems to me that, in these cases, those farmers should have a chance to go back into the program and know that they're . . . the proceedings against them should drop.

Now you say they're in a legal recovery pattern. Well I believe that to treat them all fairly, they should be allowed to start fresh with their loan and make their payments over the 10-year, partial, whatever, because there's many farmers doing that now. They're involved . . . some were in the three-year program and some are in 10-year program, and they're just making partial payments. Many in the three-year program chose that option because they weren't going to tie themselves up with security, and they were only going to make partial payments over a period of time.

So I believe that these farmers should be let off the hook in the short term and be allowed to participate in the program. So will you be conveying a message to them that they will be, indeed, allowed to sign . . . Let me put it this way: will they be allowed to have the two options that were presented to all other farmers, Option I or Option II?

Hon. Mr. Devine: — Well I can say to the hon. member that, you know, it depends on why the action was started. In many cases, the farmer didn't have the livestock that they said they did when they applied for the cash advance. So they don't fit if they didn't have the cows they said they did. In some cases, they didn't farm the land that they applied for the production loan on. And you've got some like that that have just not played fair.

In other cases, of course, they can start on the 10-year program. All we're asking for is a payment, a payment of

some kind. But in the cases where they weren't eligible because they didn't give us the right information, we've got a problem then. And you would agree that we've got to be fair to the taxpayer. You can't do it on an illegal basis. If they didn't have the cows when they applied or they didn't have the land that they applied it on for the production loan, we've got to deal pretty straight up there.

If they want to make payments now on a 10-year program as opposed to the three-year, of course, we'll receive payments. The problem is we're not getting any payment at all. So if they want to come in and start to participate, or they want to tell us the facts with respect to their loan — in some cases they haven't been accurate — by all means we would be glad to co-operate with them.

The committee reported progress.

The Assembly adjourned at 5:01 p.m.

CORRIGENDUM

On page 255 of the *Hansard* No. 9A Thursday, March 31, 1988, the last line in the second-last paragraph in the right-hand column should read: “residents through a new “Hire Saskatchewan” initiative.”

[NOTE: The online version has been corrected.]