

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

HON. MR. DEVINE: — Mr. Speaker, I would like to introduce to you, and through you to the members of the legislature, two Rotary Club exchange students and their host mother. They're seated in the Speaker's gallery. The first is Cathy Limb, who is from Australia, and the second is Karen Plane, from South Africa. Cathy has been in Regina for 11 months and will be going back to Australia in January, and Karen has been in Dauphin, Manitoba, and will be returning to South Africa this month. They are accompanied by Mrs. Jean Fraser, who is the host mother. They will be meeting with me for some refreshments and some pictures after question period. I would like the Assembly, please, to give them a warm welcome.

HON. MEMBERS: — Hear, hear!

HON. MR. DUTCHAK: — Mr. Speaker, it's my pleasure to introduce to you and to the members of the Assembly, a group of 18 students from Duck Lake, Saskatchewan. These are grades 7 and 8 students and, as the Assembly knows, this is a very special year for Duck Lake, being the most historic town in the province of Saskatchewan. I'd like you to join me in welcoming these fine students to this Assembly.

HON. MEMBERS: Hear, hear!

HON. MR. LANE: — Thank you, Mr. Speaker. We have some special guests in the Speaker's gallery that I would like to introduce. They are Cubs from the White City Cub Pack at White City. There's 11 in number. Would they stand and be recognized? They're accompanied by parents, Bob Warrens and Judy Oxtoby.

I would like all hon. members to join with me in welcoming our special guess to the Assembly. I hope they find the afternoon interesting and informative. I will be meeting with them after question period for pictures and refreshments.

Mr. Speaker, would we welcome them in our usual manner.

HON. MEMBERS: — Hear, hear!

ORAL QUESTIONS

Status of Lloydminster Oil Upgrader

MR. LINGENFELTER: — Mr. Speaker, my question is to the Premier, and it deals with the Mulroney government's mixed signals and continued delays in approving the \$1.4 billion Husky Oil upgrader project for Lloydminster.

Yesterday in a report released to brokers across Canada, an oil analyst from McLeod Young Weir said that the upgrader project will be delayed indefinitely. The analyst claims that this information from Ottawa is that the Mulroney government has rejected the deal signed by Alberta, yourselves, and Husky Oil.

Now I wonder whether or not you can tell us whether you have talked to or met with people from Ottawa today to find out what, in fact, is the status of the upgrader which you have said will be the biggest project in the history of Saskatchewan.

HON. MR. DEVINE: — Mr. Speaker, I will respond with respect to my office, and then I will ask the Minister of Energy to respond in as much detail as the hon. member might like to have.

With respect to the report coming out of Toronto, it is an individual report that says that oil prices are going to go down in the near future. While I expect everybody knows that oil prices might go down in the near future, as my hon. friend knows, we're looking at a 25-to 35-year project with respect to an upgrader. We're not looking at today's oil prices, or next week's oil prices, or even next year's oil prices. If there was a time to be building in western Canada, I would think now's the time to build to take advantage of higher oil prices as they come through the 1990s and the year 2000.

So it's been my argument, and the argument from the Premier of Alberta, the previous premier, Peter Lougheed, the new Premier, Don Getty, that this is a 25- to 30-year project. You cannot be intimidated by short-run price variations as they might see.

So I have not heard from Ottawa that they have cancelled any deal. This is a report out of Toronto, evidently, that somebody says, well, there will be low oil prices, and they don't think that Ottawa will do it. Well I have had no confirmation at all from Ottawa, from the minister or the Prime Minister, that they're not going to do it. I know that they have it under examination, and I'm in consultation with them. In fact, the Premier of Alberta and myself have offered to meet with the Prime Minister to go through as much detail as he wants to, because we are definitely in support of the project, as I understand your party is. So we will pursue it with as much vigour as it takes.

MR. LINGENFELTER: — The question to the Premier was in fact whether or not he's been in contact today with his counterparts in Ottawa to see whether or not an agreement, in fact, has been reached where the federal government will give their approval, and we can get going with this very major project which will mean thousands of jobs in Saskatchewan.

Have you made that contact today, and can you inform the Assembly and the people of Saskatchewan what the result of your conversations have been today?

HON. MR. SCHOENHALS: — Mr. Speaker, in answer to the question, I would certainly like to affirm everything the Premier said in terms of the projections and reasons for building an upgrader. My office has been in daily contact with Miss Carney's office in Ottawa. We believe that there will be a meeting prior to Christmas to bring some resolution to this issue.

MR. LINGENFELTER: — Supplement to the minister who seems to be taking over for the Premier, who's unable to answer. I have a report here that says a meeting scheduled with federal officials last week was cancelled.

I wonder whether the minister can inform me why that meeting was cancelled and whether or not this kind of a delay in the announcement of the upgrader is, in his opinion, good for the people of Saskatchewan. We've waited a good length of time, and I think it's now time that we know when this project will go ahead, and can he inform us when that will happen?

HON. MR. SCHOENHALS: — Mr. Speaker, the filibuster on the Saskoil Bill is only partly to do with the cancellation of that. The other reason was that Ms. Carney was in the hospital.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. In view of the fact that we have had long delays with respect to the announcement of this project, in view of the importance of the project, and in view of the fact that you have indicated that you would do something to get in touch with the people in Ottawa, Mr. Premier, will you now give us the commitment that you will get in touch with the Prime Minister, find out the current status of this project, and make a public statement so that many people who are vitally interested in this project will know where they stand, at least so far as the current situation is, and will be able to make their plans on the best possible information?

HON. MR. DEVINE: — Well, Mr. Speaker, I don't phone the Prime Minister and talk to him every

time there's a news release with respect to some forecast on oil or with respect to whether projects should go ahead or not. I have had several discussion with the Prime Minister, and his ministers are meeting with our ministers. They postponed one meeting. When we can have the next meeting, they will give us more information. The Premier of Alberta and the premier of Saskatchewan are prepared to meet and discuss the issues at length and any particular detail they want to get into. We are anxious to see it go ahead. When the federal government has its information together and is prepared to sit down and meet with us, we are ready to go.

As the minister just said, because of activities here in the House, he's been asked to stay here and deal with a piece of legislation at your request, and the minister in Ottawa has been in the hospital. I mean, obviously, if they've postponed the meeting for a day or two or whatever number of days, that's perfectly normal. We will be dealing with it, and we will be discussing it with them. We want it to go, and I hope we get total endorsement and encouragement from the NDP, federally and provincially, that they would like to see this project go ahead. I would appreciate you saying in this Assembly that, yes, we want to see that go ahead, and it's totally endorsed by the NDP across western Canada. If we could get the endorsement from the NDP here, and the NDP in Alberta, and the federal members of the NDP caucus, maybe that would help. I would like to see that endorsement.

HON. MR. BLAKENEY: — Supplementary, Mr. Speaker. I have no doubt that the Premier needs some help, and I have no doubt also that you would be prepared to meet with the Prime Minister. The question I ask you is this: are you prepared to initiate a meeting with the Prime Minister so that the people of Saskatchewan will know the current status of that project, and so that people who have to make plans know what the current status is so they can make their plans on the best available information?

HON. MR. DEVINE: — Mr. Premier, this is the . . . Mr. Speaker . . .

SOME HON. MEMBERS: — Hear, hear!

MR. SPEAKER: — Order, please.

HON. MR. DEVINE: — Mr. Speaker, this is the first time that I have heard the former premier of Saskatchewan be worried about small business and oil and the oil patch. He's usually against them all the time. And he's standing up here saying, well you have to give them some direction. I will tell the member opposite that I have initiated meetings on oil. I have initiated meetings, and I've had meetings with the Prime Minister with respect to oil. Both the Premier of Alberta and myself have initiated meetings, and we have called meetings and we will continue to have meetings, because if this project has any success at all, it's with us and to the previous administration.

SOME HON. MEMBERS: — Hear, hear!

Lock-out at MacDonalds Consolidated

MR. SHILLINGTON: — Thank you very much, Mr. Speaker. My question is to the Minister of Labour, and it deals with the lengthy lock-out of 250 workers at MacDonalds Consolidated in Regina and Saskatoon. Those 250 workers have been locked out by MacDonalds Consolidated, a subsidiary of the giant Safeway company since October 20th of this year. Your government, Mr. Minister, has taken no steps to resolve the dispute. Will you assure this Assembly, and the 250 workers and their families, that you will use your office to do everything possible to end this lock-out before Christmas?

HON. MR. McLAREN: — Mr. Speaker, I can indicate to the member opposite that I don't like people being out of work prior to Christmas or in the winter-time whatsoever. And our department has been monitoring that situation for a number of weeks now. Our offer was out for conciliation to take place, and it was just in the last couple of days that that offer was accepted, and our conciliators met last

Monday with the negotiating team.

MR. SHILLINGTON: — Mr. Minister, my information is that the efforts of the conciliator have been concluded unsuccessfully. If that information is wrong, Mr. Minister, I'd ask you to give me a status report on the conciliator's efforts.

HON. MR. McLAREN: — Mr. Speaker, yes, the member opposite is correct. The schedule had been set up for a couple of days of conciliation, and it's my understanding that it did end after only three or four hours of work. I met with a number of the employees and their negotiating team last week; they expressed their concerns to us. And we wanted to wait until the conciliation process had taken place, and we had agreed that we would try and contact the company and do anything that we can to break this impasse and get the folks back to work.

MR. SHILLINGTON: — Supplementary, Mr. Minister, I suppose if I hadn't asked the question about the conciliator, the Assembly would have been left with the impression that you had a conciliator actively working on the matter.

Mr. Minister, nothing has happened. The workers are still locked out of their jobs, with Christmas approaching. Will you, Mr. Minister, consider the appointment of a mediator who will have the power to write a report on this dispute and to recommend solutions to both sides? Will you proceed with this route to try and end this lock-out?

HON. MR. McLAREN: — Mr. Speaker, yes, that is an option. But we want to cover all areas first. And I want to advise the member that after the meeting the other day with the employees that we did say that we would look at all possibilities of talking to both sides. And I'm pleased to advise the Assembly today that last night I did phone the executive people of the MacDonalds Consolidated, and they are flying in their executive people from outside the province tomorrow for a meeting with me.

MR. TCHORZEWSKI: — Mr. Speaker, thank you. A question to the Minister of Labour. In view of the fact, Mr. Minister, that all that the workers want is to return to work while negotiations on their new contract continues, why do you find that is unreasonable?

And in view of the fact that even the Premier's principal secretary, Dave Tkachuk, as reported in the *Leader-Post*, has told the workers that MacDonalds shouldn't have been allowed to lock out its employees, I ask you: will you at least agree to demand an explanation from this Safeway chain, when you speak to them tomorrow, why they will not allow their employees to return to their jobs while contract negotiations continue?

HON. MR. McLAREN: — Mr. Speaker, as I advise, this meeting is being set up, and we will look at all avenues. We will do everything in our power to try and get the employees back to their jobs. But at this point in time I still believe in the collective bargaining process, and this means trying to draw the two parties together to solve their problems around the bargaining table.

MR. TCHORZEWSKI: — New question, Mr. Speaker, to the Minister of Labour, who talks about believing in the collective bargaining process. Mr. Minister, while the regular employees have been locked out at MacDonalds Consolidated, the company has been hiring, I am told, between 50 and 60 people a day to perform their duties. And among those 50 or 60 people a day have been a number of welfare recipients who have been told that they must take this work or be cut off social assistance.

And I ask you, Mr. Minister: does the minister not agree that this is a clear sign that your government has taken sides in this dispute? You've decided to support the giant Safeway corporation with its assets of \$4.5 billion, and you turn your back on 250 Saskatchewan workers and their families.

HON. MR. McLAREN: — Well, Mr. Speaker, I am not aware of any of the information that the member from Regina North East has, across the way. I have advised this Assembly that I am prepared to meet with the officials of MacDonalds Consolidated tomorrow. That is already scheduled. They're flying in from Calgary and Vancouver, and the fact that we called them in the last day, and

their desire to come and talk, would indicate to me that they are concerned about the situation too. But it means compromising, and it means the two parties getting together to solve their problems and do that compromising to arrive at an agreement.

MR. TCHORZEWSKI: — Final supplementary, Mr. Speaker. The minister, I have learned in the past two and a half weeks, seems to be aware of very little. I ask, as a supplementary: is the minister prepared to commit to this House this afternoon that he will initiate an investigation into the allegations which I have just brought forward in the House?

HON. MR. McLAREN: — Mr. Speaker, we will carry on just as I said, that we will sit down with the company and try and resolve a lock-out and a strike possibility that did exist. What has happened . . . If there's people want to complain about the other situation, they can give us the instances in writing and we will have a look at it.

MR. SHILLINGTON: — New question, Mr. Minister, I'm surprised to hear you say that you've never heard these allegations before. You're a man seriously in need of medical attention, because you're suffering from a bad case of amnesia. Mr. Minister, do you deny that your office was given the substance of these allegations within the last few days?

HON. MR. McLAREN: — Mr. Speaker, I've told the members opposite we will be discussing the situation with the MacDonalds Consolidated tomorrow, and hopefully that the workers will be able to go back to work shortly after that.

MR. SHILLINGTON: — Mr. Minister, will you do something more than discuss it with MacDonalds? Will you investigate the actions of Canada Safeway to see in fact if they are in accordance with this province's labour legislation? It's my understanding that that sort of activity is not. And I ask you, Mr. Minister, if you'll investigate into it and get back to this House.

HON. MR. McLAREN: — Well, Mr. Speaker, if people are thinking that they are being unjustly dealt with, write us a letter. Come and see us. We'll look at any allegations of problems . . . (inaudible interjection) . . . But the fact that this company is wanting to send their executives from Vancouver and Calgary indicates to me that they're interested in solving the impasse.

Lay-offs at Ramsay Construction

MR. LUSNEY: — Thank you, Mr. Speaker. My question is to the Premier, the acting Minister of Highways. It has to do with the lay-offs of a long-standing company in this province, a construction company, Ramsay Construction. Now, Mr. Premier, are you aware that Ramsay Construction has laid off all but seven of its 40 to 45 employees that he usually keeps on all winter? And what have you done? Have you contacted Ramsay to see what would have precipitated that drastic a lay-off within a company as large as Ramsay?

HON. MR. DEVINE: — I'll take notice, Mr. Speaker.

MR. LUSNEY: — Mr. Minister, are you saying as acting Minister of Highways that you are not even aware of what's happening in the construction industry at this point? As apparently you aren't, would you again, Mr. Minister, take it upon yourself to check into what is happening in construction? Since there is some employees of that company that have been on for about 37 years and have been laid off, will you check into what the problems are in the construction industry and will you give some assurance to them that you will let some contracts that are going to allow some of these people to remain working and give the contractor some work other than just some news releases as the past Minister of Highways has done.

HON. MR. DEVINE: — Mr. Speaker, I know that with respect to the construction industry we've created more jobs in four years of recession than they did in four years of good times.

SOME HON. MEMBERS: — Hear, hear!

HON. MR. DEVINE: — We are prepared to put the private sector to work; we are prepared to put people to work; we are prepared to bring in processing; we are prepared to expand trade; we are prepared to build in the energy business, and there's construction projects linked with all of those. So I will be glad to review the construction industry activities and potential with respect to specifics. If he wants to give me a specific industry at a specific time with a specific company, send them to me and I'll take notice and I'll examine them.

MR. LUSNEY: — Supplementary, Mr. Speaker. Mr. Premier, you just went on to tell me about all the jobs that you're creating, and this is just a story that you always go through. I mentioned Ramsay Construction; that's one of the many construction industries in this province that have problems at this time. Are you prepared to let some contracts that are going to create some work for the construction industry at this point?

HON. MR. DEVINE: — Mr. Speaker, we have something like \$35.5 million in tenders scheduled for winter roads, and we have been providing economic activity for construction from one end of the province to the other, and we are only too happy to encourage the private sector to come in.

If we do something in the public sector, the oppositions says, well, that's not good enough. If we do something in the private sector, they say that's not good enough. If we want to expand something in processing to have more jobs, a thousand new jobs, oh, that's not good enough. If we want to expand participation in the public sector, oh, that's not good enough.

Well there must be some reason you're there and we're here. I mean, if you have all those answers, why did you lose? If you had all those ideas and all the kinds of things that you were supposed to do, obviously people didn't believe you. We've created more opportunities in the last four years than you did in your four, so you're sitting over there saying, well, isn't that something? Well, Mr. Speaker, they're over there for a reason, because they couldn't perform, and this side of the House can perform and people know the difference.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — New question to the Premier. Mr. Premier, everyone knows that your 1,000 jobs with Mr. Pocklington are not more than smoke and mirrors, and nobody will believe that . . . (inaudible interjection) . . . Or smoke and bacon, whatever you want to call it.

Mr. Premier, you went on to read out a news release that the former minister put out a short while ago on November 28th: \$55.5 million of construction. Well, Mr. Premier, can you tell me how many jobs that's going to create this winter? Because looking at this, I doubt if it's going to create one-third. I doubt very much if it will create one-third of the jobs that you're talking about, because when I look at the list that these contracts are supposed to be working on, it's grading, paving, resurfacing.

Now, Mr. Minister, how many of all of this list — there's a good number of them — how many of those roads are going to be constructed this year, how many of those are going to be repaved or resurfaced between now and March?

HON. MR. DEVINE: — Mr. Speaker, I'm sure the hon. member . . .

MR. SPEAKER: — Order, please!

HON. MR. DEVINE: — I'm sure the hon. member opposite is not about to start his tractor and go do his summerfallow in the middle of January. Right? Well, for the same reason obviously . . .

AN HON. MEMBER: — Let's not assume that. He's not very bright.

HON. MR. DEVINE: — Well maybe we shouldn't assume that. Maybe he is going to do his summerfallow in January.

The construction industry has been given \$35 million worth of projects. Some of the things that you're talking about don't take place at 30 below. Maybe you haven't figured that out yet, but obviously they don't. We put together a whole array of projects up to \$55 million and your company or any other company can compete with it. Now I am happy to see for once — well twice today — that the opposition is concerned about private enterprise and about jobs and construction. They must have made an about-face. We've never heard the NDP stand up here and say, well for heaven's sake isn't it good to have free enterprise going to work. We've got two members now. Maybe yesterday they got a bit of a lesson. They got a bit of a lesson yesterday. They said, well maybe we better get back in there and support free enterprise. Well I can . . .

MR. SPEAKER: — Order, please.

MR. LUSNEY: — Supplementary, Mr. Speaker. Mr. Minister, that was exactly the point I was making. This news release is nothing more than a farce, because all this is going to do is just tell the contractors, we're going to give you \$55 million of work next year. Mr. Minister, would you not agree that that \$55 million would have been better put out or tendered last June or July rather than in November or December?

HON. MR. DEVINE: — Mr. Speaker, when the minister announced the project, 35 million and 55 million, people in the construction industry, gathered in Saskatoon, gave him a standing ovation. They said, that's exactly the kinds of things we're looking for. So it's the construction industry versus what you're trying to talk about and what you're saying. They obviously booted you out of office because you had 10 or 11 years to try to prove to them. They said, I don't want any part of it. Now you're saying, well I'm the same old bunch; I'm against this and I'm against that and I'm against this and I'm against that. You guys are against any kind of success because you just can hardly stand the point that you're over there and we're here.

Well, Mr. Speaker, we will continue to create jobs. Our job record will stand on its own. We've created more jobs in the last four years under difficult times than you did under the boom times. And as a result, people kicked you out because they knew the reason.

MINISTERIAL STATEMENTS

Processing of Transactions in Regina Land Titles District

HON. MR. LANE: — Mr. Speaker, I have a statement regarding the serious situation which has developed in the Regina Land Titles district because of the strike action taken by the employees in the Regina Land Titles office, and I know this will be of particular interest to the Leader of the Opposition.

The employees have been on strike since October 30th, 1985, and their last complete working day was October 21st. The strike is of uncertain duration. This situation has created serious hardships for a growing number of people. Buyers and sellers of property, of course, have been left in uncertainty. Buyers have not been able to take over their purchases, and sellers have not been able to receive their funds. Contractors and their union and non-union tradespeople have not been paid for work completed under new construction. Many contractors will be unable to meet their December payrolls if the situation were allowed to continue. Real estate agents who have successfully completed sales in the last month and a half have not received their commissions.

Today I wish to announce a plan to enable the large number of people suffering financial hardship and frustration to receive the funds due to them. During the past weeks, management staff at Land Titles have been assigning a serial number to all instruments and entering those instruments in a priority sequence in the instrument register. The register is now completely up to date and will be maintained on a daily basis. In addition a book has been prepared containing, in alphabetical order, a photocopy of the first page of all writs of execution, maintenance orders, and assignments in bankruptcy received between October 21st and December 11th, 1985. This book will also be

maintained on a daily basis.

The information will be made available to all law offices in the Regina Land Titles registration district, so that lawyers will be able to advise their clients to complete transactions registered by the close of business on December 11th, 1985. Lending institutions will be able to release the money they have been holding on transactions involving residential properties and farm land.

For example, if a mortgage has been submitted on the condition that the mortgage registered free and clear of all encumbrances, the lawyer for the mortgagee can, on the basis of the instrument register, the book containing the writs of execution and the photocopy of the title current to October 21st, and the general search current to October 21st, assure himself that the instrument will issue free and clear.

If a lender or purchaser advances funds under this procedure and it's later discovered that the land or property has been previously dealt with, but the land description or writ of execution was omitted, inaccurate, or incomplete from the instrument register or the writ of execution book, the Government of Saskatchewan will reimburse the lender or purchaser through the province's assurance fund.

Concurrent with the information being sent to law firms, by late next week a computer will be available in the Regina Land Titles office which will narrow the area of search on the instrument registered to section, township, range, and meridian for rural land, and to town and plan for urban land. For those law firms outside the city of Regina, the search will be done by telephone request without fee.

It is also the government's plan to provide the Regina Land Titles office with sufficient staff to enable photocopies of title and general record searches to be requested and to commence reducing the backlog of historical searches.

In proposing this plan, the government will actively co-operate with members of the legal profession and the lending institutions to ensure that the funds will begin moving to assist home owners, farmers, contractors and their employees and other people who earn their living from these transactions. A letter outlining the details of this plan will be in the hands of law firms in the Regina registration district by tomorrow.

Mr. Speaker, the so-called rotating strike has settled into a walk-out of indefinite length at the Regina Land Titles office, delaying millions of dollars of transactions and threatening the incomes of hundreds of people who rely on the land titles service.

I want to assure those people that the program, brought in with the advice of lending institutions, legal profession, and those involved in the real estate business, will assist them in getting those funds moving freely. We expect, Mr. Speaker, that most of the funds should be cleared through the land titles system, through the law offices, well before Christmas. Thank you, Mr. Speaker.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Thank you, Mr. Speaker. The Minister of Justice has put forward a very amended method of dealing with what is the normal registration of documents, a complicated . . . He has indicated, not that he has dealt with all the financial institutions, and whether or not they are agreed that it will in fact work, and whether under the modified system the banking institutions will in fact and indeed be willing to proceed with normal commercial transactions.

I want to say, Mr. Speaker, that I am not certain that it is going to solve all the details of the complications that have arisen. I am disappointed that the government has not addressed the major cause, and that is in dealing with the collective bargaining negotiations with the employees which has gone on for many, many months.

Accordingly, we will want to indeed check out with some of the law firms and the financial institutions, lending institutions, because what you have done now is to circumvent that which was established for the registration, and I'm not sure that it will in fact completely resolve the problems.

INTRODUCTION OF BILLS

Bill No. 141 — An Act to provide for the Postponement of Tabling of Certain Documents (No. 2)

HON. MR. McLEOD: — Mr. Speaker, on behalf of the hon. member, I move first reading of a Bill to provide for the Postponement of Tabling of Certain Documents (No. 2).

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 THE WHOLE

MR. CHAIRMAN: — Order, please. The member from Saskatoon would like leave to introduce some guests.

INTRODUCTION OF GUESTS

MRS. CASWELL: — I would like to introduce members of the EEE senate committee who have given up on being introduced. Hopefully they're not leaving quite so quickly. These people are from Alberta. They are not elected officials but they are travelling in Canada to work on the idea of an elected, equal, and efficient senate. They certainly deserve a hearing whether or not you agree with them, and if you have not met with them I trust that people of the legislature will be interested in receiving their literature and talking about this very important subject.

So I would like all members to join with me in welcoming Mr. Anderson and Mr. Dearborn, who are standing in the gallery.

HON. MEMBERS: — Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 119 — An Act respecting Saskatchewan Oil and Gas Corporation

Clause 6 (continued)

MR. LINGENFELTER: — Mr. Chairman, the amendment that we're moving to, section 6(3) of the Bill, Saskoil and Gas Corporation Act — we're proposing here that we would put in place in the Bill what the minister has said at the outset would be the arrangement of the sale of shares; that 40 per cent of the company could be sold and that 60 per cent would remain in the Crown.

I wonder at this time if the minister can tell us whether this arrangement can be written into the legislation or whether his amendment that he talked about last day whereby a minimum Crown interest would be 51 per cent, I believe he was proposing whether he's planning to move with his amendment.

We, of course, would prefer that his original statement and original intent that he explained to the committee, of maintaining 60 per cent in the Crown, would in fact have relevance. Because what we have seen over and over again is that the minister says one thing and means another. I wonder if he could clarify now for the committee whether he intends to keep 60 per cent in the Crown or not and whether he'll be moving his amendment.

HON. MR. SCHOENHALS: — Mr. Chairman, what I have said consistently and constantly is that at the end of this initial share offering the Government of Saskatchewan will be the majority shareholder. We believe that the ownership split at the time of the pricing and the completion of the thing will be in the area, very close to a 40-60 split.

However, as the member indicated yesterday in the House, the amendment that they have proposed is significantly different than that. It is a fundamental change to the concepts of the Bill. The Bill is basically enabling legislation that enables the company to operate under The Saskatchewan Business Corporations Act. The commitment that the government has made is clear and always has been and has not changed. The government will be the majority shareholder after this issue.

It is not the intention of this Bill to restrict future governments in the ways in which they may choose to deal with Saskoil. It is not the intention of this Bill to restrict Saskoil's financing options. And consequently, because the amendment that the members have proposed is a fundamental change, we will be voting against that amendment and we will not be bringing forward the amended amendment.

MR. LINGENFELTER: — Well the minister makes a convoluted argument when he says that somehow putting in 40-60 restricts the future governments from changing it. What it restricts them from doing is, behind closed doors making changes to the corporation which the public may not want. Because of course by accepting this amendment, what you do is to write into legislation that 40 per cent will be sold in shares to a maximum of 40 per cent, and 60 per cent will be held by the Crown.

Now if you or future governments wanted to change that, you're not being restricted. You simply come back to the Assembly, move an amendment to the Act that would say: 51 per cent would be held by the Crown; 49 could be sold in shares. And then if in subsequent share offerings you wanted to change that to reduce the government's position to a minority shareholder or a minority position, you simply bring the Bill back and make the change.

But what you're wanting to do is to avoid the legislature for political reasons, because you've seen what happens when you bring Bills through the House, and you don't want to be prepared to do that in the future. And you're avoiding it.

And what you're doing here is basically setting up Saskoil to be totally privatized, obviously. Otherwise you'd write it in.

(1445)

And it doesn't tie the hands of future governments. What it says to them, that if they were going to change it to total privatization, that the debate would take place in the House before it happened. That's what it would do. And you know that. And what you're trying to do is to allow that decision not to be made here in the Assembly, but to be made in a boardroom where your politics and political aspirations could be satisfied without coming before the scrutiny of the Assembly.

And we know what you're doing, and I say the public will know what you're doing. But why don't you 'fess up and tell the people what you're about, because one of the problems has been here is that you try to tell one story and do something else.

And obviously what we're doing with Saskoil now in this Bill is not to maintain a majority control in the Crown. There's no intent stated in the Bill to do that. In fact you've explained now that it's wide open to total privatization, and that's where you're headed.

HON. MR. SCHOENHALS: — Mr. Chairman, I've clearly stated the position we have taken. The member argues it is not in the Bill. The majority of the debate that has taken place in this House has been on the prospectus and not on the Bill. The prospectus clearly states the intentions of the

government. We have been through it numerous times. Saskoil will operate under the Saskatchewan Business Corporations Act, that is, it will be a private sector corporation and will operate under the same rules as other private sector corporations.

At the conclusion of this issue, the Government of Saskatchewan will be the majority shareholder. The breakdown in reasonable numbers will be 40 per cent public owned, 60 per cent government owned. However, as I've indicated, to accept the amendment would be a fundamental change in the Bill, and we're not prepared to do that.

MR. LINGENFELTER: — The minister continues to say that majority interest would be held in the Crown after this share offering, and I agree. And I may trust him that much to say, yes, that is your intention until this offering has expired. And then if you bring in another offering in February, you would no longer be the majority shareholder or the minority partner in the company, and that's what concerns us. That's what concerns us. And you know full well that if there is another share offering after this one is completed, the government will no longer have a majority position in the company, nor would you have to come back before the scrutiny of the Assembly to make that change.

I would ask you why you would refuse to allow the people of the province to understand and to know what is going on and to have a say in it, to have a say if they want total privatization. If that's what you're doing here, then be honest enough to say it. Politically you may win on that. I don't know; it's not a political argument. But what you're doing is avoiding the democratic process by bringing it here to the debate, whether or not there should be total privatization of the company.

You're taking a low road of saying, we don't intend to privatize, but give us the power to do it. That's what you're saying. We have no intention of privatizing this company, but give us the power to do it if we feel like it.

And what we're saying is that you should be honest enough, and I suppose, be strong enough to come into the Assembly if you want that change made next spring, and debate it for a day or two. But you're refusing to allow the people of the province to have that input, by bringing in a Bill where you're saying you're going to maintain majority position in the company, but writing into the Bill that you have the power without coming before the legislature to totally privatize it. I think that that is not fair. It's a sneaky way of operating, because you're doing one thing and saying another.

I think over the last week we have found in a number of areas this is what's happening in Bill 119. I want to say that if you do intend to totally privatize the company, then put it in the Bill and we'll debate it. And if you're not intending to totally privatize it, if you intend to keep a majority position, put that in the Bill.

But to say we don't intend to privatize beyond 51 per cent, but say give us the power in the bill to do it, that's not being honest. And I say to you, you should write it in and if you want to totally privatize it two or three months down the road, bring the Bill back in. We'll debate it. You can push it through because you have the majority to do it, but at least don't take away from the democratic debate and process that we believe should be in place in this Bill.

HON. MR. SCHOENHALS: — Mr. Chairman, if it had been our intention to limit debate on this Bill, we would have restricted debate to this Bill. We have agreed to deal with the entire prospectus that will flow from this Bill, which I believe even the member opposite will accept as a rather unusual situation. In that prospectus we have clearly stated what the government's intentions are, and I think that is obvious to anyone who has followed; and since our intentions have been clearly stated, as I indicated, we'll be voting against the amendment.

MR. LINGENFELTER: — Well, I say to the minister that yesterday he was going to write in . . . this is the way the process has gone. We moved an amendment that said 40-60 — 60 in the Crown and 40 offered in shares. I have an amendment here from the minister that says that he would agree to — and he tabled it and everyone has seen it — that he would guarantee in legislation 51 per cent in the Crown and 49 offered in shares. He had it in writing.

And today he comes in and says, no, that agreement is no longer standing. And what the people in the province will say is, can you trust a government that on the one hand on a share option says that a 50,000 share option is needed, and then when they're pushed on it, everyone finds out that it isn't needed.

Then he says we're going to have a 40-60 split — 60 in the Crown and 40 in shares. So when we say, well write it in the legislation, he says no, we're not going to, but we will write in 51 per cent in the Crown and 49 in shares. Well today he comes in and says no, we won't do that either; trust us and we're not going to privatize, but give us the power in the Bill to privatize it if we want.

And I say to you, how can you carry on as minister when you don't what you're doing? You have no idea what you're about . . . (inaudible interjection) . . . Well, he may know what he's about. There's one of two things: either he's a slippery character who's trying to slide something through the committee, or he's ill-prepared. And he can choose which of those he wants to be defined as.

Because I have here the amendment the he was proposing yesterday that says he would write into legislation that 51 per cent would be maintained in the Crown; that the Crown, in fact, and the people in the province — the million people in the province — would each maintain a share in the company. But now we see the proposal as it really is. What we're talking about is the government being allowed to totally privatize Saskoil, where a million people who now have \$500 each invested in oil in Saskatchewan, as the minister likes to talk about, having their investment . . . 90 per cent who don't invest in this little share option or share offers as they come out, will have their investment in oil, as he would put it, reduced from 500 to zero.

Now this is a very intelligent way of more broadly spreading out the investment in oil in the province of Saskatchewan, to take away an investment that the 100 per cent of the people in the province have — take it away from 90 per cent and give it to the 10 per cent who buy shares. So that 90 per cent of the people in the province will have less investment in oil, less direct interest in the oil production in the province, and 10 per cent will have more. Now that's an interesting twist that we're seeing in Bill 119.

But I still ask you why in the world would you come in here yesterday and make an offer that we agreed to in public — the press were here when we made the agreement — and today you say no, we're not going to move the amendment. What has changed overnight to change your mind?

HON. MR. SCHOENHALS: — Mr. Chairman, I would make only two points. The member talks about trust, and yet he holds up a motion, four lines, and for his own purposes intentionally leaves out the first line in the thing. I would direct your attention to 4174 of *Hansard*, which is yesterday's verbatim, in which you say:

Mr. Minister, the amendment that you have proposed bears little resemblance to what we were wanting to accomplish with our amendment. What we had hoped you were saying is that not more than 40 per cent of the company would be offered up in shares now or in the future. And obviously what you're saying is in the initial public offering of shares . . .

And so forth. I have indicated very clearly why we are not prepared to accept that amendment. I have indicated very clearly what the objective is. We have stated it very clearly for all investors and anyone to see in the prospectus, and that is the position we are taking.

MR. LINGENFELTER: — For the record, I would like to get straight that our position is your original position, that you would keep 60 per cent in the Crown and 40 per cent in shares. That was your original position which we agreed with. Then in the Bill, when the Bill comes forward, we find that there is nothing written in about how many shares can be issued or what per cent would be kept in the Crown or issued in shares.

So you were on the one side yesterday saying, leave it wide open. We were on the other with an amendment which we're now dealing with that said 40 per cent in shares and 60 in the Crown.

You came forward with another proposal, not the extreme on the right wing or the proposal, the reasonable proposal, of 40-60 that we are dealing with now. You said, let's compromise. You said, let's put 51 per cent in the Bill — 51 per cent in the Crown — and 49 per cent in shares, and that we would compromise . . . (inaudible interjection) . . . No that was the deal. Well introduce it then. If you're saying that wasn't the deal, let's carry on and move your amendment.

Amendment negated on the following recorded division.

YEAS — 7

Blakeney
Tchorzewski
Engel

Lingenfelter
Koskie

Lusney
Shillington

NAYS — 38

Devine
Birkbeck
Berntson
Lane
Duncan
Pickering
Hardy
McLaren
Smith (Swift Current)
Myers
Schoenhals
Dirks
Currie

Sandberg
Klein
Dutchak
Embury
Martens
Smith (Moose Jaw South)
Domotor
Folk
Muirhead
Petersen
Bacon
Hodgins
Swenson

Young
Hopfner
Weiman
Rybchuk
Caswell
Gerich
Muller
Glauser
Sauder
Zazelenchuk
Johnson
Baker

MR. LINGENFELTER: — The minister and the government have seen fit to vote down an amendment which would have put in legislation that the minister originally outlined as his position on the Bill, that 60 per cent of the company would remain in the Crown and 40 per cent could be sold in shares, but his refusal to write that into the legislation clearly indicates to the people of the province . . .

MR. CHAIRMAN: — Order, order. The amendment has been defeated, and we are now on section 6. So we're no longer debating the defeated amendment, so could you please proceed with section 6.

MR. LINGENFELTER: — Mr. Chairman, if I could, just for a minute, I'm going to be moving another amendment, or my colleague for Regina Elphinstone will be moving another amendment. Maybe if I just briefly outline what it will say, we can do it in conjunction, because I have to refer to what the proposal was to have an idea of where we're headed, and if we could have the permission of the chairman, I'll continue on that way.

MR. CHAIRMAN: — My understanding is that if you have another amendment you may proceed with it.

MR. LINGENFELTER: — Thanks for that clarification. That's what I thought originally that I could do

that, but in listening to you I heard you clearly say that I couldn't, but now I'll carry on. I . . .

MR. CHAIRMAN: — Order. Order. We could play the record back or . . . I ruled that you could not speak on the defeated amendment. If you have a new one you may proceed.

MR. LINGENFELTER: — Okay. What I'll be referring to is an amendment that will be proposed in a few moments, Mr. Chairman, and we'll table it when my colleague gets it written out. But the one that I will refer to will be in the handwriting of the minister and that he agreed to yesterday, which he gave us a firm commitment in the Assembly that he would move. And what we will now do is introduce it on his behalf because he is refusing to do it.

It's not much; I'll give you that. It's not what we originally wanted written into the legislation, but I say it's better than nothing. And what it would do is restrict the sale of more than 51 per cent — pardon me, more than 49 per cent, in shares in this first offering. And briefly it reads:

In the initial public offering of shares of Saskoil, Saskoil is prohibited from selling more than 49 per cent of the shares to a person other than Her Majesty in right of Saskatchewan.

And I'm reading from a motion dated December 11, 1985, in the handwriting of — I don't know whether Mr. Schoenhals, but his name appears on it — which he proposed yesterday and agreed to. And when I sit down the minister may want to say whether or not he will now move that motion and avoid further embarrassment, or whether we have to do it for him.

HON. MR. SCHOENHALS: — Mr. Chairman, obviously we'll deal with the amendment once it's tabled. There has been considerable to-ing and fro-ing on who's been changing what position. I would suggest, by making this amendment the party opposite has made a very significant change in their position, because when they received that amendment yesterday, these are the words of the member from Shaunavon:

Mr. Minister, the amendment that you have proposed bears little resemblance to what we were wanting to accomplish with our amendment. What we had hoped you were saying is that not more than 40 per cent of the company would be offered up in shares, now or in the future.

And obviously what you're saying is in the initial public offering of shares, and I get the wording:

In the initial public offering of shares of Saskoil, Saskoil is prohibited from selling more than 49 per cent.

And if you had another share offering in June of '86 you would of course sell more than 49 per cent. And that isn't what we're attempting to accomplish with our amendment, but you may have a different explanation.

So obviously we indicated we were voting against your amendment. We assumed that . . .

MR. CHAIRMAN: — Order, order! I'm going to rule that unless I see this amendment, I can't hear any more debate.

HON. MR. BLAKENEY: — Mr. Chairman, we dealt with an earlier motion which attempted to put a ceiling on the number of shares which might be sold to the public other than Her Majesty during the initial offering or thereafter. That amendment was rejected by the government. They were unwilling to put any limits on share sales during the initial sale and thereafter.

As a very definite second best for us — as a very, very definite second best — and one which represents a quarter of a loaf, not what we should get, but what perhaps we can persuade the government now to vote for, I propose to move an amendment in the following terms, and at the end

of my remarks I will move it. Moved by myself, seconded by Mr. Lingenfelter:

That section 6 of the printed Bill be amended by adding the following subsection after subsection (3):

(4) In the initial public offering of shares of Saskoil, Saskoil is prohibited from selling more than 49 per cent of its shares to a person other than Her Majesty in the right of Saskatchewan.

That is the exact words of the minister. Not only is it the exact words of the minister, I believe it's the exact handwriting of the minister, or perhaps one of his staff. It came with the minister's name on it. I have crossed off the minister's name and put my own name in as the mover.

Clearly this only limits the terms of the initial offering. It does not restrict the government from offering the balance of the company for sale at some future time, as I think the amendment should, but we have dealt with that.

At least it seems to me the minister can put in the Bill what he has asserted his position to be, time after time after time. He has asserted his position, time after time after time, that he does not propose to offer more than 50 per cent of the shares of the company to the public other than Her Majesty. He has in effect put that in a letter which is incorporated in the prospectus. He cannot have any possible objection to our including it in the Act.

With that in mind, and in order to get this crumb of legislative support for the minister's statements, and we've had many, many ministerial statements which are proved to be inaccurate, and you can understand why we are looking for some legislative comfort rather than simple statement from the minister — in order to get that much support for what the minister has asserted, time after time after time, we propose to move the motion. I have read it. I so move it. There is a copy at the Table. I will ask the page to deliver a copy to the minister. He will, I think recognize it since he or his staff wrote it. He will see what I changed. What I have changed is the name of 'Schoenhals to Blakeney', and I have changed the date December 11 to December 12. I have signed it and I have included the description of my constituency and the name and the constituency of my colleague, the member for Shaunavon. In the body of the amendment there is not one comma, one jot or title changed. I therefore invite the minister to support this amendment which he proffered yesterday. Mr. Chairman, I so move.

MR. CHAIRMAN: — It has been moved by the Leader of the Opposition:

That section 6 of the printed Bill be amended by adding the following subsection after subsection (3):

(4) in the initial public offering of shares of Saskoil, Saskoil is prohibited from selling more than 49 per cent of its shares to a person other than Her Majesty in right of Saskatchewan.

HON. MR. SCHOENHALS: — Mr. Chairman, as was indicated in the Leader of the Opposition's comments, this is basically the amendment that we sent over for approval last night. That was done strictly in the spirit of co-operation, Mr. Chairman. It's clear to point out that the opposition indicated that that was not acceptable. In our opinion, since it is clearly stated in the prospectus which will govern the share offering, the initial share offering, it is for the most part redundant. However, if the opposition have changed their basic position on this item and are prepared to agree with this, we have no problem whatsoever.

HON. MR. BLAKENEY: — Mr. Chairman, I want to clear up something that the minister obviously missed during my initial remarks. We obviously have not changed our position, Mr. Chairman, I know the Minister of Justice, the member for Qu'Appelle-Lumsden, will want to enter this debate, and I'm looking for an opportunity to debate with him . . . (inaudible interjection) . . . We'll worry

about that at the appropriate time. I am simply stating our position that we do not think this is a satisfactory amendment. We think it's an amendment which is better than nothing. It's better than the minister's word, and therefore we invite everyone to vote for it.

HON. MR. SCHOENHALS: — Mr. Chairman, this could go on all day, but when the member from Shaunavon clearly indicated that that amendment was not suitable, and now they've accepted it, I would suggest that that is a change in position. However, we welcome their support. We're prepared to go with your amendment. I think we're . . . (inaudible interjection) . . . Just a thought. Would the members opposite be amenable to adding at the end of the amendment 'or an agent of Her Majesty in right of Saskatchewan.'

HON. MR. BLAKENEY: — Oh, sure.

MR. CHAIRMAN: — This is a sub-amendment which we will require in writing.

HON. MR. BLAKENEY: — Mr. Chairman, I, if I may, will accept that as a drafting change which the minister might well have put in when he drafted it yesterday.

MR. CHAIRMAN: — I've sent the motion back, and if the mover would be kind enough to add the agreed sub-amendment, we could proceed.

HON. MR. BLAKENEY: — I will need some consultation from my drafting colleague. I'm not sure whether it's the minister or his staff. Mr. Chairman, with your permission I will restate the amendment to read as follows:

Moved that section 6 of the printed Bill be amended by adding the following subsection after subsection (3):

(4) In the initial public offering of shares of Saskoil, Saskoil is prohibited from selling more than 49 per cent of its shares to a person other than Her Majesty in right of Saskatchewan, or an agent of Her Majesty in right of Saskatchewan.

Seconded by my colleague from Shaunavon.

Amendment agreed to.

Clause 6 as amended agreed to.

Clause 3

HON. MR. SCHOENHALS: — Mr. Chairman, with leave I would suggest that we now revert to clause 3 at which point again, in the true spirit of co-operation, I would move the following amendment. I move:

That clause 3(7)(b) of the printed Bill be amended by striking out 'may agree with Saskoil' and substituting, 'and Saskoil shall agree within 30 days of the coming into force of this Act.'

MR. LINGENFELTER: — Mr. Minister, I misplaced my copy I had. I did have one earlier, but I think I left it out in the other room.

Basically this cleans up the argument we had made about the 145 million being an indefinite term on an interest-free loan that the company would be able to get. It clearly sets out a time-limit for changing the 145 million and converting it into shares within 30 days of coming into force of the Act. I think it will meet what we find necessary that that interest-free loan not go on forever and ever and cost the taxpayers, all the taxpayers, even those who do not participate in the share offering, a great deal of money.

I say again that I find it difficult to understand how the opposition had to bring this up so we could move back to it. I'm not sure whether you were trying to slip this by us or not, but I appreciate you bringing it in.

Amendment agreed to.

Clause 3 as amended agreed to.

Clause 7

MR. SHILLINGTON: — Mr. Minister, I couldn't find the section quickly in the prospectus. It was my understanding of the preferred shares that they would follow the normal course and would not have voting rights while dividends were current. Am I accurate in the remembrance of it all?

HON. MR. SCHOENHALS: — Mr. Chairman, I'm not just sure what this has to do with clause 7, but preferred shares will have voting rights.

MR. SHILLINGTON: — I'm really dealing with the part under conditions attached to voting shares. What will be the policy of the corporation with respect to payment of dividends on common shares?

HON. MR. SCHOENHALS: — Mr. Chairman, in answer to the member, the policy regarding dividends on the common shares will be established by the board of directors.

MR. SHILLINGTON: — Don't give me that malarkey. The majority shareholder must have some view as to what it believes to be a desirable policy with respect to payment of dividends on common shares.

HON. MR. SCHOENHALS: — Mr. Chairman, it is the intention of this Bill, the issue that flows from it and the policies that will flow from it, to take the politics out of Saskoil. Saskoil will be run as a private sector corporation. No longer will government be interfering in the management of the corporation. Consequently, the dividend policy will be set by the board of directors.

MR. SHILLINGTON: — Well, Mr. Minister, to put it mildly, that's an evasion. It is not unusual, Mr. Minister, for shareholders to have views as to what dividends ought to be paid. I would think, given the fact that you're appointing six of 10 directors, you might even . . . who knows, this government might even have some influence over this arm's-length corporation; it isn't that at all. It is a company which is owned by the government. All kinds of companies in the private sector who own subsidiaries make the decision with respect to dividend policies on those subsidiaries, and it's quite commonplace for a company which is owned by another to have its dividend policy set.

I ask you again, Mr. Minister, if you're prepared to tell us what your dividend policy is, or are you going to continue — to use the colourful language of the member for Regina North East — continue to snowball this committee?

HON. MR. SCHOENHALS: — Mr. Chairman, I will read very briefly from the prospectus. It indicates clearly to the investors:

The following is the text of a letter from the Minister of Energy and Mines to the Chairman and Board of Directors of Saskoil, dated October 18, 1985:

From the second paragraph:

I wish to confirm that the position of the Government of Saskatchewan will be that of an owner, not a manager, of Saskoil. The Government of Saskatchewan intends to appoint a number of directors which will be proportionate to its percentage ownership of voting

shares of Saskoil. The Government of Saskatchewan does not intend to use its rights as an ordinary shareholder to intervene in the commercial decisions of Saskoil. It also does not intend to vote its shareholding on resolutions moved at general meetings, although it retains the power to do so.

The clear statement within the prospectus, page 21 I believe, of what the intention of the government is. As I indicated again, the intention is that this corporation should act as a normal private sector oil company, thus providing a window on the industry, which is really the major significant reason for having a Crown corporation, as was clearly enunciated by the member from Quill Lakes, although his reason for having a window on the industry is considerably different than mine would be.

However, consistent with that statement is the one that the board of directors will set the dividend policy.

Clause 7 agreed to.

Clause 8 agreed to.

Clause 9

MR. CHAIRMAN: — There's an amendment to item 9. The Minister of Energy has proposed an amendment to section 9 of the printed Bill as follows:

Amend subsection 9(3) of the printed Bill by striking out 'it' in the third line and substituting 'them.'

Amendment agreed to.

(1545)

MR. SHILLINGTON: — Mr. Minister, I'm curious as to what mechanism you have adopted to ensure that, as you put it the other day, small orders are filled first. What's the mechanism for actually accomplishing that with respect to the brokers?

HON. MR. SCHOENHALS: — Mr. Chairman, it's written in the underwriting agreement.

MR. SHILLINGTON: — No, but how are you going to ensure that that happens? If a broker gets an order for 4 million shares and an order for 40 shares, how are you going to ensure he doesn't fill the order for 4 million first? He's got more money tied up in it.

HON. MR. SCHOENHALS: — Mr. Chairman, the underwriter, as I indicated, will contract with the company to ensure that all small orders are filled first.

MR. SHILLINGTON: — Are you able to table a copy of the contract which you're asking brokers to sign? That's most unusual.

HON. MR. SCHOENHALS: — No, Mr. Chairman. The agreement will not be finalized and signed — and will have to be ratified, as I've indicated, by the board of directors — until the time of filing. And I believe it would be highly unusual to table such an agreement.

MR. SHILLINGTON: — Well I say, Mr. Minister, that this government's proceeding with its usual state of finely tuned organization. These were supposed to be on sale three days ago. I would have thought that you would have had a draft of whatever agreement you're going to want the brokers to sign, which will prohibit them from filling large orders.

Well I'll wait till I see the document. I believe, Mr. Minister, that your comment that small orders are going to be filled first is so much hot air. Because I do not understand the mechanism by which

you're accomplishing this, given the normal way these floats are taken.

HON. MR. SCHOENHALS: — Well I would only make two comments. I must admit that the member opposite is an expert on hot air. However, the agreement — the underwriting agreement — will be filed with the securities commission, as is the common practice. And I think that is certainly sufficient.

Clause 9 as amended agreed to.

Clauses 10 to 13 inclusive agreed to.

Clause 14

MR. SHILLINGTON: — I wonder if I could go back to section 12. If I might, Mr. Minister, what's the purpose of section 12?

HON. MR. SCHOENHALS: — Mr. Chairman, to the member of Regina Centre, the purpose of 12 is so that the board, if they have concerns about any shareholder not complying with either the residency clause or the 4 per cent clause, they can request information in order to take the actions that are laid out in the Bill, if that's their decision.

Clause 14 agreed to.

Clauses 15 to 23 inclusive agreed to.

MR. CHAIRMAN: — There is an amendment by the Minister of Energy to the appendix to the printed Bill as follows:

Amend paragraph 3 of Section B of Schedule 1 to the Articles of Continuance of Saskatchewan Oil and Gas Corporation continued in the appendix to the printed page at page 19 by striking out as follows: 'dissolution or winding-up of the Corporation or other distribution' in the fourth and fifth lines thereof.

MR. SHILLINGTON: — That's impossible to follow. I wonder if you can give us a copy of that.

HON. MR. SCHOENHALS: — It's just a typo. The words are double-printed in the Bill and . . . Have you got the position in the Bill where it appears? Okay.

Amendment agreed to.

The committee agreed to report the Bill as amended.

HON. MR. SCHOENHALS: — I know they're anxious to get out of here, but I'd like to take this opportunity to thank the officials from Saskoil, their financial and legal advisers who have, although very unfamiliar with the proceedings in the Chamber, done an admirable job of leading us through this complex and historic Bill.

MR. LINGENFELTER: — Mr. Chairman, I would just like to compliment them as well. Working with the minister they, I suppose, did an excellent job in trying to keep him out of trouble. But I say to them, there was a lot of technical things they had to bring, and we appreciate that.

MR. SPEAKER: — The member for Assiniboia-Gravelbourg has asked leave to introduce guests. Proceed.

INTRODUCTION OF GUESTS

MR. ENGEL: — Mr. Speaker, it gives me a great deal of pleasure to introduce a gentleman that I've

had the privilege of working with. It's the Lafleche Hospital Board. In the front row up there is Wayne Erickson, chairman of the board, and the administrator, Tommy, and the rest of the board members up there were in today. I hope you've had a successful meeting with the Minister of Health, but I wish them good luck. I would like you to extend a welcome.

HON. MEMBERS: — Hear, hear!

THIRD READINGS

HON. MR. SCHOENHALS: — Mr. Speaker, I move that the amendments be now read a first and second time.

Motion agreed to.

MR. SPEAKER: — When shall the Bill be read a third time?

HON. MR. SCHOENHALS: — Mr. Speaker, with leave of the Assembly, I move that Bill 119 as amended now be read a third time and passed under its title.

Leave not granted.

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Hepworth that Bill No. 117 — **An Act to amend The Agricultural Credit Corporation of Saskatchewan Act** be now read a second time.

MR. ENGEL: — Mr. Speaker, when we left off with discussing the Bill to amend the Agricultural Credit Corporation last day, I raised a couple issues and I felt that some of the points need to be emphasized today.

I've talked to many constituents since this Bill has been introduced to make loans available to farmers, and many of the farmers, particularly in the drought depressed area, are saying, what we need is some help to survive on our operations. What we don't need is another debt.

I think that the points that we outlined earlier are clear; they're on the record. And I, just to repeat, say that agriculture is in a crisis, Mr. Speaker. We emphasized that last day. There are problems in rural Saskatchewan. A way to solve those problems is to put some money into the agriculture community. This Bill does that. But the farmers that need it the worst are farmers that are going to suffer most from this Bill. And the consequences of that Bill are going to fall in the laps of the next administration, Mr. Speaker.

All this government is doing is prolonging the agony for many farmers out there by bringing into this Assembly a Bill that prolongs the agony, tells the farmer that they need to borrow more money to survive. And I think that the agricultural crisis is such that this province didn't do their job.

All this government is doing is prolonging the agony for many farmers out there by bringing into this Assembly a Bill that prolongs the agony, tells the farmer that they need to borrow more money to survive. And I think that the agricultural crisis is such that this province didn't do their job. When our Premier went down to Halifax to speak to the other premiers and with the Prime Minister, he came back with a short list. The survival package that we had asked for, and the information that we thought was necessary to help farmers survive, didn't appear on that list.

And consequently today we have a Bill here that has Saskatchewan's aspect of a drought aid. And it

really isn't drought aid, it's aid for the larger farmer. The farmer that really doesn't need help can go out and borrow up to \$100,00 at 6 per cent interest. Maybe he'll use that to expand; maybe he'll use that to buy up a quarter of land here and there from farmers that need to sell to survive. I'm not sure.

But it's just putting more debt on the heads and the backs of farmers, and it's going to make it that much more difficult for them to survive. And I think that this is a good example of what this government has done up to this point. The Minister of Agriculture, who isn't here to listen to our remarks today, and when we're dealing with an important Bill like this . . .

MR. SPEAKER: —. Order, please. It's not allowed in the Assembly to draw attention to members that are here or not here.

MR. ENGEL: — I have words for the Minister of Agriculture, and I hope somebody is taking note of what we're doing today because he's going to have to answer to these comments. And I think that this Assembly is making mockery of passing a Bill when the minister piloting doesn't see fit to take this remarks we have seriously, and to seriously consider what we need to do as far as helping farmers that are in serious trouble right across Saskatchewan.

(1600)

The income level of farmers is down. All of us realize that. You can't improve your income position, and you can't pay your debts by borrowing more money. Realized net income of Saskatchewan farmers has declined since 1981, and I think to say that we need to make an operating loan is one suggestion that doesn't solve the problem of farmers in Saskatchewan. All it's doing is it's increasing their debt load.

There's grain to be sold. People that have grain in their bins can go in and get cash advances that are interest free. They don't need to pay 6 per cent for that. And from a small survey I've done, I have found that in very, very, many cases farmers have not taken the cash advance. I would maybe do a survey and pull the farmers in here and say to my colleagues, have you taken a cash advance? That is money that is free — that's money that is free — and yet in the southern area we can't do it because we haven't got any wheat.

But he is saying to us and to the farmers that you can survive by borrowing some more money; you can survive if you borrow another \$25 an acre. Well we haven't seen any details of this legislation at all. We don't know how the Bill is going to be administered. We don't know what kind of applications are going to be available. We don't know if they're going to take security. We don't know if the farmer's going to be able to use it at his own discretion if he gets it from the elevator just to pay bills that go to the elevator. There are a lot of questions out there that are unanswered.

In closing I would like to say to you, Mr. Speaker, that I'm sorry that there isn't anybody here to answer. I'm not sure who the Deputy Minister of Agriculture is. I wish there was somebody here to answer some of these questions; maybe the House Leader has some of these answers that I have.

But until these questions can be answered successfully, the farmers are in great concern. There's a real feeling out there amongst the farmers I've talked to that is a feeling of desperation. A feeling that, what are these people going to do for us? Is there anything out there that's going to prove that this government cares? Is there anything there that proves this government cares? I wish they'd at least care enough to be here to talk about the issues that are before us today. Thank you, Mr. Speaker.

HON. MR. MUIRHEAD: — It's a pleasure to rise and speak on Bill 117, a bill that will enable a farmer in Saskatchewan to receive 6 per cent operating money, \$25 an acre on his cultivated land, Mr. Speaker.

There's one point that I wish to emphasize and make very clear, that this money will be available to all Saskatchewan farmers and I want to make that very, very clear, Mr. Speaker — to all

Saskatchewan farmers.

The members opposite are irresponsible when they come up with the proposals such as \$50 an acre and draw a line to say who should get that money. The opposition's proposal, Mr. Speaker, would cost the taxpayers of this province \$1.4 billion; this money would go to 13,000 Saskatchewan farmers and that's why I said, Mr. Speaker, that it's absolutely irresponsible. It would be wrong to pay a one-time gift to 13,000 farmers and do absolutely nothing for the other 55,000 farmers.

The members opposite are being very, very short-sighted when they do not look beyond the south-west to solve their farm crisis, Mr. Speaker. The members opposite are not in touch with Saskatchewan people when they think they can take the taxpayers' tax money, over a billion dollars, and buy off the voters in south-west Saskatchewan.

Mr. Speaker, the Leader of the Opposition toured Saskatchewan this summer on his summer tour, as did our Premier. And, Mr. Speaker, the Leader of the Opposition could not have been listening to farmers throughout the entire province when he comes back and says \$50 an acre for the people from the south-west. He was not listening, Mr. Speaker, to what the farmers' pleas of financial difficulties were for all of this province, like perhaps in Meadow Lake, or Pelly, or any place.

He made this tour, as did our Premier, Mr. Speaker. When our Premier finished this tour, along with the Minister of Agriculture and farm representatives, he came back saying what the people wanted. They want something to try to help all farmers. The taxpayer, Mr. Speaker, wants us to be responsible to all people.

They want programs like the livestock program for \$125. This is the kind of programs they want. This is what they want, Mr. Speaker, not picking out select few like the members opposite would do. The \$125 in the livestock, Mr. Speaker, has the same perception with the people of Saskatchewan as does the 6 per cent money, \$25 an acre.

They want to be able to receive money, but the farmer wants to pay that back. He doesn't want to be a drain on all of Canada. He wants to pay his way. And if these members opposite, Mr. Speaker, are not picking this message up, then they're out of touch; they're out of touch as they were from 1978 to 1981 when this crisis began — when this crisis began, Mr. Speaker.

It is when we had interest of 20 and 21 per cent. And all the members opposite, the government opposite at that time, what they did is the only program that I've ever known available under the other government was to buy your land. That's the only program. Wait for you to go broke and buy your land.

Now if they had done something about 18 and 20 per cent interest, our farmers wouldn't be in this serious situation today; if they had listened this summer, very carefully, to people out there saying that we don't want gifts. I spent some time in the south-west, Mr. Speaker. I talked to six neighbours, six neighbours of the member from Shaunavon, asking them on the streets of Shaunavon what they thought of the \$50 an acre. The first one I talked to, a neighbour of the member for Shaunavon, said: as far as I'm concerned, when you're talking about interest-free money versus \$40-an-acre, once-in-a-lifetime gift for the farmer, I wouldn't like it, he said. I get \$98 an acre from crop insurance, and I do not have to take my combine out of the shed. Give me another \$50 from the federal government, Mr. Speaker, that will give me 32 bushels an acre. I will not come back from Hawaii; just send me my cheque. And that's the kind of thinking of the members opposite, Mr. Speaker.

The 6 per cent money and \$25 an acre for all cultivated acres in Saskatchewan, as I said, would put \$1 billion into the hands of the Saskatchewan economy. And where would that money go? Where would that money go?

AN HON. MEMBER: — To the banks.

HON. MR. MUIRHEAD: — Yes. As the member said, it might go to the bank, because maybe that

farmer needs that operating loan paid off and revolved very desperately. Maybe he needs that 20 per cent loan paid as Ted Turner, president of Sask Wheat Pool, stated that we have many, many farmers that owe bills to the farm service centres, paying 20 and 21 per cent interest. This is not just a saving on the difference of borrowing money, Mr. Speaker, this is a saving of what the farmer's having to pay.

And the point that the Leader of the Opposition stated when this program first came out was that it's only a pittance of a little bit of money — just a pittance. He figured out what the difference in interest would be. He was not thinking, Mr. Speaker, of the poor farmer out there that his credit cut off by the lending situations and couldn't obtain any money at all and still owes for the fertilizer for 1984, his fuel bill, and owes for his repair bill. He was not thinking of those kind of people that have no access to money right now.

Mr. Speaker, I would like to remind the members opposite of the serious situation we'd be in in Saskatchewan if our government had not stopped and put an end of the concept of state-owned farming in the province of Saskatchewan. We would be in a serious dilemma in this province if we hadn't had done that. All people of Saskatchewan know right well that under a socialist philosophy, such is stated in the *Regina Manifesto*, they would have purchased literally thousands of acres of farm land in the last three years.

Under a PC government, bringing forth policies such as Bill 117 will enable farmers to stay on the land and to own their own farm. Mr. Speaker, I will endeavour to do everything in my power to warn Saskatchewan farmers of the danger of the scare tactics of their socialist philosophy as long as I am a member of this legislature.

Mr. Speaker, the members opposite stated earlier last summer that only the government would be responsible and pay the south-west drought area \$8 million as they did the north-east, or in the flood areas. But yet they stated that, Mr. Speaker; just pay \$8 million.

Our government, Mr. Speaker, was far beyond their narrow thinking — far, far beyond. When this cabinet, this government, had meetings in Assiniboia this summer, we came out with programs, not \$8 million. We are talking about \$78 million administered through crop insurance directly to the south-west area — that's directly. And the members know quite well, Mr. Speaker, that these programs are what they wanted.

The farmers from the south-west know quite well that they had a feed problem, and this government allowed them to salvage \$175 million worth of feed. Now this is what the farmers in that area asked for. They asked for the crop insurance changes; they asked to have their feed changed; and they also have asked for money to borrow from this government, or from wherever, at a lower interest rate. And I'd like to congratulate the Minister of Agriculture who went throughout this province along with other farm members and came up with 6 per cent money, because that's what people wanted.

Also, Mr. Speaker, the provincial government added an additional . . . They paid their share, along with the feds, of \$60 and \$30 per cow. After all this, Mr. Speaker, — I've only mentioned a few things that we have done for the Saskatchewan farmer. The members opposite have the nerve and the gall to stand up in this House saying that we have done absolutely nothing in three and one-half years for the farmer.

Yesterday in this House, or in the last few days, talking on the oil Bill, the member from Shaunavon stated that this government has not, not in Bill . . . he mentioned it last night that in Bill 117 that we did not help only two farmers in the south-west that he could think of — maybe two farmers with Bill 117. Now that's quite a statement for the member from Shaunavon to state that only two farmers were helped with government programs. I will say, Mr. Speaker, that Bill 117 will literally help all 68,000 farmers in this province. They have all got access to this money.

Mr. Speaker, I am proud to be on the government side in this House and have the privilege to support one of the greatest Bills in a time of economic struggle such as the 6 per cent money, \$25-an-acre

program, a Bill that is available, as I stated in the beginning of my remarks, for all Saskatchewan farmers. Thank you, Mr. Speaker.

MR. GERICH: — Thank you, Mr. Speaker. I rise to support Bill 117 that the Hon. Minister of Agriculture, the member from Weyburn, has brought before the legislature. This Bill will mean real help to the farmers of the Redberry constituency. In the North we had a damp fall, and due to poor harvest weather, we haven't been able to market our grain as well as we could have had it been dry.

The bringing in of the production loan at 6 per cent will surely support the agricultural industry to get the crop in the ground in the spring of 1986. We as a government have listened to farm groups bring about a program, which is Bill 117, to help the farmers of this province. It has received much praise from the agricultural sector, the small-business sector, and the working people of Saskatchewan.

(1615)

I have talked to a number of farmers in the Redberry constituency and they are very optimistic and encouraged by the response of this government. They remember back to when the interest rate was 22, 23, and 25 per cent in interest rates. When the members opposite were in government, what did they do to alleviate the situation? What did they do? They did nothing. Instead the members opposite purchased land under a land bank scheme using the farmers' taxpayers' dollars — the taxpayers' very own dollars — to compete with them in the market-place rather than help them fight the high costs of interest rates and farm inputs.

The production loan with 6 per cent interest rates will inject confidence in the small towns and small businesses throughout Saskatchewan. These businesses will survive and sustain their existence with the injections of moneys back to cover bulk fuel sales, groceries, machinery parts, mechanical repair, and related programs that help rural Saskatchewan work.

The members opposite say that this Bill 117 is not helping the farmer enough. The farmers out in rural Saskatchewan don't want the government to take control over them. The farmers want to help themselves to make their own decisions whether they need to borrow money to operate or not. All farmers and farm groups ask for is an avenue to make this necessary decision that affects their livelihood.

Today the profit margin is very slim, if any, when the agriculture is operating, in reality. Times are tough; markets are slow. They can't move grain because it's either too tough or too damp, and there's no money in their pockets. This is a reality.

To help these farmers is of the utmost importance. They're the backbone of the Saskatchewan economy. Coming in with a program of 6 per cent money, coupled with natural gas and electricity programs for grain drying, is a very, very positive measure. This was especially helpful in the North-west, north-central, and north-eastern Saskatchewan. There are thousands of bushels of tough and damp grain to be dried so it can be moved through the market system.

Sask Power gasification branch has done an outstanding job to service the needs of the farming communities. The \$3,000 cash advance from the Canadian Wheat Board, together with our 6 per cent money program, will surely help the farmer get his grain dried and his bills paid. We, the Saskatchewan people, have for the past two years weathered a storm of bad, severe weather conditions, in the south-west with drought, and in the north-east, flooding in 1984. In 1985 we were set upon by drought again, grasshoppers, wet weather conditions during harvest time, making this year a very stressful year for the farmers.

The farmers plus the agricultural sector have already scrambled to meet the problems of the last two years with optimism and positive ideas. Consultation with farm groups, the wheat pools, SARM (Saskatchewan Association of Rural Municipalities), SUMA (Saskatchewan Urban Municipalities Association), stock growers, the cattlemen's association, has resulted in a series of programs that

have held the agricultural sector fairly steady.

Mr. Speaker, I would like to recapture programs over the past year that this government has brought to combat financial, high interest, and high farm inputs, to stabilize the Saskatchewan economy.

Help for the farmers in 1985 was: transport cows to summer pasture grants amounting to \$60 per head; \$125-a-head cash advance program on cows and calves; crop insurance top loading from 70 per cent restored to 100 per cent full coverage. This program of \$25 an acre, 6 per cent operating loan, another Bill — 21 cents per gallon fuel cost refund; in 1982 the removal of gas tax at 20 per cent sliding gas tax . . .

MR. SPEAKER: — I would ask the member to stay on the subject of the Bill.

MR. GERICH: — These are some of the programs that provide cash injections into agriculture and sustain and support our . . . and that are going to turn our economy around.

The dimension of these multi-purpose programs of this government, as opposed to a single program by the administration, shows that this government has concern for the agricultural sector and is in support of it.

Thank you, Mr. Speaker.

SOME HON. MEMBERS: — Hear, hear!

MR. KOSKIE: — Thank you, Mr. Speaker. I want to make a few comments in respect to Bill 117, An Act to amend The Agricultural Credit Corporation of Saskatchewan Act.

And what I want to say first of all is that the problem that I see with the government's approach to dealing with the farm crisis is that they have not come forward with an analysis of the problems throughout Saskatchewan faced by the farmers. It's not good enough to merely say that all farmers are of the same circumstances and therefore we need the same remedies for all farmers.

I have travelled the province last summer, and I saw the devastation that drought and grasshoppers did to southern Saskatchewan. And I had come from the northern part, in around through the Muenster-Humboldt area. And we've had problems with the fall harvest. But to equate all of the problems of farmers into one basket and to say, 'Look at what we have done,' is inconsistent of this government, because when they looked at the north-east where the floods had been prevalent for two or three years, they joined and created a disaster area and they paid \$20 an acre to a specific area of the province.

It's inconsistent what they're doing because the very financial institution that has built . . . previously helped to build the farming community and the farming economy was the Farm Credit Corporation which is the federal organization for loans for farmers. But here we see a government pretending to solve, or reach out to the farmers with a solution, and at the same time the federal Farm Credit Corporation are up at around 14, 15 per cent, when you can go to private institutions and get it for 10 or 10.25 per cent.

I look at the Bill and I say this will be of some assistance to the farmers of Saskatchewan; I'm not denying that. But look at the analysis of it and maybe there's not a great number. But look at those that are intensive type of farming operation. Let's take the people that are growing vegetables, the potato growers, and I have some of them in my constituency. They don't have large acreages. They don't have large acreages, so if you give \$25 per acre on a very small acreage, but which requires very intense capital investment . . . I spoke to some of the intensive operations in my constituency in Saskatchewan and they say, well I have a potato farm and it's 300 acres. I'm going to be offered \$25 an acre which is \$7,500, hardly significant in analysing the problems throughout the farming community, and this is of concern to them.

And the member in charge of the crop insurance said that our government was being irresponsible in wanting to help the farmers in the drought-stricken areas of Saskatchewan in a particular way, and indicating that any assistance that we were offering . . . And the farmers of southern Saskatchewan asked for a payment per acre of \$50 and they said that that was a gift. We had no responsibility in using the taxpayers' money.

But I'll tell you, Mr. Speaker, this outfit didn't call it a gift when they gave \$28 million to Pioneer Trust, or when they watched their federal counterparts give billions of dollars to the banks; they don't call that a gift.

And so what I'm saying to you, Mr. Speaker, you got to be consistent. When they give millions of dollars to the oil companies they don't call that a gift, they call that economic activity. But when we look in our proposals of providing some assistance to the farmers of southern Saskatchewan, they say we're irresponsible.

Mr. Speaker, the farmers that I have talked to in respect to the proposal here, the Devine government package on assistance to agriculture, is viewed with a high degree of scepticism, a very high degree scepticism. And I say that because we've had announcements previously that we're going to have counselling and we were going to have guaranteed loans for operating loans in the spring. Go around Saskatchewan and ask how your previous programs helped.

AN HON. MEMBER: — How many?

MR. KOSKIE: — Not many.

You put a moratorium, so-called, on foreclosures, and look at the record as to see who is successful in pursuing the foreclosure. It's been the banks. It was a façade. It was just a part of the publicity gimmicks that this government tries to operate on.

And I say to you, Mr. Speaker, in dealing with the agricultural problem, this Bill does not address the magnitude that's out there. There's no doubt that there are different areas of major concern. It's a difficult problem to solve the problems confronting agriculture, because there are different groups having different problems.

But I'll tell you one group that has — a specific group — our young farmers that started operating in the last 10 years or so, because they had to purchase land at a very high price, equipment. As a consequence, what has happened now under the double Tory whammy that we have in Saskatchewan and Ottawa, is that there is absolutely no federal programs.

But the young farmers have a specific problem, and they have a high debt ratio, and this doesn't treat them differently than the well-established farmers. Some farmers have actually said that sure, we might take this \$25 per acre, but if we don't need it and we can still take it, we might as well take it and invest it in a short-term investment and make 4 or 5 per cent. That's exactly what some of the farmers are saying. They say no government can finance those that don't need assistance. The problems and the magnitude of problems in the agriculture are so great that unless you target in on the areas of concern, I'll tell you, you're not going to keep many of the young farmers in business.

And that is exactly what you're doing. What you've done is attempted to put out the same program, a universal program, attempting or pretending that you're addressing the problems.

The young farmers who are having financial problems, you haven't gone to the federal government and asked them to work with you in easing . . . to restructuring their debt through farm credit over a long number of years at a respectable interest rate. You haven't done that.

(1630)

You've allowed the federal government, right in the present time while you're introducing this here

legislation, to put in massive increases in respect to seed growers. Have you gone out and asked the seed growers in this province, the increases that are put in place by the federal government? You know, for a germination test that cost \$10 before, it's going up to \$48. They have to have a licence now by October 1st. Ask the seed growers, what's happening. And what you're doing here is not going to analyze the problems in the agriculture.

You know it; you know it very well. Your philosophy has been, we'll make it a universal program and those that are in trouble, they're going to be wiped out. The small family farms, as we knew it, are going to be wiped out of existence. And of course, you know, to try to indicate that \$25 to those that are in deep financial trouble — and it's a loan — is going to be as significant as it is to those who are in good financial stead, is absolute rubbish.

And what you haven't done is to analyze it. You haven't looked at those that are in intensive operation, as I've illustrated to you, and I think in that respect it's basically very unfair.

I think this government has lacked the courage and the foresight — they've lacked the foresight of any overall planning and analysis of the agricultural problem. They have failed to force the federal government to take on its share of responsibility.

Moreover, as has been said, to those that have troubled financial position, giving them more debt burden is not going to be a solution. It is something, but it doesn't do the analysis that should in fact have been done.

MR. KATZMAN: — Mr. Speaker, I wish to join in the debate for a very short comment or two. I can stand here, I suppose, and talk rhetoric for hours. But what do the people in my constituency say. They say this: this Bill is fair and this Bill is just and Ralph please support it, and I will support it.

MR. SAUDER: — Mr. Speaker, it's a pleasure for me to rise in this Assembly today on behalf of the people from my constituency to speak on this Bill that deals with some of the problems in agriculture.

It's going to be of some assistance to the farmers out there who are, over the course of the last few years when the crops have not been good, rising costs for their inputs, markets have not improved and are having some difficulty dealing with the situation they are in.

Mr. Speaker, this Bill I think, demonstrates to the people of Saskatchewan, not only the farming community, but also the other people that this government has been doing their homework. They have been listening to the problems that are facing the people out in the rural communities. They have heard their concerns regarding the drought, concerns from floods, concerns from grasshoppers, wheat midge and other natural disasters.

Mr. Speaker, not only have they heard their concerns, they've also listened to what some of those farmers have suggested for solutions to it. We've been impressed by the reasonable attitude of many of the farmers who have had to deal with these natural disasters. Farmers as a group have to deal with mother nature on a daily basis; their very economic existence depends on the bounty and goodness of mother nature and they are proud of that fact.

Mr. Speaker, they are also proud of the fact that they live by their own initiative and hard work and ambition. Mr. Speaker, they have also come to government in this time of crisis and asked for help in the areas where they realize it's possible, fair and reasonable for the government to assist them. Mr. Speaker, this Bill before the House is one way that farmers have expressed that it would be fair and reasonable to assist them to be able to put a crop in the ground again; once more to trust mother nature to provide the rain and the sunshine and the other necessities to see that they have a harvest and can carry on with their occupation.

Mr. Speaker, this is a response to that concern of the farmers and to that suggestion, it's going to provide money at 6 per cent interest rates to be able to plant their crop.

Mr. Speaker, speaking to many of the farmers in my constituency since it was announced, they're very pleased and very happy with it. The farmers in the North are very pleased that it's available to everyone because they feel that the problems of agriculture are not isolated only to the areas of the south-west as the opposition would like to make the people in this province and other areas believe. They are also saying that, it's not fair to be asking for huge sums of money such as \$50 an acre cash grants, but give us some assistance to make sure that we can put our crop in the ground.

Mr. Speaker, as I think about this program my thoughts turned not only to the farmers but to who else may benefit from it. Let's just think a little bit about the local small-business men in our rural communities; think about the machine dealer; think about the fertilizer dealer; think about the mechanic who works in his shop or in his service station. Are they going to benefit? Mr. Speaker, I think that any time the farmer has money put in his hands he's going to go in and pay his bill, bring his accounts up to date, and it's going to benefit those people.

I've talked to them, many of them, since this has been introduced and they have said they're very pleased with it. They're pleased that it's being put into the farmers' hands, that it's going to be spent in their own communities, and that it's going to get down to help each and every person in those communities.

Mr. Speaker, it's a pleasure for me to be able to stand here and speak in support of this Bill. I would just like to congratulate the minister for introducing it, and I will be supporting it.

SOME HON. MEMBERS: — Hear, hear!

MR. MARTENS: — Mr. Speaker, it's a pleasure for me to rise today and speak on this Bill. I want to just point out a number of things that I believe that are important in relation to the kinds of actions the Minister of Agriculture are taking.

We have to put this in perspective, I believe, and one of the things that we have to realize is that the process that we're proceeding on at this time has to be one of fairness, equity. And that's the kind of thing that we want to proceed with, and this Bill does that.

Agriculture produces one job in five. Twenty per cent of all jobs in Saskatchewan are produced by agriculture. And I think that's important when we recognize how these kinds of programs are going to impact on the kinds of things that we're doing.

The Premier said a year ago that he would put the treasury of the province on the line for agriculture, and I believe, Mr. Speaker, that he is precisely doing that. When the increase of the Agricultural Credit Corporation goes from 500 million to \$2 billion, it recognizes the need of farmers; it recognizes the need that they have expressed to us, and we're going to deal with that. Sixty-seven thousand farmers are going to benefit from this kind of a program and I think that that's a credible kind of a program.

I believe, Mr. Speaker, that we had outlined very briefly for us from the member from Nipawin, some of the people who benefit. I believe that there are people who are going to benefit besides the farmers: the machinery dealers when they sell parts; the mechanics that work in those dealerships; the fuel dealers; the fuel oil dealers; the bulk fuel dealers, the service station people; fertilizer dealers; and the independent mechanics who I have quite a few of in my constituency in these small towns. And I believe that they're going to benefit from this kind of an input into the farm economic community.

This flow of cash into the community is going to be put in at 6 per cent, Mr. Speaker, and I believe that that pool of money is going to provide to the farmer an opportunity to pay off bills that he's got in lieu of some of the things that he maybe wasn't able to pay off. The fuel, fertilizer and those kinds of things. The crop insurance didn't cover all of that, and this will. The cash advance for the livestock, maybe didn't cover all of it, but this will. The 30 and \$60 a head grant in the drought area

maybe didn't cover all of it, but this will. The changes in the crop insurance that we had in the past summer, that maybe isn't going to cover all of it, but this will. And so, Mr. Speaker, we put the two together and we have a program here, I think, that is the kind of thing that we want to have.

In my constituency this program is a \$50-an-acre, seeded acre, program. Because in my constituency they seed half and half, and I believe that this is a real good beginning to the kinds of things that we can be in this province.

I just want to make one concluding point, and that is this: my people in my constituency say this is fair. They say it's what we need. They say it's what we should have had in 1979 or 1980 or 1981 and into '82. That's why, Mr. Speaker, we go out and listen. We want to know what they're talking about and that's what we're prepared to do. It's the reason why we are over here and the opposition is over there.

Therefore, Mr. Speaker, it gives me a great deal of pleasure to support the Minister of Agriculture and the government in this Bill.

SOME HON. MEMBERS: — Hear, hear!

MR. LUSNEY: — Thank you, Mr. Speaker. I'd like to get into this Bill and say a few words on it, Mr. Speaker, because listening to some of the members from the opposition talking about how good Bill 117 was going to be for the farmers of Saskatchewan, I just couldn't hardly sit in my chair and not say anything.

Mr. Speaker, they talk about how beneficial this is going to be to every farmer in Saskatchewan; this 6 per cent loan money. Well Mr. Speaker, many of the farmers that are in trouble now, where the banks are on the verge of repossessing, I don't think that this 6 per cent money is going to help them very much. All that's going to happen is that they're going to have one more debt that's going to be on their shoulders. Unless, of course, what this government is saying is that, if you are at the verge of bankruptcy now, you may as well take that 6 per cent money. And I don't know what their criteria is for this money, because they haven't showed us that. But they're saying that, you may as well take this 6 per cent money, \$25 an acre, and then just walk away from everything and let the bank have your land. I think that is wrong. I don't think that's what we should be doing. We've got farmers out there that need different kinds of assistance.

The member for Morse said that agriculture was important, and they realize that it's important, and that the Premier of this province stated that he would open up the treasury for the farmers of Saskatchewan. Well, Mr. Speaker, they've been in almost four years and I haven't seen that treasury open up for the farmers of Saskatchewan.

(1645)

The farmers of Saskatchewan continue to get into trouble further and further, and not because of something they were doing. Some of it was because of climatic conditions, because of what the weather did to different areas of the province. We had a drought in the South and we had the floods in the North, and they couldn't do much about that. But the treasury certainly was not opened by this government for the farmers of Saskatchewan.

If they were really serious about agriculture, they would be going to Ottawa and saying, look, we've got to do something about agriculture, not only in Saskatchewan but all across Canada, because that's where the problems are. They're all across Canada. And \$25 an acre is not going to help all the farmers in Saskatchewan. The ones that need the assistance and need some restructuring of their debt are not going to survive with an additional debt load. They will not survive.

This government should have been looking at some type of program that they could have sold to Ottawa that would have some control on the input costs of agriculture or would provide a reasonable price for the product that they produce, that when they got a crop they could at least

make some money out of it to pay the high costs of inputs. And neither government, in this province or in Ottawa, is prepared to say that there has to be some relationship between what the farmer has to pay for the input costs and what he gets in return for the product he produces. Neither one of the governments have addressed that, and I think that it's time that both governments from Saskatchewan and from Ottawa realize that that's where the problem lies. It's not in band-aid solutions, especially the kind that are going to put some farmers deeper in debt than they already are. Those are not the solutions.

We need solutions where we can get either a lower price on fertilizers, on chemicals, on the fuel, rather than increase prices every day, because while we're getting 21 cents off from Ottawa, we're going to get virtually the same amount — or from the Saskatchewan — we're going to get the same amount put back on by Ottawa. So there's really no saving to the farmer. He's still going to be in trouble.

There's no saving by this Bill. This Bill is just a stop-gap measure for a very short period of time, and I don't think it's going to help many of the young farmers that need the help. It's not the old established farmer that needs the help with this Bill. It's the young farmers that need the assistance, and this Bill certainly is not going to assist all those young farmers that need it.

And I say, Mr. Minister, if you are serious about helping young farmers in Saskatchewan, come up with a program that's going to do something for them, come up with a Bill that's going to see those farmers surviving in agriculture, not just for three or six months time, but it's going to see them continue in agriculture for the next decade, or two or three, or the next century.

That's what we should be doing to see that agriculture is an ongoing industry. And when agriculture is strong, Mr. Minister, then all of this province, the economy, is strong, and we wouldn't have to give \$10 million grants to a millionaire from Alberta. We should be giving out that kind of money to people in agriculture, and that would help small business, it would help big business, it would help everyone in this province.

And I say, Mr. Minister, come up with a program that's going to be some good, not with a program like you came up in Bill 117, that's not going to really help the people that need it.

HON. MR. HEPWORTH: — Thank you, Mr. Speaker. The main thrust of the opposition arguments, Mr. Speaker, seems to be that this program, first of all, does not do enough for Saskatchewan farmers; and secondly, all it does is increase their debt load.

Well, Mr. Speaker, what we have heard is the same old recitation from the NDP. They have not changed. They are still of the view that what the farmers wanted was \$50 an acre and \$100 a cow. That was their 19-point proposal. Obviously that is still their view, Mr. Speaker, but Mr. Speaker, that is only their view. It is not the view of the farmers of Saskatchewan.

They want to simply have \$50 an acre and \$100 a cow targeted to one area of the province. Mr. Speaker, to do so, as has been pointed out by virtually every speaker from the government benches, would not be reasonable, it would not be fair, it would not be sensible, it would not be responsive. In fact, Mr. Speaker, I would suggest to you that what that kind of program would do is drive a edge between the farmers in this province who are in the South and the farmers in the province from the North. It would drive a wedge. It would pit those who suffered from drought against those who suffered from rain-damaged crops or snow-damaged crops. It would put those who suffered damage from grasshoppers against those who suffered damage from diamondback moths or wheat midge. Mr. Speaker, it would be unfair. It would be grossly unfair, and it would divide the farm community. Because today, Mr. Speaker, we recognize that there's a myriad of concerns out there in the farm community, and to just simply target at one area and say that is the only problem in agriculture would be a gross misreading of the problems today facing the farmer.

We, Mr. Speaker, introduced this program because we recognize that wherever you live in this

province, north, south, east, or west, you have some special problems facing you today. And, Mr. Speaker, I think it's fair to say that what we have put together here is sensitive, yet sensible. It is reasonable, yet responsive. Mr. Speaker, we said that we would give one year ago — one year ago, almost to the day — we said in this House, we debated the legislation severely restricting farm land foreclosures. We said then we would give the farmers the breathing room they need to weather out this downturn and we did. Today we are saying we will put the treasury of the government and the province of Saskatchewan on the line for our farmers, and we have. And I will urge all members of the Assembly to support this Bill.

And, Mr. Speaker, just to show you that I think we're on the right track and to show you that we do have a true reading of what the farmers and farm organizations in Saskatchewan feel about this proposal. I can only go through some of the letters that I have received on this. For example, from the Saskatchewan Association of Rural Municipalities in their brief to the cabinet this fall, and I quote from one section on the first page, and it reads — and it reads, Mr. Speaker, and they may not want to hear this:

Reasonable people would have to admit that your government has responded to these suggestions and together with your own initiatives have reacted to the crisis in agriculture as well as could be expected under the circumstances.

Reasonable people, Mr. Speaker, believe that we have responded reasonably.

And difficult situations bring along the strangest allies, Mr. Speaker. The NFU. What was the NFU's position, even before we brought this Bill down? What was the NFU's position on what Saskatchewan agriculture needed today to help the farmers? A press release October the 10th, Mr. Speaker, and their recommendation was, and I quote:

Farmers need an immediate injection of cash advances.

Mr. Speaker, that's what 6 per cent loans is all about. It provides an immediate injection of cash into the farm economy. A strange ally, but we certainly welcome their comments.

And Mr. Speaker, I could go on about the letters I've had from, for example, Bracken, Saskatchewan in the hon. member for Shaunavon's riding.

The recent changes made to the crop insurance program and the \$6 per head payment, as well as the assistance to move cows north, have been quite satisfactory forms of relief. Of course, you will always have farmers that ask for more, no matter how much they are given.

And he goes on to say further, Mr. Speaker:

I don't think that a \$50 acreage payment is necessary because we will more than cover our expenses with crop insurance.

And another one from Maple Creek:

Our family wants to extend a special thank you.

And the Saskatchewan Cattle Feeders Association, Mr. Speaker:

The board of directors would like to commend you and your department for developing and implementing the livestock cash advance program.

And here's an interesting one, Mr. Speaker, as well, from the south-west of Saskatchewan. And it reads:

I received my cheque for drought assistance this morning. Thank you.

He further goes on to say:

My main point is to commend your department, and indeed the government, for seeing the need for this type of payment in this very difficult year.

And then he ends the letter up by saying, Mr. Speaker:

There will always be those who think the wrong thing was done, or not enough, or whatever bellyache they can drum up. For the record, I for one feel your program is excellent for the circumstances. Thank you. We are most grateful.

That's the kind of response we're getting out there, Mr. Speaker. And that's why we get headlines when these programs were announced that say, 'Farm groups applaud government aid,' Mr. Speaker. Because they know we're on the right track. And the reason we're on the right track is we have consulted with the farmers and the farm groups themselves.

Pool President Ted Turner, quoted from the *Leader-Post*, Saturday, November 23rd — a paragraph here reads:

Pool President Ted Turner said the government made a good move by offering loans with only six percent interest and lowering fuel costs.

And, Mr. Speaker, it is only one year ago now, in this House, that members opposite, after the last annual wheat pool meeting, brought forward debate in this House saying we should have 7 per cent interest rates on loans, Mr. Speaker. And now they have the hypocrisy to stand in this House and say, we don't like 6 per cent interest rate loans for farmers in Saskatchewan. Now I can't understand the logic of that argument, Mr. Speaker.

Barb Isman from the Western Canadian Wheat Growers Association, the same *Leader-Post* article, called the government program, and I quote, 'sound and sensible.' And I could go on, Mr. Speaker.

Further, Mr. Speaker, we heard today the member from Pelly and the member from Quill Lakes get up and criticize what has been done for Saskatchewan farmers. And, Mr. Speaker, if there are two members in this House who should be thanking down on their hands and knees thanking the Government of Saskatchewan for the bringing of a bacon processing plant and possibly packing plant to this province, it's those two right there. Because they live in the heart of hog producing country in this province, Mr. Speaker, and they, more than anybody else, should be interested in seeing those initiatives put in place, Mr. Speaker — they more than anyone else.

It's worth noting, Mr. Speaker, that they went through the entire debate here and not once did they raise their solutions, other than \$50 an acre and \$100 per cow. Not once did we hear them talk about their 19-point plan — not once.

Their idea of helping the farm sector is spending \$175 million buying up the farm land of Saskatchewan. Mr. Speaker, we are taking \$175 million and more, and putting it into research and research alone, in terms of what this government's commitment to farming is.

And to pick up on their other point as I close, Mr. Speaker, they have said we haven't done enough — we haven't done enough.

Well, I ask all members of this House: three and a half years ago, did the farmers of this province have access to 8 per cent money for farm land? Did they have access to zero per cent money for livestock cash advances? Did they have access to 6 per cent money to provide cash for operating costs this upcoming spring? Did they have fuel costs lowered by 21 cents a gallon, Mr. Speaker? Did they have access to a \$100 per acre irrigation development grant, Mr. Speaker? Did the rural

communities, the farms, and rural Saskatchewan have access to rural natural gas, Mr. Speaker?

I ask you: did they have, Mr. Speaker, access to tax credits targeted at agriculture, targeted at farming, that could reduce your income tax to zero in this province? Did they have crop insurance that had made some changes that were sound and sensible and sensitive and responsive? Mr. Speaker, the answers are no.

And, Mr. Speaker, although they did not bring the point up across the way about co-operation with the federal government, I think the hon. member from Assiniboia is always liking to make light of the fact that the Premier has had some co-operative efforts that have resulted in some successes with the federal government, and so I ask as well, Mr. Speaker: three and a half years ago when the NDP were in power, Mr. Speaker, did they convince Ottawa to remove the capital gains tax on farm land? The answer once again is no, Mr. Speaker.

And I could go on and on, but I will not. I will simply say, Mr. Speaker, I urge all members, particularly those in the opposition, Mr. Speaker, to see the light, to cast off their old ways, their old mentality, become a part of the thinking of the enterprising young farmers out there who are not looking for hand-outs, nor do they expect them. But they do want a chance and this kind of money provides that chance. I urge all members to support the Bill, Mr. Speaker.

Motion agreed to, Bill read a second time and, by leave of the Assembly, referred to a committee of the whole later this day.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Lane that Bill No. 123 — **An Act to amend The Provincial Court Act** be now read a second time.

Motion agreed to, Bill read a second time and, by leave of the Assembly, referred to a committee of the whole later this day.

The Assembly recessed until 7 p.m.