

The Assembly met at 2 p.m.

Prayers

## ORAL QUESTIONS

### Net Migration Rate of Saskatchewan People

**Hon. Mr. Blakeney:** — Mr. Speaker, I'd like to direct a question to the minister responsible for the Employment Development Agency. Mr. Speaker, as the minister will know, Saskatchewan had the worst net migration rate in Canada in 1985. We've lost more than 6,000 people, on a net basis, to other provinces. The latest figures from the provincial government's own bureau of statistics suggest that we'll suffer an even worse population drain in 1986, and this will again be the worst population drain in 1986, and this will again be the worst in the country. Is the minister aware that during the first 11 months of this year Saskatchewan suffered a net migration loss of 12,900 people — a loss of 38 people a day. Are you aware of that, sir?

**Hon. Mr. Schmidt:** — Well the statistics are public. I think a lot of people would be aware of the situation in Saskatchewan where the price of commodities, in particular agriculture, are very low and are taking a heavy toll, in particular on rural Saskatchewan, and that's starting to filter into the cities. It is not the fault of this government. We have done many, many things to alleviate that problem.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Minister. In view of the fact, Mr. Minister, that between January and November, while 11,400 people moved into Saskatchewan, 24,400 moved out of the province, producing a net loss of over 12,900 people. In view of that, can you explain why, for the second year in a row, Saskatchewan is number one in people leaving, number one among the provinces in the number of people leaving this province? In fact, they're leaving in droves. Can you explain that, Mr. Minister?

**Hon. Mr. Schmidt:** — Well I can't explain everything but I can explain most of it. I don't have all the answers, as you suggest you might have, but I can tell you this, that not only is there difficulty in agriculture, there have been thousands of jobs lost in the oil industry due to the low price of oil, which has had a small benefit for Saskatchewan consumers but has cost this province very, very much in jobs and income.

So these are things that are cyclical. You know that; you were government long enough to see both sides of the cycle. And this government is taking measures, many measures. We have taken them and we will continue to take measures to alleviate the problem.

**Hon. Mr. Blakeney:** — Supplementary, Mr. Speaker. Is the minister aware that nearly half the people who have left the province are younger working people between the ages of 19 and 34? And can you explain, sir, why so many young people are leaving this province in search of employment in the light of the programs which you say have created jobs but which very obviously haven't?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — Well this province has the second lowest unemployment in Canada. It's even slightly lower than Manitoba. I'm not sure where exactly they're all going, but they are seeking opportunity where they think it is, and it is certainly not in most parts of Canada.

We have done an awful lot to improve the lives of the people of this province. We now have a population that's still in excess of a million people. And we have done many, many things, and there's only so much a government can do. Some things the people have to help do for themselves. Some things are a matter of attitude. And this government hopes to have an attitude in this province that will encourage building and encourage people to stay.

It seems to me that since we have received a new mandate on the 20th of October that there is a better attitude, a more degree of permanence in the economy of this province and that you should see things improving considerably with our new mandate.

**Mr. Lyons:** — Supplementary, Mr. Speaker. It's to the minister responsible for cycles and for unemployed in this province. Mr. Minister, you just said, you just stated that some things people have to do for themselves. Are you now saying to the young people of Saskatchewan that they have to go out and produce their own jobs and that it's not the government's responsibility to provide job creation and lead job creation in the province? Is that your response to the young people who are leaving Saskatchewan?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — I remind the member opposite that my grandfather was once a young person. When I knew him he was an old person. There were many, many people like him who built this province, and it wasn't the government that built this province. They built it on an attitude . . .

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — . . . they built it on an attitude of building, people doing things for themselves, people owning their own industry, people owning their own farms. They did not built it on buying holes in the ground, as was your philosophy. And I was with your government when I told your potential leader, sitting right there, he should not buy holes in the ground because they would not create any new jobs — and they didn't. And you created a liability for this province under which our people are now staggering.

So, therefore, the attitude has to be an attitude of building. And this government is moving this province in the direction of a building attitude, and you will see building for the next 8, 10 or 12 years.

**Some Hon. Members:** Hear, hear!

**Mr. Lyons:** — Supplementary, Mr. Speaker. My question

is to the minister again. Mr. Minister, you talk about people building. How is it, sir, how is it that people can build Saskatchewan by leaving? That's my first question. Can you explain to us how people can build Saskatchewan when they are leaving the province?

Secondly, won't you agree that the population drain that we're experiencing in Saskatchewan at this present time is in fact hurting the efforts to build Saskatchewan by reducing our competitiveness when the brightest and most skilled people have to leave the province to go seek work elsewhere?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Schmidt:** — It's possible that some people left because they thought there was a faint chance that you might win the last election. Because you were not in favour of building an upgrader; you were not in favour of building a paper-mill; you were not in favour of building a bacon plant; and just the other day I heard your member saying, cancel the power plant at Shand.

So can you tell me how cancellation of projects that will employ people will help the situation?

**Some Hon. Members:** Hear, hear!

### Post Office Closures

**Mr. Koskie:** — Thank you, Mr. Speaker. My question is to the Minister of Rural Development, and it has to do with the Mulroney government's plan to close a number of rural post offices across Canada, including closing some rural post offices here in Saskatchewan. Can the minister tell us what assistance, either financially or through representation to Ottawa, the Government of Saskatchewan has provided to the rural communities that are fighting to save their rural post office?

**Hon. Mr. Hardy:** — Thank you, Mr. Speaker, for the question from the hon. member. In regards to rural post offices in rural Saskatchewan, I'm sure the member's aware that over the last few years there's been two or three that, in southern Saskatchewan, that have both been not closed because of pressure both put on by our government and by the people of the area.

And I think that's important to recognize, that the governments must go to the people of the area in regards to closures of anything. And I believe, sincerely believe, that if the member opposite just took a serious look at all the different things that's either been opened or closed in this province, that usually the people are involved a great deal more now than they used to be.

So in answer directly to his question in regards to the closure of the post office, I'm unaware of the post office closure in regards to particulars of it, but I'm certainly aware that here is some closures and has been some closures over the last few years of different post offices all over the province. And I'm sure that the people in the area are concerned.

But at the same time, we deal with the rural municipalities

at that level. We talk to them; we discuss with them their concerns. And in fact I just met with some of the SARM (Saskatchewan Association of Rural Municipalities) executive last night and there were other issues other than that that we talked about. It wasn't brought up to me that time, but I could go back to them and go back to the people of the area and see what they feel about it. And at the same time, Mr. Speaker, I'd be prepared to bring it back to the House at a later date.

**Mr. Koskie:** — Just in case the minister didn't hear the question—he obviously didn't address the question—I ask you, Mr. Minister, specifically: can you tell us what assistance that you have been giving to the rural communities who are indeed fighting to save their post office? Have you made any representation to Ottawa? Are you providing any financial assistance in order that they in fact can mount a campaign to oppose the closing of these post offices?

In your own admission you indicate that there are a number of them closing. I ask you: what is the assistance?

**Mr. Speaker:** — Order.

**Hon. Mr. Hardy:** — Mr. Speaker, I said a few moments ago, and I'll say it again, that we have, as you know, a few weeks ago or a few months or so—a couple of months ago, I believe it was—wrote a letter to the Postmaster General in regards to the closure of the post office he's referring to. There has been post offices that were proposed to be closed that we have asked the minister responsible to in fact take another look at it. They have done it, and some of the post offices are now in operation.

There will be, as you know . . . In rural Saskatchewan—I know the member comes from rural Saskatchewan or represents a rural Saskatchewan seat—but in rural Saskatchewan a lot of things are going on out there, Mr. Speaker. The usage of the post office, the roads, the highways, everything has changed in the last 10 or 15 years. The designation, the receiving of our goods, have all changed.

And sometimes, Mr. Speaker, sometimes even post offices have to change because the people of the area in fact do not maybe use it as much as they used to. In fact they use other areas more. As you know, the Wheat Pool has closed many elevators and probably some more will close, just to give you an idea of how the area and how rural Saskatchewan has changed over the last 10 or 15 years.

And I think if the member opposite just sat down and realized that there's many, many opportunities out there to build on rural Saskatchewan, and if a post office needs to be saved to build on it, then I'm prepared to go to bat for it.

**Mr. Koskie:** — Supplemental, Mr. Speaker. Mr. Minister, you indicated in the last couple of words of your comments that you're prepared to go to bat. Would you outlined to this House the details of how you are prepared to go to bat on behalf of rural closures of post offices in rural communities?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hardy:** — Mr. Speaker, you know that post offices, whether rural Saskatchewan or urban Saskatchewan, are a federal responsibility, first of all.

Second, we would certainly . . . I have no . . . We have already sent a letter to the Postmaster General in regards to the post office in question. And I am prepared, I am prepared to do a little more than just go to bat; I'm prepared to go the SARM executive and to the rural municipalities and to the urban municipalities and talk with them and see if there's any way in which we or the Department of Rural Development can assist them, can assist them in retaining their post office or an alternative if that's what they wish.

**Mr. Koskie:** — Final supplemental. Mr. Minister, are you aware that in other jurisdictions and other provinces, for instance in Newfoundland, that the Premier of Newfoundland sent a telex to the Prime Minister indicating to him and urging him not to close rural post offices in Newfoundland? I'm asking you: are you, and will you entice your Premier to take similar actions and concrete actions, concrete actions, to support the rural post office in rural Saskatchewan?

**Some Hon. Members:** Hear, hear!

**Hon. Mr. Hardy:** — Well, Mr. Speaker, in answer to the hon. member's question, over two weeks ago our Premier did send a telex to the Postmaster General asking him to reconsider the closure of the post office. So in fact, Mr. Speaker, we have done even better than what he asked; we've already done it.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — A final supplemental. In view of the fact the Premier has in fact sent a telegram, would you be prepared to table that so that we have indeed . . . and all your correspondence in respect to this particular problem, in order that the people of Saskatchewan can see whether or not there is a real attempt being made to support the rural post office? Will you table it?

**Hon. Mr. Hardy:** — Mr. Speaker, we don't have to table . . . We can't table in question period anyway. And second, we don't necessarily have to table it because we've already done it. It's been two weeks ago; it's been sent. And then if the member wants to . . .

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

**Hon. Mr. Hardy:** — Mr. Speaker, I guess they don't want to hear the answer.

The thing is, the telex has already been sent — over two weeks ago. What he has asked has already been done. And, Mr. Speaker, the people in the area will know when, if in fact it happens, that the closure, it doesn't come about that . . . And they do know, Mr. Speaker, that the telex has been sent, I'm sure. And they realize that we're working on their behalf for the people of rural Saskatchewan.

## Proposed Closure of Saskatoon Sanatorium

**Mr. Romanow:** — Thank you, Mr. Speaker. My question, I think is to the Minister of Health, although perhaps the Minister of Government Services might also be an appropriate minister — but, I believe, the Minister of Health because he has been the former Minister of Government Services. And it has to do with the Saskatoon Sanatorium in my constituency and the government's announced plans to close, early in the new year, the sanatorium and, as I understand it, to vacate the residents thereof.

And my question, very simply put, to the minister is: is there any way at all, is there some way at all, that the or the government can assure the House that there is a possibility of keeping open the sanatorium by way of renovation or by way of other physical improvement to it so that the residents don't have to be moved, especially in light of a very lengthy waiting list, and especially in the light of concerned action by citizens' groups and others?

**Hon. Mr. McLeod:** — Well, Mr. Speaker, as the member will know, the reason that the sanatorium has even been under discussion in recent months is because of the new 238-bed bed, level 4 home which is being built in Saskatoon, on the west side of Saskatoon. That home was very . . . was waited for by the residents of Saskatoon for a good long time, and I know the member realizes that.

As it relates to the sanatorium and its future, the consultation is still going on. So I can say to the hon. member that there is no decision and there has been no announced plan for the future of the sanatorium — at least a definitive one. Consultation is still going on, and the future use and the future way in which the sanatorium building and property can be used is still under review.

**Mr. Romanow:** — Mr. Speaker, a supplementary. I acknowledge the new 238-bed facility. I think the hon. minister would agree with me that the facility, however, still does not meet the demand. I don't say that in any partisan sense.

When you give me the answer that the Saskatoon Sanatorium is still under consultation, my question specifically to you in this regard is as follows: when you say consultation, does that consultation embrace the possibility of keeping the current residents in the current sanatorium in their current place, notwithstanding what appears to be the announcement of vacating them early in the new year?

**Hon. Mr. McLeod:** — Well I think the one of the things . . . and I'm just going a bit by memory here since my days in Supply and Services, and it has been some time since I was involved in the Department of Supply and Services. One of the concerns that was expressed and it has been expressed for some time, was the construction of the sanatorium and the major renovations which would be needed in there, and the major cost factor of the renovations that would be needed in there in order to bring it to a standard that would be acceptable for residents to remain there for a prolonged period of time. And that's obviously been a concern of the government. I believe it was a concern prior to us taking office if I

remember correctly.

So what I would say to the member – the consultation that is going on will be under the auspices of the present Minister of Supply and Services, and I know that that is going on. And that's about all I can say about it at this stage, Mr. Speaker, without some further research.

**Mr. Romanow:** — Well, Mr. Speaker, perhaps a new question to the appropriate minister. I want to clarify if I can, Mr. Minister, what consultation means. I realize that one aspect of it is consultation as to what to do with the site and the current building. Let's leave that aside. I want to know whether or not consultation embraces the prospect of keeping the current residents located where they are in the sanatorium and keeping the present sanatorium open in the light of the obvious need for more nursing home beds in Saskatoon. Can I direct that question to you, sir?

**Hon. Mr. Taylor:** — Actually you've directed the question to the wrong minister. I will answer. The consultation from my perspective now as the Minister of Supply and Services is that there is some concern in that neighbourhood as to what might be a future use of that property. I've given a commitment to the people of Saskatoon that if there is to be a different use, if the San is not to house people . . . and that question as to whether it's going to house elderly people is best addressed to my other colleague. But if that is not the case, the consultation with the people in that neighbourhood will take place as to any future use of that property. That's what I mean by consultation with the people in the area.

**Mr. Romanow:** — Mr. Speaker, then I come back to a new question to the Minister of health because while I'm concerned, and the people in my constituency, and in Saskatoon I might add, are concerned about the future use of the property, my more immediate concern is about the residents on the current San site. Now you, sir, are the Minister of Health, and I want to ask you now: will you assure the House that the residents of the sanatorium, as currently housed, will remain there for the duration and that in consultation nothing will be done except but with the consultation of their families, the concerned senior citizens groups, and the various community organizations from that region who want to have that sanatorium left open. Will you give us that assurance please?

**Hon. Mr. McLeod:** — Well, Mr. Speaker, what I will say, and as I said in my earlier answer, one of the concerns, and it's been a long-standing concern, not just a concern that's come up in a recent number of months, while the construction of the new 238-bed home is being built – construction which was initiated by us after taking power, I might add – construction which was supposedly contemplated for some time by them . . .

This is not a new question, Mr. Speaker. The question of whether or not the present sanatorium facility can house the seniors who are now there, and house elderly people for a long period of time, is one based on the facility itself – on the suitability of the facility for that type of use over a long period of time. It's not a new question.

There is a serious concern among many about the safety of the location without major renovations, and the cost of those renovations are something that have to be taken into consideration. So, Mr. Speaker, I cannot say, as the member has asked today, that I would give an absolute assurance to the member and to the people of Saskatoon that the sanatorium will be used for its present purpose into the foreseeable future – I can't say that – but I will not as well, Mr. Speaker, I will not say that it won't be used for that purpose.

**Mr. Romanow:** — Mr. Speaker, one final supplementary to the Minister of Health. I am going to interpret that as at least some positive hope that the current sanatorium will be left open. My question is as follows, just in the eventuality that that interpretation is incorrect . . .

My supplementary to you sir is as follows. Undoubtedly, you are aware that a lot of the residents, many of the residents, are either senior or seriously incapacitated or debilitated by illness or disease, such as Alzheimer's disease. A number of the residents have that very debilitating disease. I'm advised, sir, by people who know something about it in the area, that movements of these kinds of patients in the middle of winter, where familiarity of circumstances is so important, is a highly dangerous exercise which could, without exaggerating it, threaten their lives.

Will the minister at least give us a definitive yes or not to this question? Will you at least, for those residents who are located there, undertake to make sure that there is no movement out of the San until at least spring or summer of 1987, in the course of the consultation that you're prepared to undertake.

**Hon. Mr. McLeod:** — Mr. Speaker, what I would say to the member is the following. I won't necessarily take his interpretation in order to raise undue expectations of people who live there or who have family members living there. I won't take that interpretation necessarily. I will say to the member that professional people in the care of the elderly, and so on, in the Department of Health or within the province and who have contact with the Department of Health on an ongoing basis, will certainly be consulted on any of this type of activity, whether it be at that facility or at any other facility. When the care and the safety of the people involved is at stake, certainly that sort of professional opinion will be taken into consideration. And we would just leave it at that, Mr. Speaker.

#### Senior Management of Saskatchewan Forest Products Corporation

**Hon. Mr. McLeod:** — Mr. Speaker, if I might, while I'm on my feet, given an answer to a question which was raised, I believe, by the member from Prince Albert-Duck Lake just the other day and I took notice of that question. The question was: what is the status of Ernie Lawrence and why is he still receiving salary today?

The answer to that question, Mr. Speaker, is: Ernie Lawrence is no longer an employee of Saskatchewan Forest Products Corporation. His last day at work was August 26, 1986. A severance package based on his age

and marketability for future employment at management level was arranged after consultation with Crown Management Board, who does this sort of thing throughout the Crowns, and the pay-out has been arranged to extend over several months.

Another question was raised, Mr. Speaker, related to the payment to ship personal goods from Terrace, British Columbia, his former residence prior to becoming an employee of Sask Forest Products, to his present residence at Canwood, Saskatchewan.

The answer, Mr. Speaker: Mr. Lawrence had entered into an agreement with the general manager to ship the said equipment at a flat rate of \$3,500. The payment was to be made in lieu of his accumulated vacation time and overtime. The shipment was made in early September of 1986.

Another question, Mr. Speaker, on that same topic: the purchase of parkas or the question relating to the purchase of parkas. The Woodlands manager initiated the purchase of excellent parkas. An account has been opened to accommodate these employee purchases through the company, and that goes throughout the company. Each employee, including the general manager, must reimburse the corporation for any and all purchases.

And the last question on this topic, Mr. Speaker: the purchase of seat covers. Seat covers were purchased by the Woodlands superintendent for installation on a new vehicle purchased by and owned by the corporation — total cost, \$56.65, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Lautermilch:** — Mr. Speaker, I would ask the minister, if Mr. Lawrence was no longer employed as of August, why was the cheque dated November?

**Hon. Mr. McLeod:** — I explained, I believe, Mr. Speaker, that the payment was arranged to be paid . . . the severance payment was made to be paid out over a period of several months.

Mr. Speaker, I might point out, just for the information of all members of the House and for the member from Prince Albert-Duck Lake, it's come to my attention, and all of our attention here during the first question period, that the member had several documents which he waved and said, I have these documents and so on, which, because of the rules, he couldn't table in question period.

It's come to my attention that the secretary in the constituency office of the member from Prince Albert worked, immediately before moving to that constituency office position, worked for Sask Forest Products.

I don't know anything about the legality of taking documents with one. I don't know the legality. I've never been a lawyer, nor do I pretend to be one, but I do know something about ethics and something about common sense. And I would suggest, Mr. Speaker, that those documents going from Sask Forest Products with the person to her new job is not really ethical.

## STATEMENT BY MR. SPEAKER

### Ruling on a Point of Order

**Mr. Speaker:** — Before orders of the day, members will recall that yesterday before orders of the day the member for Saskatoon Riversdale raised a point of order, at which time I informed the Assembly that I would defer my ruling until a later date. I would like now to present to the Assembly my ruling regarding that point of order.

The member for Saskatoon Riversdale raised the point of order stating that the recommendation in the report of the special committee appointed to prepare lists of members to compose standing committees, which deals with the matter of quorum, is out of order on the grounds that it is beyond the order of reference of the committee to deal with such matters.

I refer all members to page 12 of the *Votes and Proceedings* of December 3, 1986, which contains the order of reference for the committee. The committee was empowered to consider the size and composition of standing committees. No specific reference was made to refer the matter of quorum of the committee.

Until 1981 there was no rule in our *Rules and Procedures* respecting quorum in standing committees. It was a long-standing practice of the committee to recommend the quorum of the committee in its report. However, in 1981 rule 90(1) was adopted, which provided for a quorum of one-third in standing committees unless otherwise ordered by the Assembly.

It is my opinion that because rule 90(1) now provides automatically for the size of quorum in committees, the Assembly would have to specifically refer the matter of quorum to the nominating committees in order for that committee to consider and report thereon.

I therefore find the point of order well taken and rule that the portion of the report dealing with the matter of quorum is out of order. The remainder of the report dealing with the size and composition of the committee stands. As a result of this ruling, the amendment dealing with the matter of quorum is also out of order.

However I wish to raise one further point on this issue. In my opinion, the point of order was raised at a very late stage, after considerable debate in this House. I refer members to paragraph 237 of *Beauchesne's Parliamentary Rules and Forms*. Paragraph 237:

A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

In view of the fact that the point of order was raised before the vote, I rule that the point was not out of place. I do caution members, however, that points of order in the future must be raised promptly at the time that the rules of this House were breached. When taken up, the debate will continue on the main motion.

## POINT OF ORDER

**Hon. Mr. Blakeney:** — Mr. Speaker, I rise on a point of order. And having regard to your recent ruling that points of order should be raised in a timely way, I want to raise a point of order with respect to the last reply given by the member from Meadow Lake.

And I want particularly to address this because the member for Prince Albert-Duck Lake had asked a narrow question of: why was the cheque sent in November? The member for Meadow Lake answered it and then went on to say: it has come to my attention that some papers here, some papers there, somebody worked here, somebody moved his job — allegations.

My point of order is this: that is clearly not in response to the question, did not even claim to be in response to the question, but was clearly debate, and clearly out of order. And I would ask you to rule on that for the guidance of the member who apparently needs frequent guidance in this regard.

**Some Hon. Members:** Hear, hear!

**Mr. Speaker:** — I believe, in response to the Leader of the Opposition's point of order, I would once more like some time to check the record and then come back with a ruling.

## ORDERS OF THE DAY

### MOTIONS FOR RETURNS (Not Debatable)

**Hon. Mr. McLeod:** — Mr. Speaker, I would move that Motions for Returns (Not Debatable), items 1 through 86, be converted to Motions for Returns (Debatable).

**Mr. Speaker:** — Debatable.

## GOVERNMENT ORDERS

### SECOND READINGS

#### Bill No. 1 — An Act to amend The Farm Land Security Act

**Hon. Mr. Devine:** — The Bill before us today, The Farm Land Security Act, is a Bill, Mr. Speaker, that was originally passed in this House in December of 1984. The purpose of it coming before us today is to have the legislation extended until December 31, 1987.

There's a clause contained therein which will allow the Lieutenant Governor in council to extend the time, by order, to December 31, 1988, and subsequently to December 31, 1989, should a need continue for the protection of farmers accorded by the Act.

I want to make a few comments with respect to the Act, Mr. Speaker. All sides of this House will know that history records the humanitarian worth of people by how they assist their neighbours in time of trouble. Indeed, Saskatchewan was settled by pioneers who, we all know, assisted one another in times of adversity or prosperity. I submit that the pioneering spirit of helping one another

has carried over from our forefathers and exists today in the souls of Saskatchewan people, and certainly in the members of this legislature and this government in particular. Governments are measured by the same yardstick.

I'm proud to say that this government can stand tall in its efforts to assist farmers during adversity. In the face of drought, grasshoppers, flood, interest rates — high interest rates I might add — high debt, increasing input costs and declining world prices, the farmers of Saskatchewan have been put through and experienced one of the most difficult times in the history of agriculture in North America.

History will show that this government extended the helping hand to our neighbours, that we acted to deliver programs to assist agriculture that were both short-term or immediate solutions, and others were of a very long-term nature, and I speak obviously of the national agricultural strategy.

The Farm Land Security Act was designed to restrict foreclosure actions against farm land and to provide an independent third party review of a farmer's financial affairs by a producer-represented Farm Land Security Board; provide a proper background so that all sides of this House, I trust, unanimously will support the continuation of the impact of this legislation. We'll deal first with the history of the Act, and second, with its working effectiveness today and its need for its continuation.

The government introduced The Farm Land Security Act in December, 1984, as what we perceived was a short-term measure, Mr. Speaker. Due to the pressures on farmers through high interest rates and falling land prices, coupled with grasshoppers and drought, we became concerned with the increased farm foreclosures and repossessions.

The Hon. Lorne Hepworth, the minister of Agriculture at that time, reported to the House on December 11, 1984 that between April the 10th and November the 30th, 1984 there were 271 farm foreclosure actions commenced on 1,000 and 1,000 had started in the previous three and a half year period. The government felt that a farmer required an independent review prior to losing his land to foreclosure.

The Act compels the lender or mortgagee of farm land to give 120 days notice in writing to the Farm Land Security Board of their intent to apply to the court to commence foreclosure proceedings. Upon such notice the board does the following: first, investigates the financial affairs of the farmer; second, attempts to mediate between the farmer and the mortgagee. Many cases are mediated at this point and an arrangement for restructuring the debt occurs at that time. Third, in the even the mediation is not successful and the mortgagee wishes to carry on to court, the board is required to prepare a written report for the court including all relevant matters and its view as to whether the farmer (a) has a reasonable possibility of meeting his obligation under the mortgage; and (b) is making a sincere and reasonable effort to do so. The court is obliged to give primary consideration to the report, Mr.

Speaker, and that's an important point.

In practice, if the report favours the farmer, the creditor often chooses not to proceed to court. Further negotiations may occur, but if the board's report is not supportive of the farmer on these points, the case normally moves to the court for the decision by a judge.

The Act was designed to deal with land only for two basic reasons, Mr. Speaker. First, provinces under our constitution have jurisdiction over land. Other farm assets, such as machinery, livestock, vehicles, etc., and the right of lenders to take these items as security, fall under both federal and provincial jurisdiction. Our government chose to deal with the situation in an area where it has primary jurisdiction on the land.

Secondly, while there was some urging from the opposition to deal with all farm assets declaring a similar moratorium on all farm debts, the government chose to deal with land only. If the moratorium was placed on all farm debts, the fuel dealer, the machinery dealer, and other small businesses could experience significant hardship in cases where they could not collect on their billings. Small business supplying farmers would have cash flow problems.

Our thinking, therefore, was that with a moratorium on land foreclosure and a probable restructuring of the land debt, the Act would provide an opportunity and dollars to restructure or satisfy the farmer's other obligations.

I think we should take a moment, Mr. Speaker, and visualize and conceptualize the mental anguish, the worry, the anxiety imposed on a farm family faced with foreclosure. Through perhaps little or no fault of their own, a farmer is threatened with the loss of his land, his entire life's work, his occupation, indeed his hopes and his dreams, and in many cases land or property that may have been in the family for generations. That farmer sees that foreclosure proceeding as a loss of virtually everything they've had in their life.

Despite all I've reported, Mr. Speaker, the opposition farm critic of the day stated in *Hansard* in part, and I quote:

We made it clear before Bill No. 1 was ever drafted by the government that it's not going to work.

Well I have no particular quarrel with that, Mr. Speaker. It's of course the job of the opposition to offer an opposing view to the government's. But I trust, as I move to my second point, the Act's working effectiveness today and the need for its continuation, members opposite will appreciate that the opposition's view at the time was not accurate, that it indeed is working, and it is a good piece of legislation.

It's working, Mr. Speaker, and I want to point out why. Between January 1, 1985 and November 30, 1986 the board has received 840 notices of foreclosures involving 713 farmers. These are more notices because some farmers may have two or more mortgages. Of the total received, 497 cases are completed, with the balance

being the current case-load. Of the 497 cases completed, 218 farmers have had their problem successfully mediated. Court reports on the balance of 279 cases were prepared by the board in keeping with the Act. Of the 279 cases where court reports were prepared, 52 farmers requested no further representation; 55 reports went forward favouring the farmer; 132 reports favoured the mortgagee; 40 reports were neutral due to mitigating circumstances.

Well, if we examine the success carefully, we see the following. From the depths of despair for the farmer, where the mortgagee has taken a stern, legalistic approach with the farmer, the Farm Land Security Board is seen as an impartial body who will examine the farmer's financial affairs and his future prospects and make the findings known to the court. In these difficult situations the board has been successful in 273 of the cases — 218 successfully mediated in 55 court reports favouring the farmer, or 55 per cent of the cases, Mr. Speaker. In over one-half of these cases the board has been successful in saving the farmer's land. One wishes all could be saved, but rational men and women on both sides of this House recognize this is not always possible.

Others perceive the Act to be successful legislation for many reasons. The federal government has established the federal Farm Debt Review Board this past summer. Farmers in financial difficulty that may lose assets other than land, such as machinery, livestock, produce, etc., may now apply for a financial review. The federal board does not provide the degree of protection of the farmer's land which the Farm Land Security Board does, because no reports are provided to the court by the federal board. The provincial board must, therefore, be maintained.

The federal and provincial governments are working very closely, Mr. Speaker, and together on this difficult situation. And indeed the two boards are complementary in terms of the protection they provide farmers from one end of the province to the other. I do not propose to explain the federal program in any great detail, but wish to give the House the idea of how well they are working together.

In Saskatchewan both the federal board and the provincial board use the same field men and panel members. The board members are also common to both boards. A farmer in difficulty feels far more secure working closely with two or three people on his financial problems than he would if he were dealing with a whole conglomerate of different people.

Shortly, both the federal and provincial boards will be located in one building to facilitate good communications and speedy services of these matters to the public.

(1445)

Finally, just let me say this, Mr. Speaker, I stated early in my remarks that this Act was put in place as short-term assistance to farmers. Falling world prices, high interest rates, high debt loads, declining farm asset values, and resultant continuing financial problems for many Saskatchewan farmers makes it imperative and necessary

that the continuation of this legislation be addressed. We must keep our helping hand out there for a longer period of time. I urge all members of this House to support the legislation before you to extend The Farm Land Security Act for two reasons: firstly, Mr. Speaker, it's vitally needed; and secondly, it's working.

I move second reading of an Act to amend The Farm Land Security Act.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Thank you, Mr. Speaker. I welcome this opportunity to rise and speak to this Bill, this amendment to the government's original Farm Land Security Act of 1984. This Bill before the House, of course, is quite simple and straightforward and essentially extends the revision of the Act for a further period. That in itself, Mr. Speaker, is hardly worth a comment. It simply shows that the original Bill made unduly optimistic assumptions about the severity and the duration of the financial crisis facing Saskatchewan family farms.

It is constructive to remember that the present Act now being amended is not the first legislative attempt in Saskatchewan to deal with the financial security of family farms. There have been others before. As far back as 1933 the Conservative Anderson government passed The Debt Adjustment Act to deal with the crisis during the depression. That's right — a debt adjustment, far more than is allowed for in the present Act. And in 1971, Mr. Speaker, the New Democratic government passed The Family Farm Protection Act which provided a moratorium on payments as well as a moratorium on foreclosures.

So this present Act here being amended does not go very far. It hasn't stopped the hardships. I suggest not. The member opposite gave us his interpretation of the numbers; in a minute I'll give you the facts. And in view of the very severe financial crisis facing Saskatchewan family farms, this Bill represents, essentially, a stop-gap measure, an *ad hoc* solution to what is a crisis situation right across the province of Saskatchewan.

In 1985 Saskatchewan farm income hit its lowest point in 13 years and now family farms are feeling the pinch. Now some 17 per cent of our farmers are estimated to be in moderate financial difficulty, and 10 per cent are classed as being non-viable. This year's disastrous low grain prices, and now the latest news about durum wheat, means even more pressure on family farms.

Some indication of these pressures, Mr. Speaker . . . I will refer to the economic review of 1985. The number of farms in the area of 400 to 559 acres, in 1971 there was 11,780; in 1981 there was 7,718; four-thousand-some farms, an average of 400 per year, Mr. Speaker, that we're losing. This is being accelerated in the last couple of years despite the fact that we have legislation to stop foreclosures.

Net income, Mr. Speaker: 1981, total net income of \$1.5 billion; in 1984, \$274 billion. This is the kind of pressure that's being exerted on family farms, putting the number of farms smaller, the number of families on farms moving

elsewhere to find employment. Operating expenses, Mr. Speaker: total operating expenses 1974, \$726.6 million, and in 1984, \$2.6 billion — over \$2.6 billion.

Figures like this, Mr. Speaker, along with the fact that outstanding farm debt in 1972 was in the range of under a billion dollars, and in 1983 was four and a half billion dollars. All these pressures are being exerted. And simply having the farm land — security on farm land alone — does not alleviate the fact that people are being pushed off the land.

Mr. Speaker, another fact is that the major chartered banks seem to be doing all right. It is not the banks that are in trouble. They seem to manage to have significant surpluses every year. And they have also encouraged, in the past, farmers to extend themselves, and now ask for complete . . . They ask for complete charges be paid back. I say that there is some responsibility incumbent on these banks. They are now in a position to foreclose on rural Saskatchewan. And yet this government, this Conservative government, seems willing or unable to even acknowledge the urgent need for debt adjustment or debt restructuring for many Saskatchewan farmers.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Without that, without the security, there is a great danger that Saskatchewan will lose not only a generation of able young farmers, but will lose thousands of family farm units. And then what happens to the face of rural Saskatchewan? I will get into this in detail a little later on, Mr. Speaker.

Members opposite may like to pretend that the existing Act is really effectively protecting farmers from foreclosure. This simply is not true. First, it does not effectively protect against seizure of machinery or livestock. And second, the machinery under the existing legislation appears to be heavily biased in favour of the banks and against the farmers.

For example — and I will repeat the example the member opposite used — of the 279 cases reported by the courts, reported to the courts by the Farm land Security Board, 55 cases were in favour of the farmer; 132 cases favoured the creditor. Now, Mr. Speaker, that is more than a 2:1 bias in favour of the banks. I do not believe that this Act is effectively representing the needs of the hard-pressed family farms of Saskatchewan.

The board's function, Mr. Speaker, is to assess the individual operations and report whether this farm is a non-viable farm, whether it is a viable farm.

Let me set up to you one case. Let's say, for example, if a farmer is in a bad financial way and he has livestock and machinery — one or the other — and a lending institution that has no restrictions on whether they can or cannot foreclose comes in and forecloses, takes away the machinery, takes away the livestock. Then the board comes along and has to assess whether this is a viable or non-viable operation.

Well I suggest to you that, without machinery as an asset and without livestock as an asset, this board has no other



choice than to say that this is a non-viable operation. And that, I think, is set out clearly in the numbers, where 2:1 of the cases favoured the creditors.

What we need, Mr. Speaker, is a farm asset security. Farm size is changing, and the control of farm land is changing. If this happens, we have great stress put on our small towns. In fact, in many cases they'll be finished. And the population numbers in our small towns are proving this, in the fact that they're going down steadily.

Greater distances between towns produces greater hardships for those left on the farm. It sets up a situation, Mr. Speaker, where we are now seeing a move towards venture capital in agriculture. We are moving from stalling the foreclosures in some cases to a point where the farmer is to his wit's end on knowing what to do. And so what do we do? We create a climate where he can sell his land off to someone else.

**An Hon. Member:** — Speculators.

**Mr. Upshall:** — Speculators, to make gain on that land if there is any.

This scenario, Mr. Speaker, I tell you, is not what this province needs. We are moving the families and other people into other areas. We are moving them off the land on a slow, slow pace, moving towards agri-business in the area of farming — not the area we want to go.

Mr. Speaker, we have deficiency payments recently announced, we have stabilization, we have crop insurance, we have lowered interest rates, tax credits, but when the conditions are right for other people to get involved in agricultural industry, as conditions are now right, the government is not there to back up the farmers of this province by saying: no, you cannot touch them right now.

Mr. Speaker, we cannot let a downturn in the economy dictate the structure of the family farm, the agricultural landscape in this province. A simple downturn in the economy which will last for a number of years should not be allowed to restructure the face of this province. It will not be allowed to restructure it to the detriment of family farms, not allowed to restructure it to the gain of multinational agri-business.

Government opposite did not let a downturn in the oil industry restructure . . . a downturn in oil restructure the oil industry. The same applies to agriculture.

We are also, Mr. Speaker, being confronted with a free trade implication. Talks are going quickly. They're being pushed by some Americans and some Canadians for a quick, free trade agreement. And if I am right, this free trade agreement will virtually bankrupt hundreds of farmers in Saskatchewan. It will affect the people under the marketing boards — poultry, eggs, beef, hogs. It will create an unstable atmosphere.

Mr. Speaker, we need time for these people, if this free trade agreement goes through, to reassess their operations and restructure their operations, and simply giving security on the land will not allow these people to

restructure their business in such a manner that they can effectively compete and keep going, if that's possible, with a free trade agreement. Mr. Speaker, we need the security of assets — all farm assets.

Another indication of this government's failure is the deficiency payment and the need of \$4 billion. What do we get? — \$450 million. This is only marginal, and what it does, it creates an atmosphere where we get this slow drifting away, a slow drifting away from viability; or, I like to term it, slow starvation of the farmers of this province. This slow movement away from a viable operation, Mr. Speaker, needs more than security of farm land.

Again I repeat, we need security of farm assets. Farmers need time to sustain their operations and solidify their long-term agricultural programs, as we solidify the long-term agricultural programs of the past and develop long-term programs for the future; programs that will offset the current trend to world markets.

(1500)

The member opposite refers to the long-term plan. I say we need long-term plans. But before we get there, Mr. Speaker, we must be sure that those farmers on that land have the security of a government behind them saying that we will not allow you to go bankrupt; we will not allow you to have your livelihood plucked out a bit at a time right before your eyes. I say plucked out before your eyes, Mr. Speaker, and that's exactly what's happening. And this in turn is creating undue stress on the family farms of this province. Families on the farm are being reduced, and this in turn reduces the number of families in towns. This in turn produces greater stress on the school system because we all know the numbers game the school system is in. It puts greater stress on the income of the people to be involved in community activities. It's a slow trend, a trend that is reshaping the face of this province, a trend that I do not like. Farmers have to look for off-farm employment. If their machinery is seized, or their cattle, and they have to keep their land, what do they do? They are encouraged to, and they have to go out and find a job somewhere else — husband and wife, kids, sometimes up to four or more people.

What does this do? It sets up an atmosphere where that farm family is competing with his friends and relatives in the cities. This rural-urban competition, Mr. Speaker, creates friction, because rural people say, we need the jobs. You know, we have to get out there and compete. We have to get out there and save our land because the government is not . . . although we can keep our land, we can't keep our machinery. Urban people say, you farmers are getting all the breaks anyway, and then you want to come and take my job too.

Mr. Speaker, because of the uncompleteness of this program we are getting a situation where again we have a division in this province, dividing the people, which is very, very unfair.

Mr. Speaker, we have pressure now on the Canadian Wheat Board. We have eliminated the stability of a low freight rate. We are threatened with a variable freight rate which again is a method to restructure the face of this

province. We have the onslaught of agri-business. This all lines up with the depopulation of rural Saskatchewan, in my estimation. And rural depopulation, to me, is totally unacceptable.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — Mr. Speaker, this brings me back to my point that we need a farm asset security to ward off all the threats to the restructuring, to the reorganizing of the face of rural Saskatchewan — effects not only in the rural areas but also in the urban areas.

What will be the cost to the government with already 10 per cent of the people looking for work? What will be the cost to accommodate, due to the lack of security, a further influx into the urban setting? Will this government follow the example of their federal counterparts and pay farmers to retrain and relocate? We must remember that as the actual farm numbers go down so does the number of people and business in small towns, as I have said.

Again, what will they do? Will they be paid to relocate? And what is the cost? What is the monetary cost, what are the social costs. Of a program that is a step in the right direction but only half a step? The costs of farm security are much greater, Mr. Speaker, than the costs of security of assets to maintain a viable operation. All the government programs are supposedly to help farmers, but when push comes to shove, this government does not go to the wall as it said it would to defend rural Saskatchewan.

Programs like — and I have a bunch of them here: ag development fund (ARDA); financial assistance for livestock and irrigation; prairie drought assistance program; farm purchase program; guide-lines for farm employment standards — sounds like an ad — feeder association loan guarantee; production loan; SHARP; investment livestock; irrigation programs; beef marketing — all these programs, Mr. Speaker. In the short term — and the members opposite, I'm sure they know the problems — programs that are of absolutely no good unless we assure that that farmer is going to be on the land, and without, Mr. Speaker, the assurance of farm land security, livestock security, machinery security and, in general, total asset security, these programs, although many of them are short-term, *ad hoc* programs, are insignificant.

And this leads me to believe, Mr. Speaker, that the motives from this barrage of short-term, *ad hoc* programs are purely political. Yes, I repeat. You have a bunch of *ad hoc*, short-term programs; you do not back them up with the security that the farmers need, not only with land but their other assets, and I would conclude that they're purely politically motivated.

This government appears to be afraid to step up to the banks while letting farmers slip into foreclosure and elimination. The banks contributed a substantial amount of money to the Conservative election fund, and I wonder if this has any bearing on the fact that the government refuses to go to the wall for farmers. Over the past years the federal government has altered the Bank Act at the request of the banks, in consultation with the banks, and

to the benefit of the banks. The banks have maintained their profit while family farms have had an increasing number of foreclosures. Now, Mr. Speaker, the problem that I see with this Bill is, although outlined a few minutes ago that there's no problem with this, this is essential and goes far enough — I disagree. For the reasons that I've mentioned, I will be opposing this Bill at this stage. I find the existing legislation inadequate to the problems facing us. The legislation is inadequate. I made a mistake. I'm not opposed to the Bill, but I'm opposed to the fact that it does not go far enough.

I am a farmer and I know the problems. As I said, I'm sure many of my friends across the way do, too. Then I ask, why do we not go the full distance? What's the reason? And, Mr. Speaker, I stand on this side of the House because I have the answers to many of the problems that I feel will create an atmosphere. And the answer is this: long-term solutions.

**Some Hon. Members:** Hear, hear!

**Mr. Upshall:** — With that, Mr. Speaker, I will . . . I have some suggestions to make at the committee stage. And as I said, I find the legislation inadequate to the problems facing us.

**Mr. Koskie:** — Thank you, Mr. Speaker. I want to make a number of comments in respect to the Bill and to concur with many of the remarks that have been made by my colleague from Humboldt, the agricultural critic.

The Premier in his remarks indicated that in December '84 the Bill was introduced. That was a short-term solution. Now what he is doing is extending the Bill into '87, to the end of 1987; also to extend it into '88 and '89 by order in council. I think what it clearly indicates here is the nature of the problem that exists in agriculture and the inability of these members opposite to address agriculture in a meaningful way.

I want to say to you, Mr. Speaker, that here are other indications going on in respect to agricultural land which demonstrates the crisis that exist. Recently it was reported that in 1986 agricultural net farm income was down 9 per cent from the previous year. This year it's indicating that the net farm income will have been decreased another 27 per cent.

And what we have here, as my colleague indicated, is half a Bill. It addresses the question of the foreclosure on the land, but it does not in fact address the question of seizure of other assets of the farmer — the machinery, the grain, the bank account, and the list goes on. And how can it possibly . . . How, possibly, can a farmer continue to farm if the bank is given the right to go in and seize his equipment?

I want to say that in 1971 we introduced legislation to protect farmers, and in that we put a moratorium on the payment of debt, and we also prevented the foreclosure of land, and also as it related to the machinery and other chattels which are absolutely necessary for the farming operation.

As I was saying, there is a tremendous crisis in agriculture,

and I don't think that the Premier addressed or indicated in any significant way how his government is going to approach the difficult times in agriculture. The Wheat Pool has indicated, as I've used before, there's about 10 per cent of the farmers are in very severe financial crisis. There are 9 per cent which are non-viable going under; in other words, actions have been commenced against them and their net income is decreasing.

What we see in rural Saskatchewan today is not government addressing the major crisis. But what we find is new ventures, new means of taking over land which farmers are losing. And what they have devised here now is a venture capital set-up to buy out land from farmers and to take land from farmers who are in very difficult financial straits.

I have an article here where the Wheat Pool in fact opposes the use of venture capital as a way to save farms. And it indicates in this article – I just want to read one point of it – is that a \$300,000 investment saves \$90,000 for the investor, while the farmer gives up 49 per cent of his operation. Independent farmers are reduced to share-croppers. That is one of the proposals that is being promoted in Saskatchewan by the present government. But more than that, what is in the horizon to indicate how we are not in fact meeting the crisis in agriculture which the Premier addressed.

(1515)

I have also the proposal that is being put forward by the Credit Union Central, and this is equity for agricultural production. And what they're proposing here is to set up a private-structured company, and as the farmers are going bankrupt, rather than the bank having to move in or the credit union to foreclose, they're going to have a private company selling shares on the stock exchange. And this company, this private company, will be purchasing the land from the farmers with the potential of leasing it back.

I want to say that the purpose of this, this structure, which is being, I understand, assisted and financed by the provincial government, indicates what's happening in rural Saskatchewan – that farmers are losing their land. Venture capital arrangements are being used; and secondly, they're setting up a private company, selling shares, to take over the land.

And the purpose of this, I just want to read to you, the purpose:

Foreclosed land held by a credit union would be placed into a holding company at market value, with some cash pay-out with the remainder in shares in the holding company.

Two, the land could be leased to the foreclosed farmer or another farmer to make sure it stayed in production.

But who is going to own it is the private company. Every effort would be made to establish a formal lease buy-back agreement. The lease could be on a cash basis. Cash income would be utilized for the operation and to pay a dividend to the doctors and the lawyers and the engineers

and the bankers who would invest in this company.

So why I'm putting forward these points is to illustrate what is happening in Saskatchewan. It's a direction which I oppose. But I think it also is an indication that by the very nature of the crisis that exists there that the actions that have been taken by this government to date have been *ad hoc*, they've been patchwork and they haven't addressed, as my colleague has indicated, what the young farmers in my constituency have told me.

And I want to say that I got tremendous support from the rural areas in my constituency. But I talked to the young farmers and why some of these programs are welcomed, whether it be deficiency payment or the \$25 an acre at 6 per cent.

One of the essential things that has to happen is a restructuring of some of the debt for the young farmers. And the problem that happened is that it's not a question of lack of management, Mr. Speaker; it's not a question of lack of management, it's a question of the timing of making their investments. They bought land at a relatively high price and interest rates sky-rocked on them, and as a consequence they're caught in a debt situation from which they can't, in fact, surface.

I was talking to one farmer and he said, I have a \$200,000 debt. I said what agricultural program should we bring forward in the election? I'm asking you, in your age group, what is the concern? And he said, well, I have a \$200,000 debt at 12 per cent. And he said, if you could subsidize or restructure that debt for me, even if you could cut it back from 12,000 to 8 per cent. He said I'd save 4 per cent on that; that's approximately \$8,000 a year. He said, I could practically live on that amount of saving. So there has to be, in fact, some restructuring of the debt.

Now this Act here obviously goes part way, as I have indicated, and I certainly concede that it goes part way. But to the life of me, I don't know why they want to protect foreclosure of land without protecting the farmer's capacity to be able to farm that land and to prevent the foreclosure or the seizure of the chattels – the farming equipment, the grain, the bank accounts, and what other necessary equipment that farmer needs in order to conduct his operation.

And so I say to you, Mr. Speaker . . . The Premier talks about his national agricultural strategy, and it seems strange that there are so many contradictions that's going on. On the one hand, here we have a Bill which puts a moratorium, or at least another procedure of consideration before foreclosure can proceed in the normal court. And at the same time what the Mulroney government in Ottawa is doing is abandoning, totally abandoning the farmers to the extent that what they're doing is setting up a transition. In other words, they're giving them cash to get off the farm; to throw up their hands; give it up and we'll help you, give you – I think they have a fund of \$47 million to help to relocate young farmers, who are on the farm, off of the farm.

And that's the problem. And so what I'm saying here is that while this Bill does address one problem, but if you

take a look at — as the Premier indicated and he thought it was such a tremendous success — the cases handled as of November 30, 1986, the Farm Land Security Board had received 840 notices of lenders' intentions to foreclose, that is as of November 30, involving 713 farmers. And of the 713, 497 cases are completed. Of the 497, 219 were mediated; foreclosure did not proceed to court — not even a half that didn't proceed. In the 279 cases, reports to the court were prepared and, as indicated 52, requested no representation; 55 cases to the board wrote a report favourable to the farmer, and 132 cases to the board wrote a report favourable to the creditor and, as indicated, in 40 cases the board remained neutral; it could not make a decision.

What I'm saying to you here, if you look at the statistics, whether it be the farm credit statistics or whether you look at the statistics provided by the Saskatchewan Wheat Pool in their very comprehensive survey, there are a tremendous number of farmers that are in very, very serious financial strait. And the exodus of farmers is going to be massive in the next two or three years unless the government does, as we're recommending, become serious about keeping young farmers on the land and in fact looking at the restructuring of the debt load that some of the young farmers have.

It's primarily the young farmers that have the heavy debt. And what I'm saying to you, Mr. Speaker, this government has an obligation to allow a new generation of farmers to take over. Otherwise, what we're going to have is a continuation of foreclosures. And this doesn't stop foreclosures, because less than a half were mediated out of the 49. So it reduced it somewhat during that period.

But I'll tell you, the situation is so serious at the present time because of the low cost of commodities, prices for commodities and the subsidization that the American government is paying to their farmers, and the European economic community is paying to their farmers. And here we sit in Saskatchewan with some of the best farmers in the world, efficient farmers, and a new generation that were moved onto the farms, back to the farms in the '70s and the early '80s. We run the risk, unless we take more precise and determined action, of losing many of those young farmers.

And by the very statistics that the Premier put before this House, this Bill that we have here will not even save one-half of those that foreclosure action is proceeding against. And I predict it is going to be very, very much worse in the year ahead. And so I want to say to you, Mr. Speaker, in conclusion, that I think that if they're serious about really assisting the farmers in very difficult times, that . . . and we will be raising it, an amendment, whereby we will give protection to the farmers in respect to their farm equipment, and to their bank accounts, and their grain, from foreclosures by banks.

I'll tell you, the banks in this country have made their money on the backs of the farmers, and it seems to me that it's time that we have a government that will stand up and say: we're going to do some restructuring of debt, and, Mr. Banker, you've made millions on the backs of the farmers; you're going to make a contribution in the restructuring. And that's the action that we have to do.

But really what this does here is mediate in a way for the banks. Rather than going through the normal court procedure and then foreclosure, now they have a mediating body. And so it takes the pressure off the banks actually going, because you've got a mediating board that is recommending whether or not foreclosure should proceed.

So it's partly, in a small way, helping farmers. But I'll tell you, Mr. Speaker, it's also protecting their friends, the banker, from having to foreclose because they put a mediating body in there to take the heat off the banks.

So I'm saying to you that we will be moving an amendment. We did it previously. I want to say, in this legislature the former agricultural critic moved seven months prior to when they brought this Bill in, and we had a more comprehensive Bill, and the government opposite turned it down. And then in December of '84 they brought in this half-baked Bill, not giving total protection to the farmer, and so we're going to be bringing in an amendment.

What I'm asking the farmers — and you're talking about how many farmers and rural seats you're representing — I'll tell you that you can help them substantially by adopting our amendment which we will be bringing in whereby we will, in fact, be giving protection to the farmers from the seizure of their equipment and their grain and their bank accounts, and on and on. How can you possibly expect a farmer to farm if the bank comes in and takes his equipment? You're going to keep his farm, supposedly, and give him no equipment — doesn't make sense!

So what I'm saying to you is that we're going to support this Bill in principle. But I also want to say to you, Mr. Speaker, that we will be bringing an amendment. And certainly we ask those in rural Saskatchewan to join with us to give more teeth to this Bill — more teeth in this Bill so that we can in fact protect the young farmers who are being driven off by the inadequacy of the policies and the insufficiency of this Bill.

I ask you to reject your counterpart's proposal in Ottawa where they're asking and paying young farmers to go off the land. That's what they're doing. I ask you to reject that. I ask you to take a look at this Bill and put further teeth in it. We urged you to do that during the last four and a half years. You didn't do it. The consequences are there to be seen. And I say that with the crisis that we have in agriculture today, that that is going to compound itself.

And so I urge the government to take that into advisement. We'll bring forward the amendment, and we'll look forward to the support of the members representing agricultural seats throughout this province. Thank you, Mr. Speaker.

**Some Hon. Members:** Hear, hear!

**Mr. Goodale:** — Thank you very much, Mr. Speaker. I'm anxious to take part in this second reading debate for a few moments this afternoon.

The legislation that is now before us comes at a very serious time for Saskatchewan agriculture as has already been acknowledged in this House today. The legislation is a band-aid and stopgap measure which the government now seeks to extend by the amendment which is presently before us. That extension, Mr. Speaker, is all right in so far as it goes. But it is – and I think it's acknowledged by the government – it is a stopgap; it is band-aid; it treats the symptom, not the cause of Saskatchewan's agricultural crisis.

(1530)

The original legislation and this amendment before us at the present time are predicated upon some presumptions that are turning out, sadly, to be false. The presumptions obviously were, when this legislation was introduced a couple of years ago, that in the following years that weather in Saskatchewan would be perfect; that prices would go up; that markets would be strong; and as a consequence, the problems facing farmers would somehow just go away by themselves. But that experience since 1983 and 1984 has shown that those presumptions have not turned out to be valid. Indeed, just the opposite has been true, and conditions have worsened; they haven't got better, and the problem has certainly not gone away.

And we've recently had that confirmed, Mr. Speaker, by the agricultural outlook conference which was held in Ottawa about a week ago, where the forecasts were put on the table about what the conditions will be for agriculture in the coming year, and the very disastrous prediction was there that the net incomes of farmers in Saskatchewan are forecast to drop by something like 27 per cent in the coming year.

And that gives you in just one brief detail, Mr. Speaker, a bit of the flavour of the magnitude of the problem with which we are trying to deal in coping with the difficulties facing farmers. And obviously this piece of legislation by itself is insufficient to cope with the magnitude of the difficulty.

When you look at the problem, Mr. Speaker, it comes in many layers for farmers – one layer heaped on another, heaped on another. Any one of them would be bad enough. The difficulty is that they've all come at once, and the problem is that much more severe, compounded. There's the problem of low commodity prices, largely created by that international trade war that rages on between the United States and Europe. There's the problem of high and escalating farm input costs that continue somehow always to get worse and never to get better. And that, coupled with the declining commodity prices, of course creates the classic cost-price squeeze.

There have been, in this period of time that we're discussing, Mr. Speaker, as well a series of periodic natural disasters, from flood on one side to drought on the other and grasshoppers in the middle and just about everything else that one could imagine befalling the farm community. There is, as well, accumulated over the last number of years, the burden of farm debt and the corresponding problem of a lack of stable, affordable, long-term farm credit.

In addition to that, in another layer of the problem we are in a period now of fierce and predatory international competition which is putting our farmers in a very severe predicament, particularly when the treasuries of our governments claim to be insufficient or inadequate or unprepared to fight fire with fire with what the Americans are doing, or the Europeans are doing, or other competitors around the world.

And then finally, finally, we are confronted with another layer of the difficulty – the problem of rapid and constant technological change which affects agriculture just as it does affect every other form of industry and business and enterprise in our country. And obviously keeping up with that changing technology and preparing for a future that is going to be much different than anything we've experienced in the past, makes the current problems that much more difficult to cope with.

So that is a brief description, Mr. Speaker, of the layers of the problem that are involved in the agricultural crisis in our province and in our country today. And the type of legislation that has been on the statute books of this province for the last couple of years and the extension which is proposed now in the amendment which is specifically before the House at the present time, touch upon just the fringes of that problem, touch upon just a few of the symptoms of the problem. Unfortunately, neither the legislation nor the amendments to the legislation will get to the root of the problem and try to do something meaningful about it.

There's a problem, Mr. Speaker, I think a persistent problem, in the way in which this government has tended to approach agricultural issues over the last period of years. As I said, there seems to be an underlying set of presumptions that what is perplexing agriculture at the present time is just temporary; that it's a problem with weather; or it's a problem with prices; or it's a problem with markets; and if we can just wait long enough and do a few superficial things to tide things over, in due course all of that will turn around and everything will be wonderful.

Those presumptions are obviously naïve, and they're obviously not a legitimate representation of the true situation. The government has always been so very slow in getting its act together to deal with farm problems; never able to anticipate a situation in advance; always trying to play catch-up after the fact. The government has lacked a clear and co-ordinated thrust in its agricultural policy. It seems to lurch awkwardly from one crisis to another crisis; from one program to another program; from one situation to another situation; literally, on some occasions, scribbling down policy on the back of an envelope.

The government has also, in its dealing with agricultural issues – and I am sure that is not intentional, but it has, unfortunately, turned out to be the fact – the government has tended to foster what is a damaging and very counter-productive rural-urban split in Saskatchewan that has sadly, in some occasions, pitted farmers against their non-farm neighbours. And certainly that is a terribly unhealthy thing for this province in every respect.

The government has also tended to pursue what I would describe as a debt-oriented set of policies which are likely to turn out in the long run to be ineffective and, worse, could end up just digging the hole deeper for farmers rather than solving a problem.

And finally, Mr. Speaker, my further criticism of the government's approach would be that it has been timid and hesitant and slow to take on the federal government when federal action was required to deal with agricultural concerns that stretched beyond the borders of this one, single jurisdiction alone.

Well, with those comments in mind, Mr. Speaker, I would urge the government, beyond attempting to do what it is attempting to do with this rather modest and minor amendment, to pursue a policy in relation to agriculture that is much bolder and more vigorous, that will in fact deal with that issue of commodity prices. We have now the announcement of the deficiency payment from Ottawa is so far as that deficiency payment is going to go. But the Premier, in this House, in response to questions and on other occasions, has indicated his concession that it's not a perfect solution; it's not an adequate solution; that more is required and, indeed, further deficiency payments in future years may well be required of larger and larger and larger amounts.

What I would hope the government would also do, Mr. Speaker, in addition to the focus upon deficiency payments and that infusion of cash into the farm economy on the short-term basis — I would hope that it would also get serious and take serious the pursuit in the world of a new international grains agreement that would, in addition to having some common understanding about market shares in world grain markets, would also have with it some decent minimum world price guarantee.

I asked the Premier that question in question period some days ago, as to whether or not this was on the government's agenda, and whether or not his government would be pursuing that idea and pursuing that idea and urging the federal government to pursue that idea to seek a new international grains agreement that would have those provisions within it that I described. And the Premier, I felt rather unfortunately, tended to down-play the suggestion; tended to say, well we might get lucky and sort of fall into a new international grains agreement.

But it didn't seem to be the kind of item, Mr. Speaker, that was high on his agenda. And I would urge him to reconsider that position because I believe that an international grains agreement is something that holds obviously very considerable potential for farmers in this province and farmers across the country. It would make a major contribution to dealing with that commodity price issue that lies at the root of much of the agricultural problem that we are facing.

And it seems to me that we are entering now a bit of a window of opportunity with the United States in terms of selling them on this idea — selling them on this idea because they are now between their many elections. They seem to be constantly in one form of campaigning or another, or one form of election or another. They've just finished one campaign. There'll be a period of some

months now, perhaps a year or a year and a half, before the next campaign gets fast and furious. And it might be a timely moment now to proceed with them to obtain an international . . . or at least to try to persuade them to come along with us in an international grains agreement and by doing so substantially bolster commodity prices for critical agricultural products in Saskatchewan.

Obviously, if we were able to achieve that negotiated agreement with the United States, it would mean substantially higher grain prices in the world, substantially higher grain prices for our farmers in Saskatchewan, and it would reduce the necessity in future for the kind of legislation that we are presently discussing.

Secondly, Mr. Speaker, in addition to what the government is now talking about in this legislation, I would hope we would see from the government some specific action in relation to a whole range of cost to production issues. During the course of the last year, the government talked a lot about cost to production issues, the high cost of farm inputs. Indeed, there was a special committee of the government travelling all over Saskatchewan collecting ideas and input from farmers and others in a highly publicized exercise right across the length and breadth of Saskatchewan. That committee has produced a report.

In addition to that, we were treated to a four-part television series last spring, paid for by the government, which largely focused upon cost-to-production questions and issues, and yet very little of substance has flowed out of that exercise. There was the PR exercise; there was the consultation exercise with the hearings, but in terms of specific and concrete proposals to deal with those issues related to cost of production, the high cost of farm inputs, very little has been forthcoming.

There is one paragraph in the throne speech, Mr. Speaker, which talks about reducing farm input costs by encouraging the manufacture of farm chemicals and fertilizers here in the province of Saskatchewan, and that is a laudable statement of objectives but quite frankly, it is a very long-term process that the government is talking about in this regard, and we've seen the first testing of this process already fall by the wayside with the news that the promised ammonia plant to be constructed in Regina alongside the Co-op heavy oil upgrader is, in fact, not going to proceed, at least certainly not going to proceed in the time frame and in the form that it was originally announced some months ago.

So if the government thinks that it can put all of its eggs in one basket in dealing with farm input costs by that one line in the throne speech which argues for the reduction of those costs by the production of those chemicals and fertilizers right here in Saskatchewan, it seems to me that the government is drawing an awfully long bow to think that that is going to be a solution to the problem, at least in the time frame, or in any time frame.

**Mr. Speaker:** — What's the point of order?

**Hon. Mr. Lane:** — I believe that the subject matter of the Bill was The Farm Land Security Act, and it strikes me that

we're getting a rather far-ranging speech, more of a throne speech response from the hon. member, and the rules are that the subject matter under debate is what should be debated.

**Mr. Goodale:** — Mr. Speaker, on that point, the fundamental deficiency with this Bill is the fact that it touched only on the fringes of the problem, and it is by no means a solution to the dilemma that farmers are facing. The Premier, as Minister of Agriculture, and others in the government, have described that dilemma on other occasions. I have seen the Premier in person and through the media do that. And quite frankly, if the proposal that is here . . .

(1545)

**Mr. Speaker:** — I have listened to both sides, and I believe that both sides have some validity in what they are saying. However, I have been listening to the member's remarks, and in truth he is beginning to make a wide-ranging and far-reaching speech which is questionable whether it all relates to the Act under discussion. And therefore, I would just like to caution him to please try to confine his remarks to the Act being discussed.

**Mr. Goodale:** — Mr. Speaker, I will certainly take your advice on that point. I hope in doing so, though, the seriousness of the subject before us is not minimized.

I'll move then from the point about farm input costs, which I still believe to be a very important point that the government has not addressed, and move to another aspect of a series of proposals that I would make to the government, that directly relates to the legislation and the subject under consideration this afternoon, and that is the problem of the accumulated, unfair burden of farm debt in the province of Saskatchewan.

This legislation, as it was originally introduced a couple of years ago, and as it is now being proposed to be extended, again skirts around the fringes of the problem, deals with the symptoms rather than with the cause, and it doesn't get to the root problem of what is wrong.

And what I would like to specifically ask the government, rhetorically at this point in the course of this debate, and later on in more specific terms, is why the government has chosen this particular route to deal with a problem which obviously this legislation is incapable of dealing with, because it's far too modest, rather than pursuing some advice which I'm sure has been given to the government, as I'm sure it's been given to all political parties, from some of the financial institutions in this province.

Those financial institutions, going back a few months, tended to minimize or deny the nature of the farm debt issue. But then during the course of 1986, some of those very financial institutions who had been saying some months earlier, it's no big problem were now coming back to people in government, people in the opposition, people in the political process generally, and saying, we have changed our mind a bit; we think it is a bit bigger problem than we were saying a few months before.

And I know they came to me with a specific proposal, Mr.

Speaker. I presume they came to the official opposition; I presume they came to the government; I presume they were lobbying in Ottawa and elsewhere for something that might be described as a Saskatchewan farm debt rearrangement plan which had within it, as its essential component, the severing and postponement of a portion of accumulated farm debt when that farm debt had grown to such large proportions that it was literally driving certain farmers, particularly young farmers, right out of the farming business altogether.

The proposal, Mr. Speaker, I think is too detailed and too complicated to wade into in any detail this afternoon. But I think it is significant that the proposal came not from a farm organization, not from anybody actively involved in a political party and getting ready for an election campaign — it came from certain major financial institutions themselves, including one which had previously been one of the most critical of farmers on the public record here in the province of Saskatchewan.

Now the proposal was by no means perfect, but it did have within it an arrangement where government would do a bit, farmers would do their bit, the lending institutions would do their bit, and together in a joint approach, a co-operative approach, everyone would assume a portion of the burden. And the net result would be a significant reduction in that burden of farm debt that has accumulated rather unfairly and for many farmers in a very difficult situation, severely, over the last decade or so.

And that kind of proposal, in addition to the housekeeping measures that the government is talking about today, Mr. Speaker, it's that kind of a proposal that I would recommend that the government begin to take very, very seriously. Because as I said at the beginning of my remarks, they're fundamental presumptions that if they can just put their finger in the dike and hold it there for a year or two, and the weather is going to be great, and prices are going to be great, and markets are going to turn around, and the problem will just go away — obviously, those presumptions have turned out to erroneous. And in the meantime the problem has just grown worse.

And so some of these broader and bolder measures, Mr. Speaker, I would strongly recommend to the government for consideration, because this Bill in itself simply touches the fringes and doesn't get to the fundamentals of what is wrong.

**Hon. Mr. Devine:** — Mr. Speaker, I will just make a brief closing comment or two with respect to The Farm Land Security Act. The Act was designed for a specific purpose. It was designed to help protect farmers in some difficult circumstances. We are asking here to have that Act carried on for another year and, hopefully not, but in the case that we want to have it extended for the year after and the year after that, that we can do that through Executive Council.

We have heard the same arguments before, Mr. Speaker, with respect to why we don't include farm machinery and others. The land is the most important, and this legislature has debated that on many occasions. And while we want to protect rural Saskatchewan in general, rural

Saskatchewan obviously is much more than just the farm because it's the neighbour who sells them supplies and the machinery and all the parts, and services the industry. And we have to protect those people as well, and I believe they should be. And the people out there are saying that what this Act does is doing just that. And over half the farmers have been given a new lease on life and have been allowed to pay their bills, which allows all those that service them the possibility to receive some income as well, and they're not just cut off at the knees. And I believe that's important.

Secondly, Mr. Speaker, with respect to providing cash to this part of our economy and providing cash to this part of the country, if we look at just the recent payments of in excess of \$400 million to the province of Saskatchewan, I remind the hon. members opposite that it will virtually double net farm income in 1987. About \$450 million in Saskatchewan net farm income forecasted by the federal government for 1987, and you add another \$415 million, that's \$4865 million, Mr. Speaker, that is allocated to the province of Saskatchewan, as a result of efforts that we have taken to put cash in the hands of people.

So anybody that says opposite, or any place for that matter, saying that we're not doing something in the short run, obviously has missed the point that there's something like 400-and-some million dollars, the lion's share of a billion dollars, is coming into this province.

And I don't think it's fair, Mr. Speaker, to complain on one hand that the policy is too short-run because it's \$400 million cash, plus several other measures that have had immediate effect, and then turn around and say, but it's too long-run because you're going to make chemicals here and you're going to manufacture here and you're going to reduce the costs; or you're going to provide individual line service, or rural gas, or burying power lines, which are long-run structure things. Those have been argued that it's too long.

Well you can't have it both ways, Mr. Speaker. I believe that you must do both. You should be able to respond as quickly as you can to international conditions or conditions of drought and deal with them, as we have, and have legislation that will allow us to deal with them.

At the same time you have to have long-run strategy and long-run mechanisms. And if it takes us some years to reduce the cost because of rural gas distribution systems or because of the other measures we've taken to provide utilities, individual line service, or several years to provide fertilizer and chemical manufacturing here, then we should be doing that.

So this Act, Mr. Speaker, fits in with both the short- and the long-run strategy of this administration and of the federal government that provides a great deal of money to make sure that farmers today can have extra power and extra levels to deal with the circumstances as we look at the long-run solution.

I would point out that the national agriculture strategy looks very favourably on this legislation. In fact, the national government has adopted and followed this administration, and it's been received well across Canada

by NDP governments and Liberal governments and Conservative governments from one end of the country to the other. Social Credit government. It fits the national strategy and it's part and parcel of what is now enshrined, if you will, and written and signed by all the premiers and the first ministers of this country, on national agricultural strategy.

So the combination of drought assistance, flood assistance, national-international strategy, the manufacture of chemicals here, is part and parcel of the short-, the long- and the medium-term activities that we have to look at.

With respect to the international changes that we have to deal with, I was reading in the paper today . . . I think my seat mate just sent the paper away with a note on it. The paper today, Mr. Speaker, pointed out that in the European Economic Community they have made the most historic change since the common agriculture policy was started in 1962. They are now going to begin to reduce the surpluses in beef and in butter in the European Economic Community as a result of the pressure that Canada and the United States and others are putting on that community.

Now, Mr. Speaker, that's historic, the fact that finally the international politicians are starting to deal with some of the bizarre and unfair measures they've taken to the public with respect to their agriculture policy . . . are starting to have an impact. And we see that.

So it's in that context, Mr. Speaker, that we have this legislation designed specifically to protect the people of Saskatchewan and the farmers here in conjunction with what we do with the national legislation.

So I just say in summary, Mr. Speaker, it's important that this legislation be passed that will continue this piece of specific legislation to protect farmers, and I could only urge all members of this Assembly to support the legislation.

**Some Hon. Members:** Hear, hear!

Motion agreed to on the following recorded division.

#### Yeas - 57

|          |             |
|----------|-------------|
| Devine   | Neudorf     |
| Muller   | Gardner     |
| Duncan   | Kopelchuk   |
| McLeod   | Saxinger    |
| Andrew   | Britton     |
| Berntson | Blakeney    |
| Lane     | Prebble     |
| Taylor   | Brockelbank |
| Smith    | Shillington |
| Swan     | Koskie      |
| Muirhead | Romanow     |
| Maxwell  | Tchorzewsk  |
| Hodgins  | Rolfes      |
| Gerich   | Upshall     |
| Hepworth | Simard      |
| Hardy    | Solomon     |
| Klein    | Kowalsky    |



|            |              |
|------------|--------------|
| Meiklejohn | Atkinson     |
| Pickering  | Anguish      |
| Martin     | Hagel        |
| Martineau  | Lyons        |
| Sauder     | Calvert      |
| Johnson    | Lautermilch  |
| Hopfner    | Trew         |
| Petersen   | Smart        |
| Swenson    | Van Mulligen |
| Baker      | Koenker      |
| Toth       | Goodale      |
| Gleim      |              |

### Nays - Nil

The Bill read a second time and referred to a Committee of the Whole at the next sitting.

### Bill No. 2 – An Act to amend The Farmers' Counselling and Assistance Act

**Hon. Mr. Devine:** — Mr. Speaker, I want to take a few moments to speak to the counselling and assistance for farmers Act and the amendment to that Act.

The Bill was originally passed by this House in April 1984 and amended in 1985. The intent of this Act is similar to the intent afforded by The Farm Land Security Act, in the following fashion. First, it was originally designed as a shorter-term solution for farmers in financial difficulty. Secondly, it provides a helping hand to farmers who in many cases, through adverse market conditions and production difficulties and little fault of their own, find themselves unable to raise sufficient operating funds from their normal financial sources.

The original Act was a three-year mandate. It offered counselling to farmers and loan guarantees to qualified producers. The Act must be amended in order to continue its assistance to the farmers of Saskatchewan.

The amended Act before you extends the Act until December 31, 1987. There is a clause contained therein which will allow the Lieutenant Governor in council to extend the time by order to December 31, 1988, and subsequently to December 31, 1989, should a need continue for the protection of farmers afforded by the Act.

Mr. Speaker, all members will appreciate, I am certain, that the dates of this Act correspond with those in The Farm Land Security Act. The government feels that both Acts should be reviewed by cabinet in a similar time frame in that both programs involve short-term solutions to farm financial difficulties influenced by the same market conditions.

We look to the main body of the Act, Mr. Speaker. I want to outline the following: how the legislation operates when a farmer applies, who effective the program has been, and how the need for the legislation to continue is important.

First, let me deal with the application by a farmer. An

individual producer, a partnership, a co-operative, or a corporation are eligible under the Act. Any of the foregoing may apply to the program chairman for assistance because they cannot raise sufficient operating capital to carry on.

The farmer could become aware of counselling assistance for farmers by a Saskatchewan Agriculture publication, by an agricultural representative, by word of mouth, or perhaps even by his credit union or his bank. Mr. Speaker, this farmer is not in any desperate financial straits as the farmer before the Farm Land Security Board. In this case, for the same market reasons, past high interest rates, drought, flood, falling land prices, grasshoppers, increase in input costs, and lower market prices, he may no longer be able to raise the operating capital necessary to fund his operation. He has probably operated well under a number of years, but has been caught in the cost-price squeeze and needs a helping hand.

That farmer or applicant is required to develop a tentative farm plan outlining the following: expenses associated with the farming operation; regularly scheduled principal and interest payments payable associated with that farm; current year's interest on principal and interest outstanding and payable on loans associated with farming operations; and the applicant's living expenses.

To be eligible, the individual applicant must be a Saskatchewan resident, have a net worth of not more than \$500,000; his net worth may not be more than 60 per cent of his total assets. A corporation, a co-operative or a partnership with more than one member principally involved in farming will be eligible if the net worth is not more than \$1 million and his net worth is not more than 60 per cent of the value of the assets.

If the program chairman decides the applicant is eligible for counselling assistance or a guaranteed operating loan and counselling assistance, he designates three or more members of the CAFF (counselling and assistance for farmers) committee to sit as a panel to review the application.

Panel members are recognized, successful farmers, probably not known personally by the applicant, who meet with him and provide counselling. Many applicants have expressed glowing compliments. And I say that again, Mr. Speaker – glowing compliments in the fact that they are dealing with their peers as a panel of members and have received bouquets from them. And I have, and the members of the legislature have I'm sure, right across the province, as a result of the counselling that has gone on by farmers sitting on this panel.

Either the panel or the designated lending institution provide a written report, of course confidential, to the program chairman, and includes the following: its assessment and recommendations to the applicant's production practices and their financial management skills; its assessment and recommendations regarding loan guarantees and the farm plan prepared by the applicant. The program chairman can then authorize, in the case of the individual, an operating loan guarantee in one hand or for consolidation of a loan on the other.

The maximum amount of a guarantee in any one fiscal year for both operating and consolidation is a loan of \$200,000. Security is offered on these loans of course, Mr. Speaker, and that's self-evident. For a partnership, a co-operative, or a corporation, these maximum amounts are doubled. The result of course in most cases is that the farmer now has operating capital and can proceed with his farming operation.

Now, Mr. Speaker, let me deal with how effective this program has been. Between April 1 of 1984 and October 31 of '86, Mr. Speaker, 2,044 applications have been received by 1,520 farmers. There have been 1,556 panel hearings – and I repeat – 1,556 hearings held, and 1,136 guarantees offered. The total guarantees are almost \$84 million for an average guarantee of \$73,700 per farmer. In the current year to October 31, 564 applications resulted in loan guarantees of \$34,785,000 for an average guarantee of \$69,700.

The counselling and assistance for farmers program, Mr. Speaker, is working. Farmers are being helped, are continuing in their livelihood, and are remaining productive. The success of this program once again points out, Mr. Speaker, that this government continues to initiate programs that support Saskatchewan's most important industry at a time when world agricultural prices, agricultural inputs are rising; farm land values are falling – all at the same time, which has an adverse effect on normal operations in agriculture.

I'll deal with why this program should continue, Mr. Speaker. It's true that interest rates are down and inflation is down as well, which affects input costs dramatically. They're operating at more reasonable levels, but all members of this House recognize what has happened to world prices. Subsidies and import restrictions have driven revenue to impossibly low levels. We need short-term solutions like this Act in place while we endeavour to bring sanity to the world market conditions, Mr. Speaker. We should design, and continue to design and carry on legislation that allows us to cope with difficult situations as we deal with the national and international problems we face.

(1615)

In conclusion, let me say this. We have good farmers in Saskatchewan, Mr. Speaker. We have productive farmers; we have farmers temporarily caught in a cost-price squeeze that is the farm economy today. And as we as government, we as the House know – yes, it is a problem. We as the people together in this legislature and across the province and across the country must join together to ensure that our farmers have that helping hand, that where, with all activities, we can continue to be among the most productive in the world if given an opportunity.

Mr. Speaker, I urge all sides of the House to support the continuation of the counselling assistance for farmers Act. I move second reading of an Act to amend the counselling and assistance for farmers Act of Saskatchewan.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — Thank you, Mr. Speaker. Mr. Speaker, I want to make a few comments in respect to this particular Act also. And as the Premier indicated, some substantial guarantees were made in respect to the provisions of this Bill, or as a result of the provisions of this Bill.

And no doubt, as the Premier will know, the debt the farmer has – there's no doubt about it. Lots of debt. Five billion dollars of debt and rising. And all I'm saying to you, Mr. Premier, that the farmers out there cannot stand any further debt. And as I've said in the previous debate, is what they're looking at is to take a look at the possibility of restructuring some of the debt, particularly to the young farmers. And that's what they have been asking.

And certainly, while it has given some assistance – and I readily will admit that – all I'm saying is the crisis that we face in agriculture is so substantial and we're going to lose many, many, many of our farmers this year and next year if in fact the commodity prices don't turn around. And so I think that we have to . . .

In '84, when you looked at this particular proposal, it was of some assistance, although very few received any assistance. But the circumstances have changed, because the farmers today have a tremendous problem because of the reduction in the price that they get for their commodity. And so putting in a program in '84 and maintaining it on the same basis, an accumulation of debt over '84, '85, and '86, I just say the magnitude of the problem really requires a much more thorough addressing.

The Premier seemed to indicate to the House that it is working so well. And I just want to say that we will remember when the program was brought in. It was set up in April of 1984, and it was hailed by the government as the salvation to the hard-pressed farm families. And there were hard-pressed, financially hard-pressed farm families, Mr. Speaker, throughout Saskatchewan. Because when it was brought in, the Farm Credit Corporation indicated in their extensive survey that some 8,500 Saskatchewan farm families were in serious financial difficulty, and many of them would face bankruptcy, foreclosure, or forced auction sale.

So we have this counselling and assistance Act passed, and it goes into operation in April, or thereabouts, of '84. And after one year of this program in '84, this program which the Premier hails as being so significant in its assistance to those farmers in very severe financial shape, after one year the program had arranged 100 loan guarantees for 110 farmers.

I say to you, Mr. Speaker, only 110 farmers received the assistance. Not the 8,500 that the Farm Credit Corporation say are in desperate trouble, not the 1,000 who have to leave the land each year, but 110 farm families received some help from this program. That worked out to less than one in five of the farmers who became extensively involved in the program seeking financial help. Hundreds of other farmers made inquiries about the program, only to be told they couldn't qualify.

So in April of '85, a year after the program began, amendments were made in respect to the Act, the eligibility requirements and the default guarantees offered lenders for bad debts. And in April of 1985 the minister of Agriculture said, the revised program, he said, would assist another 3,500 financially distressed farmers. That's what the former minister of Agriculture said.

So that program operated for another year. And this time the figures were about as dismal as before. The *Leader-Post* carried a story on February 4, indicating that in the previous nine months only 512 farmers had received loan guarantees under this program; not the 3,500 as outlined by the minister; not the 8,500 in serious economic troubles according to the Farm Credit Corporation; and again not even half of the number of farmers we lose off the land in a bad economic year.

I want to say, Mr. Speaker, when we take a look at the fact that . . . the realization that five farmers go through the whole long, involved process for every one that is helped, it is still necessary for the vast majority of farmers to have to put up with their farmer panels coming to their home and an examination of their personal affairs, and only one out of five have been qualifying. And so I say that the program, while it has given some assistance, I want to indicate that it has not been the sweeping success that the Premier tries to indicate in the House. Very few farmers received the assistance under this program.

Another area of concern for us will be the cost of administration of this program. Do you realize that in the first year of operation it was costing more than \$4,000 in administration costs for every farm loan that was given out? I say that's a high figure, even for a government that has a record of overpaying its political appointees and administrators of its programs.

So I say, Mr. Speaker, in closing my comment in respect to this amendment, I want to say that while it has given some assistance to the farmers, that this program, what it is doing is compounding the problem, as I indicated earlier, of increasing the magnitude of debt which farmers are not able to service.

Secondly, I say that it has not been a sweeping success as the government tries to indicate, because in over its first two years of operation very limited number of farmers qualified. And so I'm saying to the government opposite, certainly farmers are heavy in debt, and I'm saying to you that programs of compounding debt is not a solution to the agricultural problem.

I would say that if this government had any backbone what they would have been doing is demanding from Ottawa substantial payments — deficiency payments to the farmers of Saskatchewan. That's what they should have been doing.

**Some Hon. Members:** Hear, hear!

**Mr. Koskie:** — You're coming forward with a Bill that has only limited application, and they sit on their hands and demand no further assistance from the federal counterparts. That's what they should be doing. The U.S. government is; European governments are. And they are

saying with the income of farmers going down 36 per cent in two years, they're going to be able to survive. I'll tell you, increasing debt is not going to be the final answer.

And I say to the Premier, while we'll support this legislation as we did in the past, I'm asking if you will, in fact, get serious in addressing the problem of agriculture by getting a substantial deficiency payment and support from the federal government to save an industry, because I'm predicting here in the House, as sure as I'm standing here, that many of our farmers are going to be driven off the land over the next years, and I'll say this counselling Bill does not in fact address that problem, and that is the concern in Saskatchewan today.

And so, Mr. Speaker, again I hope that the government will heed the remarks, the requests of farmers across this province who are saying, if you can get a billion dollars for a bank, surely for 60,000, 65,000 farmers here in Saskatchewan you don't have to drive them further into debt, but get them some money to help them through this crisis without incurring further debt. And while this is a measure of success, I'll repeat, administratively it has been a nightmare, cost-wise — \$4,000 for an applicant. And I'll say secondly, that it hasn't reached out to the number of farmers to the extent of the problem that exists in the agricultural economy today. Thank you, Mr. Speaker.

**Mr. Upshall:** — Thank you, Mr. Speaker. I am pleased to be able to speak to this Bill, The Farmers' Counselling and Assistance Act. I would just like to say a few words on this matter starting with today's scenario out in the country. We have our input costs rising steadily — the chemical, the fertilizers, fuel, and parts. All these things are going up, which is putting a heavy debt load on our farmers. Along with that we have, of course, a steady decline in our commodity prices, giving us this high, high debt.

We have seen this government take a back seat to Ottawa when it comes to generic chemicals, a long-term solution that would bring down some of this debt. I predict that we will see the same response when it comes to the plant breeders legislation which will be coming up — something that will put further debt to Saskatchewan farmers.

With this high debt we have to have a semblance of restructuring, Mr. Speaker — restructure this debt in such a manner that it will alleviate the problem of the high debt load. While . . . as Mr. Premier indicated his great success with the program, it does not help the situation as far as reducing the debt. We need programs to do this, to reduce the debt.

Our foreclosures are getting more numerous every year, and I say that the banks have some responsibility. What we see here is a government that says: Mr. Banker, the fact that the farmers of this province are in debt has nothing to do with you. I say it does. I think each and every member of society in Saskatchewan has a responsibility to the agricultural industry. If we all had crystal balls and could gaze into the future, I'm sure we would do it to our best advantage. But we don't, so we have to provide measures whereby the long term is dealt with today, and if we don't deal with it today, we'll be in

further trouble tomorrow.

(1630)

Where is this leading us? I think it's leading us to a situation whereby we're digging a hole for the rural people in the province. We're creating a crater that will eventually erupt and throw the rural society into complete disorder. And simply by dealing with the symptoms of a disease, we add to that problem.

By giving assistance, more credit, we add to the problem we already have. We do not create a situation whereby the farmers are feeling better about it – simply setting it over here, take another step. I maintain that this leads to a big fall, and I'm very, very apprehensive about the fact that it does not address the problem.

We must co-ordinate, Mr. Speaker, these programs with other government programs. I had a phone call saying, from one individual, I was counselled not to grow wheat, so I grew pulse crops. But now when the deficiency payment comes out, because I took the initiative to diversify, I do not get the benefit of a deficiency payment.

I would urge the Premier and his colleagues, when doing these types of things, please co-ordinate the activities so that the farmer who needs assistance and is getting assistance has some idea of what he's getting himself into.

So I think in wrapping up, Mr. Speaker, we must address the problems. We simply can't take dollars from the taxpayers of Saskatchewan, guarantee the banks a significant income, and virtually putting the problem off, setting it aside for a while. While I agree with the intentions of this Bill, I disagree with where it is leading us. Mr. Speaker, with that I beg leave to adjourn the debate.

Debate adjourned.

### **Bill No. 3 – An Act to establish a Mortgage Protection Plan**

**Hon. Mr. Lane:** — Thank you, Mr. Speaker. I'm pleased to rise today and move second reading of the Bill respecting the Mortgage Protection Plan. Mr. Speaker, on August 28th, Premier Grant Devine announced the introduction of the Saskatchewan home program. The three significant components of this initiative include: non-repayable grants for home renovations; a \$10,000 home renovation loan at a six per cent interest rate; and the mortgage protection plan. The government's mortgage protection plan provides nine and three-quarter per cent mortgage interest rate protection for the next 10 years. The Saskatchewan home program has proven to be overwhelmingly popular with the people of Saskatchewan. Our citizens have shown that they are willing to invest their own money in improving their homes. At the same time, your government has helped them carry out these renovations and greatly stimulate our economy. Untold numbers of jobs have been created, lumber and home renovation supply dealers are busy, contractors are busy, plumbers, carpenters, electricians, carpet layers, painters, and many others involved in these

home renovation projects are busy.

Mr. Speaker, in early 1982 mortgage interest rates were at rates of 19 per cent and higher in Saskatchewan. The people of the province were suffering great economic hardships, and many of them were in danger of losing their homes. Prior to 1982 nothing was done about this very serious situation. Nothing was done to relieve the hardships caused by exorbitant interest rates. However, in July of 1982 our government took the steps necessary to relieve the burden that 19 per cent mortgage interest rates caused Saskatchewan home owners. We responded to the needs of the people and introduced the mortgage interest reduction plan which effectively reduced mortgage interest rates to thirteen and one-quarter per cent on principal residences. The plan was originally intended to be in effect for three years, July of 1982 to June 30, 1985. However, in June of 1984 Premier Devine announced the extension of the plan to June 30, 1988, another three years of interest rate relief.

Mr. Speaker, I'm pleased to report to you today that the mortgage interest reduction plan has been an overwhelming success. More than 44,000 Saskatchewan home owners have to date received in excess of some \$63 million in direct cash benefits from that plan, interest rate relief that has allowed them to keep their homes and to enjoy a better standard of living. Fortunately, mortgage interest rates are no longer at record high levels. One year closed mortgage insured by CMHC are available today at rates of nine and three-quarter per cent for most lenders, including the major chartered banks, major trust companies, and credit unions. Immediate interest rate relief is not required. However, there is a need to provide long-term stability for mortgage interest rates, and this is the objective of the government's mortgage protection plan.

The mortgage protection plan will provide long-term protection in the form of nine and three-quarter per cent interest rates for the next 10 years. Home owners must negotiate their mortgage at the lowest rates available in the market-place to receive maximum protection from the plan. The mortgage protection plan will be available to protect Saskatchewan home owners when they negotiate a new mortgage for home purchase or renew an existing mortgage on or after September 1, 1986.

The plan applies to the first \$50,000 of mortgage outstanding on a principal residence in which a home owner, his or her spouse, or wholly dependant children permanently reside. The home must be located in Saskatchewan, and it may be a house, a condominium, a mobile home, a duplex, a three plex, or a four plex. Included is land up to 65 hectares, or one quarter section.

The mortgage protection plan will be efficiently implemented and administered, as the rules and procedures are nearly identical to those of the mortgage interest reduction plan. Direct cash benefits will be electronically deposited in the bank account of the home owner's choice.

The mortgage interest reduction plan will remain in place to provide relief to home owners currently receiving benefits on existing mortgage until such time as the

mortgage is renewed. However, a person may not receive payments under both the mortgage interest reduction plan and the mortgage protection plan on the same mortgage at the same time.

Mr. Speaker, this Bill is another indication of our government's commitment to respond to the needs of the people of Saskatchewan. Mortgage interest reduction was necessary in 1982 and this government provided it. This Bill provides long-term mortgage protection which will guarantee today's rates for the next 10 years – protection that allows our home-makers to plan for the future.

Mr. Speaker, this program is a further commitment of the government of the province of Saskatchewan, a commitment that was reiterated in the throne speech recently approved by this Assembly. Mr. Speaker, it therefore give me great pleasure to move an Act respecting the Mortgage Protection Plan to be now read a second time.

**Some Hon. Members:** Hear, hear!

**Mr. Solomon:** — Thanks, Mr. Speaker. I would like to say a few words about the Bill that's before the House right now. The member for Qu'Appelle-Lumsden has discussed a number of points in the Bill which I would like to also talk about and perhaps ask some questions on. It seems to me that there are some consensus, or some feelings on this side of the House, that our party has and does continue to support mortgage assistance for home owners. I think it's a very important element in our society. We believe in that policy primarily because we believe that shelter is a basic right for all individuals in Saskatchewan, and in Canada as well.

I think the Bill is putting forward a program which has been commonly called a pale imitation of the program that has more meat, has more honourable objectives, and will have more effect in terms of creating jobs and stabilizing the economy of Saskatchewan, namely the 7-7-7 program that our party put forward in the last election, and I believe was widely accepted in areas that it was used on a door-to-door basis, in particular, in the constituency of Regina North West where we were able to contact many people, all people in the constituency at least once on their doorstep, as opposed to spending a great deal of money in the media.

Our program addressed an issue which is fairly key in terms of housing – the issue that long-range interest rate stability is important for those that do have mortgages. We recommended a 7 per cent mortgage for a seven-year term. We provided meat in terms of job creation efforts through the \$7,000 matching grant for renovations which would bring more dollars into the economy because individuals would be providing a large sum of money for major structural renovations as opposed to minor ones, thereby creating a great deal more activity economically.

The Bill before us, Mr. Speaker, in my view doesn't address the housing start problem in the long-term job creation aspect. In comparison to the 7-7-7 program, ours provided a \$7,000 grant to first-time home buyers which would encourage the house building industry. The Bill

itself doesn't provide decent affordable housing to those who are in a low income bracket or those that are elderly – those least able to afford housing in our province at the moment.

In my view the Bill does have a means test. The members opposite have gone on record as publicly and universally opposing a means test. They have made accusations that any program former governments in this province introduced to help individuals to help the economy had means tests. This Bill, in my view does have one, and I'll say a few words about that in a few moments, Mr. Speaker. And I finally, Mr. Speaker, will try and put forward a position that the Bill does not protect everybody, as the members opposite claim.

Bill 3 is an interesting Bill from the point of view that the members are saying it's going to create thousands and thousands of jobs. They've talked about, and I'll get to those points in a few moments as well, but basically bragged about their record on job creation. They've bragged about the terrific performance of the government in increasing the number of housing starts. I refer members to a document which has been put out by the Saskatchewan Housing Corporation – by this government – which outlines very clearly, Mr. Speaker, that the housing starts in Saskatchewan have been dismally low over the last number of years.

From 1984 to 1985, for example, there was an increase of 100 dwelling units – I should say, housing starts – which is the lowest it's been since the early 1970s. The Saskatchewan Housing Corporation has put forward a table which clearly indicates that in the last two years of this government – the last two years, Mr. Speaker, of this government – there were 10,500 dwelling starts in Saskatchewan; and the last two years of the '79, 1980, there were more than 18,000, a substantial decline in the number of housing starts. And we have seen, Mr. Speaker, that the number of housing starts will continue to remain stable, or at a stable low level, and will in effect decline.

(1645)

In question period this afternoon, the member from Melville talked about how there are few opportunities left in Saskatchewan. And that is certainly substantiated, Mr. Speaker, by the information that again the Saskatchewan statistics Stats Canada has put out, outlining very clearly that there has been a 10.3 per cent increase in the number of people leaving this province over November '85 to November 1986, from 343 families to 378. And I think that's a clear reflection on the government's policy in terms of housing.

There are no housing starts increasing in this province; there are fewer opportunities in that respect. And I think that it's a real disappointment on this side of the House, Mr. Speaker, that they have not addressed the broader question of creating jobs.

The Statistics Canada labour force survey that has come out recently, as of December 5, outlines again their dismal failure in creating jobs, in particular in the housing market. There has been a five and a half per cent increase in the last 12 months in number of people out of work.

They have gone from 38,000 to 36,000. The number of people who are working in this province has declined substantially. How can they claim to have an effective housing program without having any evidence to provide what they're saying, to support what they're saying?

The total number of people that are employed from November '85 to November 1986 on this Statistics Canada survey that I have here shows that Saskatchewan is the only province that has had fewer people working – 2,000 fewer people working this November compared to last November than they in the last year. Every other province in Canada . . . Newfoundland had 1,000 more working; Prince Edward Island had 2,000 more people working, and everybody else in Canada, provincially, had more than that. So I refer members to that sort of document which is again a little bit of evidence to the government that their housing program has not been very effective.

The member from Arm River yesterday, in his remarks about the home program, talked about how they were the first government to introduce a housing grant to start up or to provide down-payment assistance to home owners or prospective home owners. Of course we know in this province that the New Democratic Party government had instituted that long before they came around.

But the member from Arm River indicated in his remarks, Mr. Speaker, about the home program that he projected and the government projection . . .

**Mr. Speaker:** — Order, please! The member seems to be wandering from the topic off and on and I have been overlooking it. But I must remind him that we're not discussing the home program; we're discussing the mortgage protection plan. And I would like you to confine your remarks to the mortgage protection plan.

**Mr. Solomon:** — Mr. Speaker, I'll do that, as I believe I have done. But the member from Qu'Appelle-Lumsden, the minister in charge, had indicated that he was talking about the \$1,500 matching program and I feel that I would like to comment on that but . . .

The minister claims that there will be thousands of jobs . . . the government claims that there will be 25,000 jobs created as a result of this Bill, Mr. Speaker, as a result of this program. And I feel that that is a projection which is not based on reality. If you look at the statistics that I've just talked about; if you look at the fact that housing starts are on the decline as opposed to the incline; if you look at the fact that skilled tradespeople, electricians and carpenters and dry wallers that the ministers referred to, that these people are, in effect, now starting to get some work as a result of the home program.

But I ask you and all members to talk to tradespeople that you know, ask them very simply how many weeks they have worked in the last four and one-half years – not years – but how many weeks they've worked in the last four and one-half years as a result of the housing program previously of this government, and how many weeks they believe they're going to be working as a result of this program.

My information, Mr. Speaker, from the tradespeople I've spoken to, indicate that it's a short-term job creation effort. It's a short-term effort in terms of providing assistance to families. And the minister himself this afternoon, moments earlier, indicated to this House that 44,000 home owners have taken advantage of the program, which is 25 per cent of the homes in this province. And if we've seen in this province 25 per cent of the home owners take advantage of the matching grant in the first three or four months of the program, you can conclude from that, Mr. Speaker, that it's not going to take long for the balance, those that are able to afford to take advantage of the program, to take advantage of it and thereby being a short-term effort in terms of job creation.

The member from Cut Knife-Lloydminster mentioned on the home program, with respect to the elements in Bill 3, a few items about housing objectives of this government – that the government has five objectives, the targeting of direct . . . Number one, the targeting . . . and I quote from *Hansard*, Mr. Speaker, "The targeting of direct housing subsidies to those most in need", number one. Bill No. 3 does not address that. Those in need cannot afford the matching \$1,500 program. Those in need, the low-income people and the seniors, are scrambling for an adequate supply of housing right now.

The November 25th issue of the *Leader-Post* outlines what city council in Regina have clearly defined as a major housing program in this city alone. A study done by the city's community planning department over the summer and fall show that approximately 2,000 families are on waiting lists for subsidized housing, plus about 150 seniors. And this is, in my view, Mr. Speaker, a shame that the government is not able to address this issue, a government that is not able to resolve the issue of low-income housing. I maintain, Mr. Speaker, that the Bill put forward to this House and that we are speaking about right now is not resolving the problem of those in most need. So I think their first objective is complete failure.

They go on and I quote, Mr. Speaker:

The targeting of direct housing subsidies to those most in need (again a failure), providing a safety net to ensure that basic housing needs are met.

Well the City of Regina has identified 2,000 families that do not have their basic housing needs met. It goes on:

. . . stimulating the housing sector to ensure delivery of appropriate housing – quantity and quality.

Well, it's not stimulating housing starts, Mr. Speaker. There are very few housing starts that are being undertaken at the moment in this city that I'm aware of, as well as very few throughout the province.

I'd like to during the course of the committee, but certainly now just raise some questions which I had about the Bill, the question being: who does it really protect? It doesn't say in the Bill who it protects. Under close scrutiny of the Bill, I note that those who have mortgages

above the nine and three-quarter per cent rate are locked in and those that have a lock-in feature of five years and four years, and three years and two years, they will not benefit from this Bill. It will only be for those who will be renewing their mortgages over the short term, and for some of these people it's going to be a bit of a hardship.

In my view it does not protect everyone. Those who are not working, as I indicated, will not be protected; those that are in the income bracket of \$16,000 to \$18,000 will not be protected either because they're struggling to obtain decent low-income housing for their families.

So I maintain, Mr. Speaker, that there is a means test in this Bill. The means test is evident and there is no evidence in my view that the people I've referred to – those that are out of work, those that are in a low-income situation – will be benefitting nor will their families.

The question I'd like to raise with the minister and the difference in Bill 3 as compared to the former Bill which covered interest protection – the mortgage interest rate protection program – is that Bill 3 does not provide a section for appropriation of funds. I am curious to know why that is not there. I will be raising that question when it comes to the committee, Mr. Speaker. I am also curious as to . . . that there's no legislation, no items in this Bill which outlines the \$1,500 matching grant or the \$10,000 loans at 6 per cent which, Mr. Speaker, I would maintain is something we should be looking at.

I am curious to know why the Bill that we're discussing this afternoon – the elements of the Bill – why the elements of the Bill were introduced in such a hurried fashion. During the September period there was a quick announcement on the provisions that we are now debating today.

There was, in my view, probably a very high cost on the part of the government in order to make arrangements with the banks to provide \$10,000 loans at 6 per cent. I think those arrangements are arrangements which we should be looking closely at. I would sure like to know what kind of deal for the fees to transact these loans were negotiated with the banks, and with the government. I'd like to know whether or not this is a premium rate that they are paying to have these loans looked after.

The Bill doesn't tell us this, and I think if they had been in such a hurry – or I know that they were in such a hurry – that they could not possibly have struck a decent arrangement with the banks in order to provide a lower cost of administering the program to the government and the taxpayers of Saskatchewan. It's been reported that the banks are likely in the receiving end of a windfall of around \$75 million as a result of this quick and hastily negotiated arrangement.

I would sure like to know whether minister has considered using, or did consider at that time, using the other organizations that were set out that may have provided the delivery of this program at a cheaper rate – for example, municipal offices, or the government departments themselves. We have a fairly active civil service. We have a number of people employed in that area, and I think that they would have delivered the

service at a much more reasonable cost than the banks that we now are likely paying a dear rate. But we'll be getting into that, Mr. Speaker.

The other comment I'd like to make about the Bill is that there is an item in there or two, that I agree with. I think that section 4 of the mortgage protection plan outlines that those who will receive benefits under the mortgage protection plan Bill, that those in the MIRP Bill, which is the former one at thirteen and a quarter per cent, they were provided assistance subsidization from thirteen and a quarter per cent to the high rate. This Bill, this item, section 4 of this MPP, Bill No. 3, does say very clearly that you cannot receive relief from both Bills. So I think that's a good element that is worthy of note, that we would certainly support.

I have a few other things I'd like to say, Mr. Speaker. I'd at this point beg leave to adjourn the debate.

Debate adjourned.

The Assembly adjourned at 4:59 p.m.