

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Meiklejohn: — Mr. Speaker, I'm very pleased this afternoon to introduce to you and to other members of the legislature, a group of 29 grade 8 students sitting in the west gallery. They are from Silverwood High School in Saskatoon Mayfair constituency. They're accompanied today by their teacher Ron Carlson, and bus driver Greg Johannson. I certainly hope that these students will find the session interesting and educational, and I trust that they'll have a safe journey on their way back to Saskatoon later today.

I look forward to meeting with this group at 2:30 following question period, and I'd ask all members of the legislature to give a warm welcome to these students from Silverwood High School in Saskatoon.

Hon. Members: Hear, hear!

Mr. Neudorf: — Thank you very much, Mr. Speaker. I would like to take this opportunity to introduce to you, and through you to other members of this legislature, a group of 33 students from grade 5 from the town of Clavet. I would like to introduce to you their teacher Joanne Magnuson, chaperon Karen Sperling, and the bus driver Les Buettner. And I hope that the students have had an enjoyable time thus far on their trip to Regina.

I hope that they find this legislature very informative and interesting, and I look forward to meeting with them at approximately 3 o'clock for pictures, drinks and a discussion.

I would like to ask all members in the Legislative Assembly to welcome these students in our midst this afternoon.

Hon. Members: Hear, hear!

Mr. Muirhead: — Thank you. Mr. Speaker, it's a pleasure to introduce to you, and to members of the Assembly, 39 students, grade 4 from Outlook School, Outlook, Saskatchewan. They are sitting in the Speaker's gallery. They are accompanied, Mr. Speaker, by their teachers Sheri Dutchek, Barbara Peardon, and chaperons June Haug, Sheila Gibson, Lois Pederson, Joanne Simonson and the bus driver Laurie Joyes. I'll be meeting with this here group, Mr. Speaker, at 2:30 for pictures and questions and drinks, which I always look forward to.

I wish to thank the Outlook students, Mr. Speaker, for being here today. Outlook, I find, is well represented here each and every year since I've been an MLA — usually two or three groups a year. So I ask all members to join with me in the usual manner in welcoming the Outlook group here.

Thank you, Mr. Speaker.

Hon. Members: Hear, hear!

Hon. Mr. Tusa: — I would also like to take this opportunity to introduce to the House a group of 23 grade 6 students from my home town of Cupar. They are accompanied by their teacher Mrs. Schmidt, also by Mrs. Boha and Mrs. Nameth as chaperons.

I'm certainly pleased to have students from my home town here this afternoon to view the proceedings of question period and to have a tour of the building, and I do look forward to meeting with them later for questions and pictures. Please welcome these students from Cupar.

Hon. Members: Hear, hear!

Hon. Mr. Tusa: — I would also like to take this opportunity to introduce two other people, formerly from my home town, who have retired and they are living here in Regina. I might say that when I was growing up they were more or less neighbours of ours, and the families know each other very well. I'm very pleased to have them here visiting this afternoon. Mr. Dolha tells me that he was here years ago when he was in the army, and he's back again for the first time with his wife.

They are sitting in the Speaker's gallery. Please welcome them here this afternoon.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Life-styles Promotion

Ms. Simard: — Thank you, Mr. Speaker. My question is to the Minister of Health. Mr. Minister, will you confirm that your government intends to launch on June 25 a promotional program called "Everybody Wins" and that the advertising budget for this campaign will be in the vicinity of \$2 million?

Hon. Mr. McLeod: — Well, Mr. Speaker, there will be a launch soon of a healthy life-styles and health promotion campaign, and there's no question that that's . . . And I'm quite surprised that anyone would have any questions about it, frankly, because members of the opposition and all groups in the health sector across Saskatchewan have been asking for measures that would promote preventive health that would promote all of that kind of thing across the society.

And, Mr. Speaker, that will happen; there will be a launch of a program . . . I don't confirm the exact date because I don't have it before me, but there will be a launch of a healthy life-styles program.

Ms. Simard: — A new question, Mr. Speaker. Mr. Minister, the school-based children's dental plan was preventative health at its best, Mr. Minister.

Some Hon. Members: Hear, hear!

Ms. Simard: — Experience tells us, Mr. Minister, that your advertising campaigns are really political ads poorly

disguised as being ads for the benefit of the public. I would like to know, Mr. Minister, who the winners are in regard to this: the people who are waiting to get hospital beds, are they the winners. The people who can't afford needed medication, are they the winners, Mr. Minister? What about the dental therapists who were summarily fired; are they the winners? Who are the winners in this "everybody's the winner" campaign?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — The member, before seeing any of the advertising that comes forward . . .

Mr. Speaker: Order. Order. Order. I would just like to ask hon. members to give the minister an opportunity to answer the question. I know that many people feel they have the answer to it, but the minister's been asked to answer, now let him answer.

Hon. Mr. McLeod: — It's interesting, Mr. Speaker, that the member, before seeing any of the advertising that will come forward, is condemning the advertising before she sees it.

She says, who are the winners in a healthy life-styles program? Mr. Speaker, the winners in a healthy life-styles program are the whole society, but specifically, the winners can be these kinds of folks in our society; young people who have lost their way as a result of the abuse of drugs and alcohol — those people can be the winners if we can change that to whatever degree is possible — the life-style that those young people lead; people in families who are not able to cope with the stress of everyday living, and so on.

Now in the Mental Health Association and others that tell us those are the people who will be winners on a healthy life-styles program that promotes good family life and good family organizations, that promotes the reduction of stressful living, those kinds of things. Those are the winners, Mr. Speaker. The winners are seniors who take advantage of fitness and exercise programs. Those are the winners in that kind of a program, Mr. Speaker.

Mr. Speaker, in a word, the whole society is a winner.

Some Hon. Members: Hear, hear!

Ms. Simard: — New question, Mr. Speaker. Mr. Minister, what about the children who are going hungry in Regina and across Saskatchewan? The experience tells us, Mr. Minister, as I said before, that your advertising campaigns are largely political ads in disguise.

In light of your government's massive cut-backs in the field of health care, how can you justify spending the taxpayers' money for another PC exercise aimed at addressing your political problems rather than the real health care problems in Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, it is the role of this society and, we believe, the role of this government to take a leadership role, to take a leadership role in the

promotion of healthy life-styles, of life-styles which will change the thinking of people as to the way in which they conduct themselves.

The world is calling for . . . the whole society is, all the sectors within the health community and, frankly, the former critic of health care, last year in the estimates, if that member would care to look back in *Hansard*, last year in the estimates as well, the former Health critic. And we had an exchange here and a discussion regarding the promotion of healthy life-styles and how that very thing is what this society needs and what the Department of Health should be focusing upon.

Mr. Speaker, the Department of Health, the Government of Saskatchewan, will be focusing upon healthy life-styles; we make no apology for that. We do that because all of the elements across the sector in the total health sector have been asking us to do just that. And we are not the only jurisdiction that is moving to that emphasis, Mr. Speaker. All jurisdictions are moving to that emphasis. We will move on that emphasis.

It's interesting that the member condemns the advertising campaign before she sees one of the ads. Mr. Speaker, I predict to you and to the public of Saskatchewan that those ads will in fact address the kind of healthy life-styles that all people in this society and all generations will want to see, not only for themselves but for their families.

Some Hon. Members: Hear, hear!

Ms. Simard: — New question, Mr. Speaker. Mr. Minister, I'll tell you what some good preventative health care is: get people their needed medication; get them their cancer treatment in time when they need it, not three months after it's scheduled.

Some Hon. Members: Hear, hear!

Ms. Simard: — You decimated, Mr. Minister, you decimated the children's school-based dental plan, which I said earlier was excellent preventative health care in Saskatchewan. Tell me, Mr. Minister: where is your credibility on the issue of preventative health care?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, what the member is suggesting, what she's really saying is to continue the practice of crisis health care, and obviously we need to do that. Obviously there will need to be, as the challenges that we face in health care, as a wider society, are the same challenges that have been there for some time, and those challenges are becoming greater.

No one will deny that. That member may deny it; her colleague who was the health critic didn't deny it last year; other members of that caucus haven't denied it. No one on this side of the House denies that preventive health care and preventive health, in terms of a promotion of healthier life-styles, is the way to go. And that's the case all across North America, and that will be the case here in Saskatchewan.

Some Hon. Members: Hear, hear!

Possible SGI Rate Increases

Ms. Atkinson: — My question is to the Premier. Mr. Premier, since February of this year we've been attempting to get from your government a statement to the people of Saskatchewan regarding your plans for SGI (Saskatchewan Government Insurance) rate increases for this year. So far both you and the minister responsible have indicated that there are rate increases coming, but you haven't elaborated. Mr. Speaker, will you today tell us when those rate increases are coming and what they will be?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, I believe I said to the hon. member that several proposals on various utilities, including SGI, had come before the boards of directors and before cabinet and cabinet planning, and we were examining them. And obviously when the recommendations come forward, we will be able to review them in some detail and make appropriate announcements.

I would say to the hon. member, and I will reiterate that the NDP government of Manitoba was defeated because of their mismanagement of auto insurance rates and other kinds of things tied to utilities. I can say clearly to the hon. member, we will not make the same mistakes. It's one of the reasons that the NDP have lost, frankly, in the province of Saskatchewan. And when I get into that they speak from their seat, and the children know that, Mr. Speaker. They are afraid to sit and listen to the truth.

I just ask them, for the sake of all the public, Mr. Speaker, listen, listen to the members opposite; they can't sit and listen and play by the rules of the House, and the whole province knows that.

I will say to the hon. members . . . Mr. Speaker, listen to them — I want all the kids listening — if you were in school doing this, do you know what: your teacher would ask you to sit down and behave yourself. That's what you would ask them to do, and it's about time you two smartened up.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, it's really about time somebody got a hold of the members opposite and ask them to play . . . here they go again, Mr. Speaker. Mr. Speaker, here they go again. There are rules in this legislature and they're afraid to play by them. As soon as they hear anything going on they have to chirp.

I will say, Mr. Speaker, perform for the children; Mr. Speaker, let the member from Quill Lakes perform for the children. He's been doing it all his life. That's the only thing he understands, rather, Mr. Speaker, than anything to do with the legislature. Children, see what it's like!

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Supplementary. I want the children of Saskatchewan to know that every time the Premier . . .

Mr. Speaker: — Order, order. Order, order. Order. I think we should just all kind of settle down.

Ms. Atkinson: — New question. I want the children of Saskatchewan to know that every time the Premier of Saskatchewan wishes to avoid a question he goes on at some length on all kinds of topics. That is the way this Premier deals with the kinds of questions that are asked by Her Majesty's Loyal Opposition.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — Mr. Premier, will you show enough respect for the people of our province and give them this information, or will they be like all of the other increases that have happened in this province; for instance, the STC (Saskatchewan Transportation Company) increases, they're only announced when our officials opposition lets the people know what's going on in this province.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, what I have advised this Assembly and the members opposite on many occasions is that we don't change tax on gasoline any more, as the opposition did, and pay for SGI through extra tax. We're the only province in this country — and I want the children to know that — the only province where you don't have to pay tax on gasoline. They had to in Manitoba, they had to in Alberta, they have to all across the country, but not here.

My answer to the hon. member is: we have protected people with respect to insurance rate increases and in terms of utility increases . . . (inaudible interjection) . . . and if the hon. members will just behave themselves and listen, we can go through all the kinds of things that we have done to protect young people . . .

Mr. Speaker: — Order, order. Order, order. Order, order. Order. I think all hon. members should just kind of get a hold of themselves and we'll get back to a good question period. And I think hurling insults across the floor is not in keeping with the dignity of this House, and hon. members realize that, and I know they will refrain from doing so.

Hon. Mr. Devine: — Thank you very much, Mr. Speaker. I appreciate that, as I'm sure every teacher in the gallery appreciates the fact that once in a while somebody has to make sure that there is decorum in the class-room, and the same applies to the legislature.

I just point out to the hon. member, we will make sure that our rates here are not as high as they were and are in Manitoba, and we will not make the same mistakes as the former government did here so people were absolutely fed up with it. We know that right now you don't have to pay tax on clothes and children's clothes and generally for the public under \$300. We made sure those kinds of benefits are passed on to the public and only too glad to do so, Mr. Speaker.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — New question. The Premier of

Saskatchewan has once again avoided the question, and when you do that, Mr. Premier, you are showing disrespect for the people of our province.

Some Hon. Members: Hear, hear!

Ms. Atkinson: — On May 3, when talking about your government's proposed \$25 per vehicle surcharge, you said, Mr. Premier, and I quote:

The suggestion that was brought forward to cabinet with respect to a \$25 surcharge was just a suggestion. We sent it back and we said, bring us some others.

End of quote.

Well, Mr. Premier, the other options are laid out in the same cabinet document, and they are: a 10 per cent increase this July 1, a further 10 per cent January 1, and 4 per cent January 1, 1990; or, a major increase of 21 per cent January 1 of next year, followed by a 4 per cent increase in 1990. Which one is it, Mr. Premier — a 24 per cent increase phased in from next month, or a 25 per cent increased phased in come January 1, 1989? Which one is it?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I've just said to the hon. member that in the province of Saskatchewan we are very careful with respect to utility rate increases, and we're not going to make the same mistakes that your government made or they've made in Manitoba. And the suggestions being brought forward, that you go through, were two. There are others. And when we have a chance to review them all, we'll report to the legislature and indeed to the public.

Complaints re PCS Officials

Mr. Mitchell: — Thank you, Mr. Speaker. My question is for the minister responsible for the Potash Corporation of Saskatchewan, and it concerns the letter from Gina Digness, dated June 1 of this year.

Mr. Minister, you did exactly what everyone expected of you — you whitewashed your senior management. You received a letter from Paul Schoenhals and from John Gugulyn saying that they behaviour was exemplary, so you simply announce last Friday afternoon that the matter is closed.

Now is that how little you care, Mr. Minister, about what goes on between your employees and the public of Saskatchewan? Is that going to be the extent of your looking into the matter?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Mr. Speaker, I did indicate to the people through the media on Friday afternoon that I had talked to both employees of the potash corporation, Mr. Schoenhals and Mr. Gugulyn. They gave me their side of the story, Mr. Speaker. I did indicate that in a situation like this I'm not surprised to have different versions of the

situation.

I do advise the hon. member, with respect, that the meeting referred to by Mrs. Digness, which constituted, I believe, two or three paragraphs in her letter, was a meeting of some two hours, Mr. Speaker. And I don't think that the public should ignore the fact, nor the hon. member, that there was a lengthy meeting with the potash corporation, that they were prepared to meet, that they did meet. And I wouldn't expect, in circumstances like this, that we would have anything other than two very different versions of the meeting.

Mr. Mitchell: — Supplementary, Mr. Speaker . . .

Mr. Speaker: — Order. Order, order, order. I'd just like to call the hon. members to attention. Let the member behind you ask the question. Order. Order. The hon. member has been in the House a long time, and I know he realizes that constant interruptions are not in keeping with the proper behaviour of members, and I ask him to refrain from that.

Mr. Mitchell: — Mr. Speaker, Mr. Minister, can you tell us if you were in contact with Mrs. Digness to get her side of the story after your meeting with Mr. Schoenhals? And have you been in touch with the other women, the three other women who accompanied Mrs. Digness when she met with Mr. Gugulyn at this two-hour meeting you're talking about, to get their version of the events?

Are you just going to leave it like this, Mr. Minister? Is that how slipshod your investigation into this complaint is going to be?

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — I think it fair to say, and I hope the hon. member doesn't forget this, that this was well discussed in the media. I believe Mrs. Digness has been on a couple of times with her version of the events. She's made allegations, and I note and I have indicated to the media that I would reply to her letter.

I do suggest to the hon. member that again, in a situation like this, the potash corporation did meet, very senior officials did meet with the people referred to, explained the potash corporation's position. And I think the hon. member should recall too that I believe Mrs. Digness indicated that Mr. Gugulyn treated her respectfully, and her delegation. I would hope that that fact is not forgotten by the opposition as they pursue the matter.

Mr. Mitchell: — Mr. Speaker, supplementary. We're certainly not forgetting anything, Mr. Minister, including the fact that Mrs. Digness raised some very serious allegations, particularly with respect to Mr. Schoenhals, but also with respect to Mr. Gugulyn.

What I'd like you to do, Minister, with all due respect to you, is to assure this House that your office will undertake a more comprehensive investigation than the one that you've undertaken, including an interview with the women involved, and report the results of that investigation to this Assembly at the earliest possible date, and not simply whitewash the matter the way it appears you've done to this point.

Some Hon. Members: Hear, hear!

Hon. Mr. Lane: — Well I believe, Mr. Speaker, that the parties have had the opportunity and taken advantage of media outlets, media coverage. The story has been taken to the media on numerous occasions, certainly within their right, and I did commit to this Assembly that I would interview and meet with the two people from the potash corporation. I've reported to the public, and I've indicated that I don't think that this is resolvable from that point of view, that, as I say, I have talked to the officials, and I'm quite prepared to leave it at that.

Some Hon. Members: Hear, hear!

Migration of Young People From Saskatchewan

Mr. Hagel: — Thank you very much, Mr. Speaker. My question is directed to the minister for Human Resources, Labour and Employment.

Mr. Minister, your government's record with regards to the net loss of Saskatchewan young people is both well-known and quite frankly deplorable. In May of this year, Saskatchewan lost 700 people who moved out of our province. So far this year, over 10,000 people have left the province of Saskatchewan, and as a matter of fact, Mr. Minister, exactly 77 per cent, nearly four out of every five of those people who have left the province of Saskatchewan are 35 years old or younger.

And I ask you, Mr. Minister: when is your government going to get serious about this brain drain, about this youth drain, about this energy drain of Saskatchewan people?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Well, Mr. Speaker, it's a great inconsistency here in the question. First of all, Saskatchewan has the second lowest unemployment rate in Canada.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — And when this government moves to diversify the economy of Saskatchewan, the opposition is critical of a paper mill, or critical of an upgrader. They're critical of bacon plants; they're critical of everything that provides jobs for young people in Saskatchewan. So unless they are prepared to allow business to establish in Saskatchewan, create jobs for young people, allow the opportunity for young people to start their own businesses, then they cannot have it both ways. This government is trying to assist people to provide their own jobs, bring in business to assist them to provide jobs, and we are being successful in the second lowest rate in Canada.

Some Hon. Members: Hear, hear!

Mr. Hagel: — New questions, Mr. Speaker. Mr. Minister, citing statistics may do a whole lot to help you feel better, but I'll tell you, it doesn't do a thing for the 34,000 unemployed in the province of Saskatchewan.

Mr. Minister, anybody can have a low unemployment rate if what you're doing is chasing workers out of the province.

Some Hon. Members: Hear, hear!

Mr. Hagel: — You will know, Mr. Minister, that in May of this year the latest employment figures indicate that the work force in this province has dropped by a thousand as compared to the same month a year ago, and that's a continuation of a trend that's been constant for the past three years.

I ask you again, Mr. Minister: what concrete proposal do you have to deal with this problem? Don't march out your litany that you just marched out before telling us what has failed. What new programs do you have in mind for those 34,000 unemployed in the province of Saskatchewan?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, there are 2,500 people employed at the upgrader construction site; there are approximately 700 at maximum at Weyerhaeuser in Prince Albert; there are 140 at the bacon plant. I don't know how many, there might be another 100 or so at the trailer plant in North Battleford. Right in the member's own constituency of Moose Jaw there should be approximately 60 people at Phillips Cable.

These are all diversifications of this government, and I can tell you that there aren't retired people working on those jobs. Those are young people working at those jobs, and we're going to continue those kinds of programs, even if the opposition is opposed to those kind of programs.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Supplementary, Mr. Speaker. Mr. Minister, if you want to get specific, let's get specific. In the first part of this year, the city of Saskatoon alone lost some 600 jobs through major company lay-offs. That's just in one city in this province, Mr. Minister. And I ask you, when are you going to admit that your government has failed miserably in job creation, develop a new strategy that will create jobs? I ask you that question, and quite frankly, Mr. Minister, the 34,000 unemployed in the province of Saskatchewan wait with bated breath to hear your response to this question.

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Well, Mr. Speaker, the city of Saskatoon is the fastest growing city in Canada, and new diversification of 200 jobs at Intercontinental Packers. The members opposite are opposed to that again.

They want to close down the uranium mines. Where do we employ those people that are working there now? They don't want any jobs in northern Saskatchewan either. They don't want any jobs in southern Saskatchewan. They don't want us to build the Shand power plant. And the member opposite knows that there will be jobs created there.

In addition, jobs in manufacturing, as has been announced by the member responsible for SaskPower, so there'll be manufacturing jobs. Marubeni is making the turbines in Saskatoon.

All of those things add up to jobs, and to the members opposite they add up to . . . (inaudible interjection) . . . No, private business. That's a dirty word to them. To us they add up to jobs for the young people of Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Mr. Minister, your record of employment is a failed record, and the people of Saskatchewan know that.

Some Hon. Members: Hear, hear!

Mr. Hagel: — Your record of people moving out of this province, again is a failed record, and the people of Saskatchewan know that. I asked you, Mr. Minister, to be specific, not to trot out your litany of failed programs; those are well known.

I ask you one more time: will you admit that your employment programs have failed? Will you admit that the loss of Saskatchewan people, particularly our young, talented, energetic people has failed? And will you outline to the people of Saskatchewan what vision, if any, that you and your government have to create employment for people in Saskatchewan who want to be working? Will you outline that for those 34,000 who are listening very carefully to your remarks here today?

Some Hon. Members: Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, I'm pleased to outline the government programs that will continue to create these jobs: public participation, WESTBRIDGE computers hiring 200 people, 200 educated young people in Saskatchewan, continued diversification. And the numbers go on and on and on. Actual projects, not statistics, but actual projects where actual people are working.

This is a record that that government opposite could not match even when they bought potash mines. That government, when they were government, the NDP, they bought potash mines and created no jobs, spent hundreds of millions of dollars to export our jobs to New Brunswick. Instead we are having the money spent in Saskatchewan for Saskatchewan jobs.

Some Hon. Members: Hear, hear!

ORDERS OF THE DAY

GOVERNMENT ORDERS

ADJOURNED DEBATES

SECOND READINGS

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Andrew that Bill No. 37

— **An Act to provide for Security for Saskatchewan Family Farms** be now read a second time.

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, I rise today to speak on Bill 37, which I think everyone, every farmer in a rural community in this province was expecting something from this government after months and months and months of asking by farmers and farm groups, farm leaders from this side of the House, and the list goes on and on. Everyone was asking for and expecting some type of a program under which we could see farmers have their debt restructured over a period of time in order that they would eventually see their way out of the crisis that we're now in.

Mr. Speaker, we have approximately 63,000 farmers in Saskatchewan . . .

Mr. Speaker: — Order, order. Order. I once more remind the hon. member not to interfere when someone is speaking, and I think he should adhere to that request.

Mr. Upshall: — Mr. Speaker, we have about 63,000 farmers in Saskatchewan carrying a debt load of approximately six and a half billion dollars. The government's own numbers show that 11 per cent of the farmers in this province are insolvent and 28 per cent are in serious cash flow difficulty, adding up to almost 40 per cent of the farmers in this province who are having considerable problem meeting their obligations on a day-to-day basis when it comes to their farming operations.

The result of this, Mr. Speaker, is that we're seeing the face of this province change. We are seeing farm families forced off the land. We are seeing services in town being cut because it's not viable to maintain that service in the town if the farm population isn't there.

Debts create a burden, Mr. Speaker. It creates a burden not only on the farmers, but also on the small-business men and women of this province. Debt also creates stress, and stress creates violence. And that's what we're seeing in the rural part of this province — a deterioration of the quality of life.

And when this government stands up and introduces a major piece of legislation, we would expect, Mr. Speaker, that it would somehow address this problem. But has it?

The problems are debt. The problem is actual depopulation of rural Saskatchewan, and indeed the whole province in general. And also compounding on that is the stress factor that we do not see in this province, but we know it's there from talking to people privately and talking to people who are involved in stress management.

My question is: what does this Bill do to correct those problems that are facing these people in Saskatchewan? What does it do to help out those farm families and those people in the rural areas, in towns and villages, who are up against something that they can no longer handle, Mr. Speaker — the six and a half billion farm debt going through the farmer to the business person, right through the social fabric of rural Saskatchewan? And I say, Mr.

Speaker, I think this Bill does very little.

The problem is that the debt for many has become totally unmanageable. It is to the point where the income no longer is sufficient enough to maintain that way of life, to maintain that farm, to maintain that small business in that small town. It has become a burden that they can no longer handle.

Farmers in this situation are looking at solutions. They fully expected that the government would come down with some long-term program, a long-term fixed interest rate, and also probably necessary to set aside a portion of that debt.

And if the government was serious about addressing the debt problem, they would do that. They would take the initiative to create a long-term program, a long-term low interest fixed rate, fixed rate low interest program, and setting aside a portion of the debt so that not only the farmer would be put on relatively stable ground, but the small-business person in the rural communities would be put on a more stable ground, and indeed the financial institution would be able to sit down with the farmer and say, okay, here's the plan; over a period of time we're going to be able to work this out.

We have seen nothing of that. We have been waiting and waiting and nothing has come.

Now, Mr. Speaker, we all have a responsibility for this crisis that we're in, and it must be shared by all people of this country and indeed all people of the province. We shouldn't expect, Mr. Speaker, the taxpayers, for example, to bail out the total debt that farmers are facing right now, and we don't expect that. We don't expect the financial institutions to totally swallow a portion of the debt that would help farmers get back on their feet, but they must be part of the solution.

And indeed, Mr. Speaker, we can't expect farmers, at this point in time, to be able to get out from under this serious debt, and indeed if they could, Mr. Speaker, they would be doing that right now. But the truth is, the reality is that the debt is there, the crisis is there, and we need a solution.

We know that solving the debt problem has to be a joint effort. Farmers, financial institutions, and the provincial and the federal government — we all must work together to share the responsibility to ensure that rural Saskatchewan, and indeed Saskatchewan in general, continues to exist. And, Mr. Speaker, if we don't do that, we are going to see a continued depopulation in this province, and a continued depopulation of this province means that we will be going further and further into the hands . . . or into the position of being a have-not province.

And to ensure that rural Saskatchewan continues to exist, we have to jointly take charge. And I also would like to say that the economists of this country, especially the agri-economists, should also somehow take responsibility, but I'm not sure at this point in time how we get that to come about.

Mr. Speaker, this Bill puts on a three-year moratorium on foreclosure on home quarters. At first glance you might say, well that would be a positive move. The problem comes when we ask, what are the parallel programs that are accompanying this moratorium? What are the ramifications of this moratorium? And, Mr. Speaker, I say to you and to the other side of the House, and indeed to all people of Saskatchewan, that a moratorium is only as good as the program that follows it up or the program that parallels it to ensure that the moratorium will have some benefit in the long run.

I can just take a look at the Farm Credit Corporation as an example. Farm Credit Corporation had a moratorium on, and they had it on it over a number of months. But the problem was, Mr. Speaker, that there was nothing paralleling that moratorium to ensure that those farmers, at the end of the moratorium, would be better off or would be in a better position to go to their financial . . . to look at their financial situation and say, yes indeed, I can see my way clear of this.

But no, that didn't happen. We were expecting a restructuring with the federal moratorium, restructuring of debt or long-term interest rate or something that was concrete. But we saw nothing. We saw the moratorium come off, and all we had was a delaying of the problem. Farmers were sitting back expecting something to happen, but nothing happened. And this is the same problem that we're looking at today.

A moratorium will be simply a stay of execution for many of those farmers. And I believe that without a parallel program this moratorium will also be simply a stay of execution. Putting off something for three years won't solve the problem unless you're going to take the problem and restructure that debt so that all involved can see themselves clear of it.

In fact, Mr. Speaker, it can compound the problem. For example, let's say that I as a farmer have \$100,000 debt owing on my home quarter, and I'm going to be in a position where that moratorium will help me; \$100,000 over three years, compounded, Mr. Speaker — simple arithmetic will tell you that that, over the three years, will add up to nearly \$150,000. And \$100,000 is not a great, large debt held by many farmers.

At the end of three years I'm owing now \$150 million because of the accumulated interest. What has this done to help me? It's a band-aid solution with no parallel program to ensure that at the end of that time, I will simply not just slide off the edge and lose my farm anyway.

And added to that, there's three more years of stress under which I am waiting, sitting back waiting for the government and the financial institution and myself to be able to sit down and say, this is the method under which I can restructure that debt and so I can see my way clear but keep my land; the institution can see their way clear but can get some return on their money; and indeed the government will see that the farmers and the social fabric of this province are maintained and stay in place. That's what we need. But this moratorium does not address that. It's a band-aid that goes only part way.

(1445)

As I said, Mr. Speaker, a moratorium is simply as good as the program that parallels it or follows it up. And because of its incompleteness, the moratorium has brought about another problem, and that is availability of credit from lending institutions.

There are wide-ranging reasons that farmers are facing the trouble they're in today. And in fact you can almost say there's as many reasons as there are farmers, because the situations are very different but they all have an underlying theme. And, Mr. Speaker, that underlying theme is that, I would say, most farmers rely on credit.

Farming is a business under which you have to have operating credit because the industry relies on world markets, it relies on availability of getting your product to market. So you have to have credit to tie you over to those periods of time under which you can't sell your crop, until you can. So credit and farming are synonymous for the most part.

It doesn't matter if you're deep in debt or if you have a fairly good equity-to-asset ratio . . . debt/equity ratio rather, you still rely on credit. And this must be the underlying theme that this government has to look at, the availability of credit. Because if the possibility is there that the credit could be cut back, and then how does the farmer operate? It doesn't matter, as I said, if he's in relatively good financial shape, he still relies on credit; or if he's in poor financial shape, he also needs the credit, operating credit to run his business.

As I said, we rely on the world market and all the fluctuations, so credit and farming are synonymous. We have seen already the ramifications Bill 37 has caused Farm Credit Corporation to cut back from lending 100 per cent on the home quarter to 25 per cent on the home quarter. Other lending institutions may follow suit. We don't know. And this, Mr. Speaker, is bad news for those people who rely on credit as a way of continuing their operation.

Let's, for example, let's talk about an intensive livestock operation, where on the home quarter are all the buildings and the assets that the farmer basically needs and uses in order to get credit to continue that operation. But there is a possibility that credit won't be there, Mr. Speaker, that person is putting his livelihood in jeopardy, is having his livelihood put in jeopardy for him by this Bill. Any intensive livestock operation, whether it be beef or chickens or poultry or hogs or whatever it is, and if that person can't get the credit, where does he turn to continue his farming operation?

Mr. Speaker, if credit is denied, the whole operation, as I said, will be put in jeopardy, and this hardly seems fair. Many ranchers have a home quarter and lease the major part of their grazing. What does that do to them if they no longer have opportunity to get full credit on that home quarter? Does it not put them in jeopardy?

What this does is put not only the farmers but the lending institutions in a state of insecurity. Instead of creating legislation that would give farmers and institutions and

indeed the rural communities a sense of security that they could work themselves out of a problem, it simply throws more insecurity into the problem. There's no restructuring, there's no long-term plans. What we have are fears and suspicions of what's yet to come.

It really doesn't matter, Mr. Speaker, what statements the Premier or the ministers over there say, the groundwork has already been done. And I believe the decisions will finally be made . . . will be made, I should say, in the long run in the courts. Indeed the courts will have final say and nothing in the Bill leads me to believe that farmers have more protection. I think in the end run, over a period of time, I can see nothing that will stop the foreclosure of farm land by institutions because there's nothing in there to stop it. All we're doing is band-aiding the solution. It's like propping up a man who's been run over with a steamroller, with some wet spaghetti. It's an attempt, but it doesn't do the job. And I say, Mr. Speaker, in the end run the farmers will be the losers. It's just simply going to take a little longer.

I would like to talk now for a minute about the mediation process, albeit not new. The question is, who will the mediators be and what will their mandate be? A serious solution, Mr. Speaker, would be for this government to give the Farm Land Security Board some power, some power to impose just and fair settlements. After all, those are the people who have knowledge of the industry, they're active in the industry or have been active in the industry, and they know what the situations are. All this government would have had to do was give that Farm Land Security Board added powers to impose fair and just settlements.

But already we're seeing another voice of authority that's coming into this and it's not the Farm Land Security Board. There'll be further costs involved. We're going to hire mediators and we're going to hire manager-mediators, but nothing to say that the farmers will benefit in the end.

The mediation process contained in this Bill still rests on the voluntary acceptance of the proposed settlement by financial institutions. It is still one-sided. If a farmer is deemed to be negotiating in bad faith, the court can allow foreclosure; if the court . . . if the creditor is negotiating in bad faith, then the court can only suggest further . . . order further mediation; if the board says the farmer is misallocating his funds, then he can be foreclosed upon. But if the board reports unfavourably to the lender, then the court can only say that there'll be a one-year stay of proceedings.

In the meantime, the farmer's debt continues to pile up. You see, Mr. Speaker, there's no solution involved here. It is simply a band-aid remedy.

The other part of this whole process is the retroactivity aspect. Lenders, farmers who negotiated mortgages in good faith, are now asking . . . are now saying the rules have been changed in the middle of the stream. And what's next? How is an institution or a farmer supposed to know now what is to come? If the retroactivity of this legislation is deemed to be one that in some respects favours the lender, or in other respects favours the farmer,

then how are either one of them to know where they will be in the end when it comes to the court.

And what's to stop this government from again changing the rules? That's the questions that are being asked. This government has created an air of uncertainty for lenders and an air of uncertainty for farmers. And again I say it has nothing to address the serious problem of debt that we have in this province.

As I say, lenders will be asking what the next move is and farmers are saying, why another band-aid solution? Why not go the whole nine yards and develop a restructuring program whereby we don't have to worry about mediators or retroactivity or anything that's involved in the Bill, that they'll be able to sit down with their financial institution and develop a 10-year or 20-year game plan under which they can work out from this tremendous debt load, with all people taking responsibilities.

One other small item, or I don't know how small it is, Mr. Speaker, is the question of co-signers. We see now where the co-signers are supposedly having no . . . have no obligation under this new legislation, but we're not sure if that's true. There's some opinion that the co-signer will be able to be sued in order to make up the difference between the value of the land under question and the total debt. We don't know that. This could give a false sense of security for co-signers.

The other thing it could do is, if this legislation is as it appears to be, giving . . . letting the co-signers off the hook, what about financial institutions? If I as a farmer who have somebody backing my program, my mortgage, I can say, well let's let it go; let's let them foreclose on me. I'll get the . . . I have first right of refusal. So I bought my land at \$100,000 a quarter; foreclosure action goes through at today's values of half or less; the institution has to write down the loan, and the co-signer can turn around and come back in help the person buy that land.

Now I say, is that fair? In the short run some people may say, okay, that's fine, but what about in the long run when the institutions all of a sudden realize that they can't afford this? What will happen to the credit? Will other people be put in jeopardy because of that?

I say, Mr. Speaker, that this program . . . And the minister, when speaking of it, said, we have to find common ground. Well, I agree. But he's not doing that with this Bill. Common ground would be for the institution and the farmer to be able to sit down and work out a deal with the aid of the government . . . with the aid of a government program. Institutions are not willing to take the full burden. Farmers are not willing to take the risk of losing their ability to borrow capital.

Mr. Speaker, this Bill also increases the foreign ownership of Saskatchewan farm land, and I think that we in this province have seen in the past years that the program we had for 10 acres of ownership by non-residents worked very well.

The member opposite, when explaining it, said, well now we can see sons or daughters in Toronto come and buy the home quarter and help the family farm out. Well is

that the solution to the debt crisis that we're in? I mean, is that what he's going to use as part of the program to get farmers out of debt? If it is, Mr. Speaker, it's very ill-conceived.

I say, Mr. Speaker, that this opens the door to lack of, loss of, control by Saskatchewan people. It opens the door to lack of control in Saskatchewan farm land by Saskatchewan residents, and it falls right in line with this government's touting of free trade. Because when free trade comes along, what's to top — that's just the first step — what's to stop them from bumping it up from 320 acres to 1,000 acres or beyond? The door has been opened.

But in the end run, Mr. Speaker, I think this whole program sets up the possibility for this government to bring back in their ill-conceived, ill-received program of equity financing. If they can put financial institutions in a position where they are insecure in their mortgages, where they will be foreclosing after a period of three years in some cases — in some cases more immediate because people can't get the capital to continue — then we will see farm land going into the hands of institutions.

After that, Mr. Speaker, it would be very easy for this government to promote the equity financing regime that they have tried so desperately to get through and has been refused by the people of this province. Because the lending institutions then, whether it be credit unions or banks, would be just happy to get rid of that land.

So I think this is a back-door approach for this government to try to bring in equity financing under the fudged legislation, so that they'd create the environment that this would be possible.

But, Mr. Speaker, I would just like to say, the farmers of this province, the small-business people in rural Saskatchewan, and indeed in the cities of this province, do not see a solution in this Bill. There are band-aids; there's no doubt about it. But why, I ask you, would the government not take the full step forward and address the problem of restructuring debt? You'll never solve the debt problem in this province, Mr. Speaker, by band-aid remedies, and we've seen one after another after another here, because the government refuses to take to task the problem. It refuses to stand fully behind farmers and allow them to continue farming in their operation and to adjust that debt in a manner necessary to continue that operation.

With the six and a half billion debt problem in this province, we see not only farmers, we see small-business people affected. As the credit situation gets worse, the debt situation gets worse, we are seeing more and more farmers rely on their suppliers, their fuel suppliers, their fertilizer suppliers, or other suppliers, to carry part of that debt. And that simply is not fair to those people because they cannot afford it either.

But this is what's happening, and the government refuses to stand behind that farm operation to restructure debt in order that all those people can eventually work their way clear of this debt.

Under this legislation, Mr. Speaker, I do not see how a farmer in rural Saskatchewan will be any better off five years from now than he is right now. We will have gone through this whole process, and many of the ramifications of this Bill we are already seeing; there are many that we have not seen yet. And as I said, I think they will be not seen until it goes to court.

But the bottom line is that there is no way that this legislation solves the debt crisis. And I ask, why not? We have seen this government time and time again, whether it be in the field of education, whether it be in the field of health, or whether it be in the field of health of agriculture, bringing out partial solutions, bring out band-aid programs that do not reflect the needs of the people of this province.

Farmers today, Mr. Speaker, are in a position where they cannot go on much longer. In fact, I'm amazed to see how long they can hang on. It's an endurance test out there. We have the problem that some farmers are in relatively good financial shape. But, Mr. Speaker, I say this government, even though they would like to get rid of those 40 per cent at the bottom of the scale, all we're doing is creating more and more debt, because we're not addressing the problem.

If we don't have a program whereby we support the price of the product, whereby we can control the input of the product, whereby we can have the financial institution work with the farmer and with the government to restructure that debt, then we don't have a solution.

And I ask you, Mr. Speaker, why wouldn't this government, after all the time that it's had, after all the so-called negotiations and meeting with the federal government in Ottawa, who carry between the two of them half of the debt of Saskatchewan farmers — they carry half the debt — why would they not simply go out there and say, okay, we will take the lead in debt restructuring; we don't have to write it down; we don't have to have the taxpayers carry the whole load because we know the farmer has responsibilities, we know the taxpayer has responsibilities, and we know the institutions have responsibilities?

(1500)

Why would this government and the federal government, carrying half the debt, not go to those people who are in serious financial trouble with a program saying, okay, we understand that your costs are high, that your returns are low, but over a period of time we can work this out?

We have seen the federal government not decrease their interest rates, but increase them — Farm Credit Corporation. We have seen the provincial government, through the production loan, not decrease interest rates but increase them. I think that tells us, Mr. Speaker, the direction this government is going. They can talk for hours and hours and hours about how they stand four-square behind farmers, but when you add up all the facts, it shows that they're letting them down terribly.

We can look at the livestock program, the livestock cash advance — they cut back 70 per cent. How does that help restructure the debt of this province? How does that help

that person, who has a hundred head of livestock and who has a grain operation, get out of his debt problems? They're actually asking for farmers with livestock to now pay back 30 per cent of that cash advance.

In times when grain prices are low, cattle prices are just starting to make . . . are making gains, and that farmers may have the opportunity to use the livestock sector maybe to subsidize the grain sector, at least to advance himself a little bit. The government says, oh no, boys, we're going to cut you back.

And not only that, what did they turn around and do in the last budget? They're going to give \$8 million for partnerships in corporations — \$8 million per operation — to enhance the livestock industry. There is another clear indicator of the direction of this government: we're going to cut out the small livestock operation and we're going to go into the megaproject, because we don't need those guys; because the majority of those people with livestock herds are the small farmer.

We're not a province of huge feedlots, although there are some. And they're necessary to some degree, but the major portion of the livestock industry in this province is built around the small, intensive farming operation with grain, with cattle, with hogs, but this government doesn't want that. And if they did want that, they could simply say, look, we are going to continue with a livestock enhancement program. We're not going to give \$8 million per operation for those megaprojects, but we'll support the ordinary farmer.

But they're not doing that. We have seen other indications of that, Mr. Speaker, whether it be in the hog industry, whether it be in the poultry industry, whether it be in the dairy industry. This government's lack of support for supply management, the only programs in this province whereby a farmer can actually sit down and figure out his cost of production and what he's going to receive for that, this government won't support it.

I asked you, Mr. Deputy Speaker, why not? Why, with the consultation, why, with influence of the federal government, why, with the influence of this provincial government, would they not stand behind the farming operation, readjust the debt? And I say, because they just don't want to. I think the mandate of this government is to simply try to get rid of those, I quote, "inefficient farmers," because that's what they think they are. Anybody with a debt load, according to this government, is inefficient.

Well I'll tell you, Mr. Speaker, that is not altogether true. Like any other business, farmers . . . farming is like any other business. There are people who are going to make it, and there's people who're not going to make it. But it's got nothing right now to do with efficiency or inefficiency. It's got to do with this tremendous debt load that we have hanging over our heads, brought about, I might add, by the general economy as it was a few years ago, by the lending institutions, by the farmers going out and getting more land, by the government not standing up and saying, we have a program to ensure that this will be able to be paid back. We don't have that.

And all I can say, Mr. Deputy Speaker, is that until this

government, with all its power to restructure half the debt in this province — half the debt in this province; with the federal government, with all its ability to stand behind the livestock industry, the grains industry, and in general, the rural part of this province; and with all its touting about how we're going to stand up here for farmers and all we've done in the past, it just doesn't wash. And farmers are understanding that.

They have no program for land transfer right now. How does that assist a farmer who's trying to retire with a high debt? Is there any provision for that farmer to retire and have someone else's son or a neighbour take over that land? — that want to take over that land. But due to the crisis situation — and they want to farm . . . They can look ahead and they can say, well why should I? Although I want to farm; the land is there; I can keep it in the family . . . But there's nobody supporting them. And yet this government stands up and says, yes, we're standing behind farmers.

Well, Mr. Deputy Speaker, that is not true, and this Bill proves that. If this government wanted to stand up and help farmers, they would have not brought down a piece of legislation that was a band-aid remedy. They would have stood up and brought legislation in that said: we are going to restructure the debt; we are going to give low interest rates instead of increasing interest rates; we're going to set aside portion of the debt instead of having it all fall on the shoulders, without having farmer and the institution being able to sit down and say, yes, there is a light at the end of the tunnel. But they refuse to do that.

So, Mr. Speaker, in closing I would like to say that despite all the rhetoric I hear from this government, despite the programs that we have seen come and the programs that we've seen go, standing up for the farmers, when you add all the pieces of the . . . when you put all the pieces of the puzzle together, it shows clearly that this government intends to get rid of a number of farmers. It intends to move the livestock industry into the megaproject industry.

Unfortunately, I don't know if this is the intent, but it's going to wreck the social fabric of rural Saskatchewan. It's going to wipe out a lot of small business men in rural towns. And I don't think that we should stand here and say that that should be possible, because in Saskatchewan we need that fabric, and in Saskatchewan we need legislation that maintains that fabric. And, Mr. Speaker, I just don't think a band-aid solution is going far enough to alleviate the debt crisis in rural Saskatchewan.

Some Hon. Members: Hear, hear!

Mr. Koskie: — Mr. Deputy Speaker, I want to take this occasion to comment in respect to the Bill 37 that's before us. And I want to say, Mr. Deputy Speaker, that as I look at the purpose of the Bill, Mr. Deputy Speaker, that I do agree with the purpose is . . . any one can agree with, for the purpose of the Bill as set out is to afford protection against loss of their farmers. The purpose of the Bill, let me repeat, is to afford protection to farmers against the loss of their farms.

Now all of us are concerned with what is going on in the

agricultural economy. The government set up a task force of MLAs that went around on a road show . . .

An Hon. Member: — Dog and pony.

Mr. Koskie: — Dog and pony, that cost and did a symposium, that probably spent over a million dollars profiling what they were going to do for the farmers of this province/ And then they came back with a report to this legislature, and what they indicated is that basically there's not very much they can do.

And this was reiterated by the Minister of Finance in the budget address, where he indicated that debt is the crisis facing agriculture, is clearly what he set out. But he went on to say, and he talked to the press and he said, it's too big a problem for the provincial treasury to solve.

Now if debt is the crisis, you have to ask yourself: what is the magnitude of that crisis? In Canada today, agriculture faces a \$24 billion debt. Saskatchewan alone has one-quarter of that debt — \$6.5 billion. In the government's own report that they tabled in this legislature, they said that 11 per cent of the farmers are insolvent. And they went on to say that 28 per cent of the farmers have a serious cash flow problem.

There we are looking at, Mr. Deputy Speaker, at close to 40 per cent of our farmers that either are insolvent or have a serious cash flow. And here comes a government who is supposed to be the friend of the farmer, which has not addressed the problem, because I doubt if the minister can stand up in this legislature and say that this piece of legislature is going to save the 11 per cent of insolvent farmers, because it isn't.

And I doubt if the Minister of Justice can stand up and say that this Bill is going to save the 28 per cent that have a serious cash flow. Because the problem with the cash flow is a result of many young farmers having bought land at a very high price, caught up in significant interest rates, and having had the commodities, the price of the commodities drop seriously.

I don't want to leave the impression that it's an easy problem that we face. But I don't think any government can come before the legislature and be hypocritical about initiating a Bill that they say is going to save the farmers from loss of their farm land. Because unless the government, jointly with the federal government, addresses the problem of the magnitude of the debt and, as my colleague from Humboldt has indicated, a massive restructuring of debt, this Bill, at most, will delay the agony and the inevitable result, and that is a massive exodus of farmers driven from the farms.

This Bill will not solve the problems of the debt crisis, and the minister should address that and be honest. We had a Farm Security Act brought in 1985, and I want to read what The Farm Security Act . . . and this is a development from that. They set up a Farm Land Security Board which was going to help mediate the debt of the farmer, delay the foreclosure actions.

And I want to tell you what that Farm Land Security Board did since beginning January 1, '85 to the end of March

'88. There were 2,251 foreclosure notices filed on 1,806 farmers, almost 800 cases not handled yet. So out of the 1,061 cases — this is under their previous farm legislation — 106 recommendations from the Farm Land Security Board to the court that the farmers should not be foreclosed. Starting with the 1,806 farmers, 2,251 notices, and from 1985 until March of '88, 106 recommendations is the total by the Farm Land Security Board recommending no action of foreclosure against the farmer — 106 during 1985, '86, '87, till March of '88.

There were 475 cases mediated and agreements reached, some of which were highly favourable to the lender — 289 reports to the court favoured the lender — 106, remember, for the farmer; 289 for the lender or for the banks, their friends, the real friends of the members opposite. Almost 3:1 in favour of the banks. And this was their model legislation that they put out in 1985 — going to save all the farmers.

And so what does their board do under the Farm Security Act? They make a report, three times as many in favour of the banks in respect to the farmers.

(1515)

And what they want to do here is continue that. That's what they're saying. We're going to have a Farm Land Security Board, a farm land loan board. And then they're going to add yet another piece to the jungle, and they're going to put a mediator in. Now that is going to really solve the problems of the 11 per cent who are insolvent, the 28 per cent with serious cash flow.

You know, when we take a look at the magnitude of the debt here in Saskatchewan, we find that we have major lenders, which we have indicated to this House before. The Royal Bank has somewhere around \$1.2 billion. The credit union movement has somewhere around 865 million, I was advised. And the two governments, the federal government and the Government of Saskatchewan, hold about one-half of the total debt held by farmers.

And do you mean to say to me here today that if the two levels of government were serious about the agricultural problem, holding one-half of the \$6.5 billion debt, that they couldn't restructure that debt? I don't believe it for a minute.

But I'll tell you, their commitment is not there, and that's the problem. And the problem is that the government has used a lot of rhetoric indicating how it's going to work and save the . . . and they are friends of the farmer, they say.

But let's take a look at their lack of management, their programs that they have put out. They had a production loan program which was very opportune; 1985, when farmers were still getting by, not as bad off as they are today. But they put \$1.2 billion out to every farmer in Saskatchewan, because they said, you have to reward success. And even the Premier of this province had his hand out and received the production loan.

Now there's a lot of planning by a government that would put \$1.2 billion out with a very large proportion of that

\$1.2 billion going to farmers who are absolutely without any debt. But you had to reward success they said, you had to be fair, and so they had a universal program. But the consequences of it is that they got \$1.2 billion out, they can't address the real problem facing the young generation farmers that got into farming, and the commodity prices have dropped and interest rates continue to rise.

And so I say the problem that we're facing here today is really vitally important to the future outlook of Saskatchewan. We have to decide here whether we're going to save a new generation of farmers or whether we're going to let the market-place dictate and the banks dictate, and that foreign investment come and purchase that land. Because unless we deal with the immediate problem of restructuring debt, this Bill cannot save the farmers from ultimate destruction, bankruptcy, and being run off the farm.

And I don't think the minister can purport that it does. But what he did do is hold a press conference and said, it's going to save the farmers. And let's take a look and . . . We've talked to a number of farmers around this province and they aren't quite sure, nor are some of the credit unions who have taken an opportunity to look at the Bill.

And I want to say that from my viewpoint, that the consultations with the credit union movement has been limited in respect to the government, unless if they think that they can go to Credit Union Central and that constitutes total consultation. But there's a lot of credit unions that first receive any indication of this Bill on or about May 14 is the earliest . . .

An Hon. Member: — Ten days before it was introduced.

Mr. Koskie: — Ten days before it was introduced. And then they had another conference call on May 17, and then on May 25 it was introduced. Now that's consultation.

I want to say that we have taken a look at some of the other misguided programs that the provincial government has launched. They said they're the friends of the farmers, and they launched a cash advance for cattlemen per head at \$125. But lo and behold, when the farmers and the cattlemen are in the greater crisis, what does this government do? It decreases the cash advance to 70 per cent of the initial, and what they do is start collecting it in the most difficult time.

What did they do with the production loan? They didn't extend it and just had the interest paid at 6 per cent? No, no, to those least able to pay, what this government did was to demand a renegotiation of that production loan and charge them nine and three-quarters per cent. Now that's going to help them further — that 11 per cent that are insolvent and the 28 per cent that have serious debt. Those are remarkable forward planning by this government, and they should be congratulated.

You know, we've asked the Premier, who's the Minister of Agriculture — and I'm surprised that he isn't putting this Bill through so that we could discuss the whole general range — but we've asked him, and we've asked

this minister here and other ministers whether or not they had serious discussions with the federal government in order to provide a restructuring of the debt in agriculture here in Saskatchewan. And we have received no reply.

And I think it's incumbent upon the government to come forward and to talk with the federal government . . . I'll tell you, more farmers are going to be lost in Saskatchewan, as high as in the 30s under the past Tory government — that's how bad, because their agenda is not . . . (inaudible) . . . protecting small farmers and family farmers, their agenda is to work in conjunction with the banks, dump them for foreign investors, the guys from Hong Kong and United States, because the free trade deal provides that the United States can come in up to \$150 million of capital, unrestricted, and can invest in our farm lands.

But I want to say, Mr. Deputy Speaker, that there are some concerns in respect to the Bill. There are farmers and there are financial institutions and, from all reports that I hear, and there may be exceptions to every rule, but that the credit unions in general have been working, they're dealing on the local level. The board there who approves the loans knows the credibility and the viability of each of the operators. And throughout the years what they have done is to develop that relationship, unique I guess, because you don't generally have it with financial institutions, because bank managers change and credit managers change. But very often the credit union movement, in particular, certainly know their clientele in the area that they're dealing with. And I'm not saying that they're perfect, but I say that in general the board and the manager knows the people they're dealing with.

And what does this government do? Under the most adverse conditions with farmers, the credit union has become a very major lender in the agricultural field — some 865 million, if my figure is correct. They've worked out loans with farmers, they have extended credit to the maximum, and they've operated under a given set of rules. And now along comes the Minister of Justice and he says, I'll fix it for the farmers; I'll change the rules that the farmer and the credit union manager and the credit union board worked out to mutual satisfaction. But a bureaucrat knows best. He knows what he can do now, and so what he does is he says, I don't care what you did before, and I don't care why you gave out that line of credit; the rules on this Bill now apply retroactively.

An Hon. Member: — New set of rules.

Mr. Koskie: — New set of rules. After the farmers and the credit unions, to maximize the benefit for the farmers, you come and change the rules, and you say that helps the farmers. You have to ask yourself: will it not, in fact, have a counter-effect? I mean, if institutions like the credit union . . . and I'm talking about . . . who know their local clientele, and suddenly they make loans to farmers on the basis of the knowledge and co-signers, and then you change the rule retroactively, what is the possible effect that that type of approach will have? Well one of the fears that it has is that it's going to harm the farmers more than the financial institutions, because retroactivity, they're afraid it changes the rules in mid-stream; and secondly, if you can have retroactivity today, then what happens if they change the rules and start extending credit

tomorrow; are you going to have retroactivity again?

So all I'm saying is those are the questions that are raised. And I can use the credit union movement because I'm familiar with it, because I don't deal to a large extent with the banks. But I can only say that I don't know of any other organization, any other organization that better know their clientele, of a local board of farmers and business men, say in Muenster, with a credit union manager that was born and raised in that area. And the bureaucrat and the Minister of Justice is going to come along and he's going to say, I'm going to change the rules because it's politically expedient for me. Pretend to help the farmers, that's what it is. This is a pretence.

And I want to say, similarly, this is from farmers; member from Arm River, I'd like you to get up and debate in this here, because many of the farmers in your area are telling us that this legislation could adversely affect them, not help them.

And I want to talk in respect of the provision affecting the homestead. And I ask again the minister to clarify, and we will go through section by section when we get into Committee of the Whole. But I talked to a young farmer, intensive operation. Most of the operation is on the home quarter which he owns; the rest is leased land. His credit is his homestead. Intensive in hogs, intensive in cattle, and he says, if . . . he says now that a homestead can no longer be foreclosed on if there's good faith — or the clause that is used here — the basic policy that will be adopted, I'm told, by both banks and by credit unions, is that homesteads no longer will be used as security for loans. I ask you: have you addressed that problem, and how is it going to help that intensive operator?

If I look around in the St. Gregor and Annaheim area, massively intensive operations, great hog production area in Saskatchewan. And there they have father-son operations and they work together and they set up large hog operations on the father's home quarter. And there's substantial debt in financing it, but they're able to do it on the basis that the home quarter, the whole home quarter, has been able to be put up for security. And so I raise to the minister: if institutions decide, as a result of your retroactivity, as a result of some of the changes in the responsibilities of those who co-sign, in respect to your legislation affecting homesteads, are you going to really be helping farmers, or will it be a detriment? Because many of them have been able to use the homestead in financing their operation.

And all I can say is, I don't know what your information is, but the financial institutions that we have talked to indicate that this provision could have a negative effect in so far as providing loans to farmers, and could, in fact, precipitate a drying up of credit, in respect, as it relates to the home quarter.

(1530)

I want to say that I am appalled that here we should be dealing with the farm debt crisis, the \$6.5 billion. We should be seriously addressing the 11 per cent of insolvent. We should be addressing the 28 per cent serious cash flow. And the minister puts out this Bill

and gets headlines that he's going to really help the farmers.

And on the very next week, or within a few days, the Farm Credit Corporation, which is a federal farm loaning institution, indicates that its first reaction to the Bill is that it's going to cut back the amount of security to 25 per cent on the home quarter. Now I don't know, Mr. Minister, if you think that that announcement by the Farm Credit Corporation is going to be of assistance to the farmers. I'd like you to be able to answer that, because farmers tell me it's negative.

So those are the concerns, and clearly what it indicates is that the minister, the provincial government, and the federal government, I guess, are not prepared at this time — maybe they're waiting until there's an election call — to make an announcement. I hear by the grape-vine that the federal government are starting to think about drafting some legislation in respect to debt restructuring.

I'd like to know whether the minister has had any contact with them, and whether or not that rumour is incorrect . . . is correct.

An Hon. Member: — Well ask him, ask him in committee.

Mr. Koskie: — But I don't think that . . . I'll deal with it how I like. I don't need the Minister of Finance . . .

An Hon. Member: — Well let him answer then.

Mr. Koskie: — I'm raising them, and if I want to raise them, I'll raise them. And those are the concerns, and this is a major problem whether you want to address it or not.

But I'll tell you, Mr. Minister, that is the ultimate solution, is getting the federal government to combine with the provincial government and working out a sensible method of restructuring of debt so we save the young generation of farmers who are about to lose their livelihood.

And I say that in light of what the federal government is doing. In the last week, to win a by-election in Quebec, they have dropped about \$2 billion — \$2 billion. And here we sit and look at a Saskatchewan vital industry, and not a single word from the provincial government or the federal government that they will in fact come to grips with the major problem of restructuring debt.

I say to you, Mr. Minister — and I'll go through this in detail with you, but I've had concerns sent in to me by various credit unions across the province indicating those basic concerns — and so I say to you, we all agree with the stated purpose of the Act, to afford protection to farmers against the loss of their farm. But I'll tell you, this Bill — just as the farm security Bill that you passed previously and the record I report to you — is not going to resolve the major problem of servicing massive debt with low commodity prices. And So I ask you: are you intending . . . I ask you, and I will ask you in the Committee of the Whole, whether or not you are indeed looking at a subsequent proposal of restructuring of debt in conjunction with the federal government.

I say that this is a major piece of legislation, and it's my understanding that various financial institutions are meeting — some are meeting today — in respect to the reviewing it, and certainly in respect to the credit union movement. I think that need . . . are has to be taken here, Mr. Minister. Well while your intent in the legislation we agree with — and certainly on this side of the House let there be no doubt that we stand four-square behind the farmers of Saskatchewan, and we will co-operate, I can assure you, in any legitimate way to deal with a major problem confronting Saskatchewan farmers.

But it's a vital piece of legislation and while . . . And I can tell you of an experience, Mr. Minister, and you were here in the House — when the interest rates were high, we brought in a piece of legislation in respect to Home Owners' Protection Act, and it served somewhat of the same purpose, where it was legislating that financial institutions could not take away the home from people that had a mortgage and were buying a home.

And I'll tell you, The Home Owners' Protection Act — and you may have reviewed that when you were putting this piece of legislation together — I'll tell you, the intention was sound, but I'll tell you, the result was not as great as what was anticipated. And contrary to helping people, many of the financial institutions, as a result of the legislation — and I don't think the credit unions will, but I don't entirely trust your friends, the banks; that if they get an opportunity, that they'll take a run and reduce their involvement in agriculture. So I ask you, that we've had some experience in respect to it . . . the nature of the problem, that there be no doubt is that some of this debt just has to be restructured. And otherwise it's not possible to save our young farmers.

I want just to summarize the concerns that we have picked up, for what they're worth, and I'll go into details as the sections are dealt with. But some are concerned, as I said, in respect to the homestead provision; some are concerned in respect to releasing the co-signers; some are concerned in respect to the appointment of a single mediator and what happens if he's biased, and what effects does it have e- those are some concerns.

The other concerns is that the rules keep changing in the middle of the game, and it's difficult for financial institutions, even who have been dealing with the farmers in good faith and who have developed a portfolio, to suddenly have retroactive legislation which changes the position of their portfolio and, as a consequence, changes what they can do in the future.

But let there be no doubt, the financial institutions are not, I'll say, our concern; our concern is the farmers. But let us be sure that the legislation that you're putting forward will not indeed dry up credit at a time when we need more credit. And those are the concerns.

I want to say, Mr. Minister, that as I have said, we are consulting and drawing near to the end of the consulting process, but we have a little more consulting to do. And so at this time I'm going to ask to adjourn the debate and to adjourn the debate because we're consulting. This is a major piece of legislation, and I'm asking to adjourn the debate. And I'll tell you, just in talking in respect to this,

Mr. Deputy Deputy Chairman, I want to propose, indicate that I'll be asking for an adjournment, just to indicate to the House that the members opposite are indicating a refusal to adjourn debate on a major piece of legislation affecting the Saskatchewan farmers . . . (inaudible interjection) . . . That's right, four times.

And I'll tell you, the major institution in Saskatchewan today are meeting in respect to this Bill . . . (inaudible interjection) . . . The credit union movement. And they're asking us and denying a possible adjournment.

This is a government that has lost touch, Mr. Speaker, have lot touch with the real concerns of the people of Saskatchewan. They want to ram it through. Well if you want to ram it through, then let's go on and let's start discussing in detail some of the representations and concerns of the people of this province.

And I'll tell you, it's really quite a feat here to see a government that has brought down 50 pieces of legislation in the last two weeks, a government so disorganized here in this legislature that has 23 Bills at stage of second reading, 15 of which are not even printed. Now that is an administration that should be proud of its effort.

And I want to say . . . (inaudible interjection) . . . you're not the speaker, so just . . . I have the floor. I want to say, Mr. Deputy Speaker, again, that the major institution that has been working with the farmers, that was founded by the farmers and business men when the banks deserted them, the credit unions.

Today, throughout this province, they are having delegates from every credit union or credit union district in this province to deal with this Bill. And I'll tell you, we want the input from the credit unions. And I don't think that it's fair to deny consultation, because I've indicated to you that that's all that we want is their consultation, complete their consultation, and you will get the co-operation in respect to this.

There is no intention to forestall this Bill, because all of us here are as concerned as you are in respect to the farmers' plight in Saskatchewan. And so I say, Mr. Speaker, there are other concerns that I want to address, and that's in respect to the foreign ownership provision of the Bill where they have indicated that for some weak, half-baked excuse that they want to open up the right of foreign ownership in extending it from 10 to 320 acres, or a half section.

And the excuse that they give in respect to the opening up the foreign ownership of land in Saskatchewan is weak at best, and the farmers of Saskatchewan won't believe them. Because obviously, as my colleague has indicated, their intent is to get out from under this, not by addressing it as governments at two levels, but rather to bail out of the problem through an equity financing corporation which has been rejected throughout this province, which was sponsored by the Credit Union Central, was rejected by the small credit unions throughout this province, and what they want to do now is to come in through the back door.

This Bill, I want to say, Mr. Deputy Speaker, while its purpose we agree with, we want to make absolutely sure that we have an opportunity to consult with farm organizations . . .

An Hon. Member: — Oh, come on, adjourn debate. Why are you ragging the puck?

Mr. Koskie: — That's okay for you to say, because you don't care. You don't care about farmers any more. You sit there and laugh. And here, you know, consultation . . . that's what the Deputy Premier says. He says, consultation is of no concern to him, no concern whatsoever.

An Hon. Member: — Great recovery.

Mr. Koskie: — I don't have to recover with what's across the way. I mean, the Minister of Finance, it would take a lot of recovery to get yourself mired out of the disrespect that the financial community has for you.

And so I say, Mr. Deputy Speaker, that there are a number of other programs which really indicates no plan and no direction by this government. I talked to some financial institutions in respect to the farm purchase program which this government put in shortly after they came into office . . . (inaudible interjection) . . . Yes, its good one. You ask the farmers who have invested, and the financial institutions who helped to finance the farm purchase of land for young farmers, and they said, we agree with the particular program.

(1545)

But what has changed now is that retroactivity of the Bill is going to affect the basic security that many of the financial institutions had worked out with the farmers and those that were selling the land. And many of the farm purchase programs were a transfer, intergenerational transfer. And both were satisfied. Both the farmer who had bought, the son; the father who had sold, and the financial institution. And I talk here about credit unions because I know very little about the workings of the banks, because that's your friends, not ours.

So in winding up my comments in respect to this, I want to indicate again to the people of Saskatchewan that major Bill, if this Bill in fact to the satisfaction of the farmers and in satisfaction to the credit union movement working in the interests of the farmers, if our consultation indicates that it is going to be beneficial, then certainly we have full intentions of proceeding as rapidly as possible. But I tell you that it is our intention, whether it's yours or not, to have consultation. And accordingly, I move to adjourn the debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Andrew that Bill No. 50 — **An Act respecting the Control of Distribution and the Consumption of Beverage Alcohol in Saskatchewan** be now read a second time.

Mr. Calvert: — Mr. Deputy Speaker, it's my pleasure to be able to resume remarks on Bill 50, having had the last few days to discuss the Bill with those who are concerned about this Bill, including hotel owners who have some deep concerns about this Bill, and including individuals who have concerns about the use, the abuse, I might say, of alcohol in our province. I've had some time to study the legislation myself, and so I'm happy to be able to resume some remarks. And I hope members on the opposite side, particularly those in the front bench, will pay attention to what I have to say here this afternoon.

An Hon. Member: — What about those in the second row? I'm paying attention.

Mr. Calvert: — Well the second row should listen too, particularly the Minister of Urban Affairs, who has a habit not of listening.

An Hon. Member: — Third row . . . (inaudible) . . .

Mr. Calvert: — Third row doesn't matter. Mr. Deputy Speaker, I think just in passing, Mr. Deputy Speaker, I would like to point out the delay that we've seen in the introduction of this legislation. You will recall, having been here, that a Bill, a very similar Bill, was introduced into this House a year ago in last year's session. It was left then to die on the order paper. The Bill that we have today is substantially the same Bill, with very few changes.

Mr. Deputy Speaker, this Bill, therefore, could easily have been introduced in the third week of this session. It could have been introduced in early April. That would have given members of this House and the public in Saskatchewan ample opportunity to study and consider the Bill. In fact, this Bill was introduced, given first reading, on June 1 — June 1 — and, I might add, given first reading with a vast amount of other legislation. Some 50-some Bills have been introduced in this House in the last two weeks. A Bill that was essentially ready when this session began and not introduced until June 1.

Now, Mr. Deputy Speaker, that indicates three things to me. It indicates, first of all, that this government does not want public scrutiny or public debate about this particular piece of legislation. It indicates to me that this government simply wants to take this Alcohol Control Bill and ram it through this House. It says to me, Mr. Deputy Speaker . . . (inaudible interjection) . . . And the member from Morse seems to question what I say. Well we'll be anxious to hear his comments on this Bill. We'll be anxious to hear his comments on this Alcohol Control Bill.

Mr. Deputy Speaker, it says to me that there's something about this Bill that the government wants to hide; that the government wants to keep from public scrutiny and debate; that the government just wants to push through this House. The Bill could have been introduced here in the third week of this session. And I ask you, Mr. Deputy Speaker, why did we wait until June 1 to see this Bill?

My assumption that this government intends or wants to hide some significant changes introduced by this Bill is

confirmed for me in some press reports that have covered the Bill. And I refer, Mr. Deputy Speaker, to an article from *The Fort Qu'Appelle Times*, and an article appears there which is either a press release from the Deputy Premier, or an interview in which the Deputy Premier is quoted as saying, "I believe the legislation is fair, responsible, and flexible enough to allow new concepts in the hotel industry." Then the article goes on to discuss the highlights of the new Act.

And the highlights discussed in this, whether it was an interview or a press release, the most substantive part of this Bill, the most controversial aspects of this Bill are not mentioned, not mentioned by the Deputy Premier in his either interview or news release.

Now why, Mr. Deputy Speaker, would the Deputy Premier not inform the people of Saskatchewan the real consequences of this Bill 50? Well I'm only led to conclude that they do not want public scrutiny, they do not want debate, they just want to push this Bill through with the hopes that Saskatchewan residents are not aware of the real substantive change which is contained in this Bill.

And they are two, they are two, Mr. Deputy Speaker, and they have been addressed by my colleague from P.A.-Duck Lake and other members on this side of the House will want to also address them. They are two.

There is a substantial move in this Bill from legislation to regulation. So much of what governs the sale and distribution of alcoholic beverages in our province now is governed by legislation, which means for changes to occur, those changes must come to this House and be subject to public scrutiny and public debate. This Bill moves many of those decisions from this House into the field of regulation, into the field of the cabinet, behind closed doors, Mr. Deputy Speaker, where no public scrutiny or no public debate can happen. That's the first substantial change of this Bill.

And the second, the second substantial change is that this Bill opens the way to the franchising out of liquor sales, to the franchised liquor sale concept for Saskatchewan which is entirely new and, I submit, Mr. Deputy Speaker, entirely foreign to this province. Both of these substantial changes I have found to be unpopular with the people that I have been able to talk to in the last week, unpopular both with those who are involved currently in the sale of alcoholic beverages — and by that I mean hotel owners, primarily, liquor board employees — and unpopular with people who are concerned and in the field of drug and alcohol abuse and treatment.

Mr. Deputy Speaker, I believe that many of my colleagues here will want to speak on these changes, and they will address in turn very particularly the effect of this legislation, for instance, on the hotel owners of Saskatchewan, and particularly rural Saskatchewan. My colleague from P.A.-Duck Lake has addressed some of these concerns.

The question I want to deal with in my remarks, Mr. Deputy Speaker, surrounds this one question. Does this

legislation hinder or help in the problem, which is recognized universally in this House, of drug and alcohol abuse in our province? Does this legislation hinder or help the problem? Is this legislation something that we, as legislators, can say is a positive thing for Saskatchewan's young people, a positive thing for Saskatchewan families? Is it a positive thing in our battle against abuse, or, Mr. Deputy Speaker, is it legislation which will simply in the long run compound the problem that makes the problems worse? That's the question I wish to address — the specific question, Mr. Deputy Speaker.

And having looked at this question, and having looked at the legislation, and having talked to individuals and professionals in the field, my conclusion is that a greater reliance on regulations and a dwindling of legislative authority . . . my conclusion is that the franchising out of liquor sales in Saskatchewan with absolutely no limit on the number of franchises, with the franchises being chosen by this cabinet . . . my conclusion is that this legislation is not a positive step for Saskatchewan's youth or for Saskatchewan's families; it's not a positive direction in our efforts to battle alcohol and drug abuse in this province.

Mr. Deputy Speaker, in my opinion this legislation in fact opens the doors to some very negative consequences, and I'd like to outline my reasons, Mr. Deputy Speaker. I think it's notable that at the same time we are debating Bill 50, which opens the way for franchised liquor sales in Saskatchewan, at the very same time we are debating this Bill, we have the minister of privatization going about the province suggesting that he wishes to privatize all the current liquor board stores, to turn all of the current liquor board stores into private operations.

And so it becomes very clear, Mr. Deputy Speaker, that this government has set itself a goal for the sale and distribution of alcoholic beverages in our province. And that goal is to put the lot of it into private hands, to remove it from government control and to put the sale and the distribution of alcoholic beverages into the hands of private entrepreneurs, whether it be through the privatization of the current Liquor Board stores or, on the other hand, through the franchising out of alcohol sales made possible by this Bill No. 50.

That's the government's agenda. It almost would seem that this government would like to treat alcohol no different than the sale of hamburgers or the sale of used cars. It's just one more commodity that ought to go onto the open market, into the free market, free enterprise system.

Mr. Deputy Speaker, my contention is this: because there will always be — no matter what our best intentions — because there will always be problems associated with the use of alcohol, and because governments will always be expected to pick up the cost of those problems, it is my contention that governments therefore ought to garner the revenues from the sale of alcoholic beverages.

Mr. Speaker, it's estimated . . . Mr. new Deputy Speaker, it's estimated that in Canada that it costs over \$21 million a day as a result of alcohol abuse. That's the cost per day — over \$21 million in terms of productivity

loss, in terms of absenteeism, in terms of a lower work morale, in terms of accidents on the job — \$21 million a day; that's what it costs Canadians.

In statistics I've been able to garner from our own SADAC (Saskatchewan Alcohol and Drug Abuse Commission) in Saskatchewan — and these are the latest we have — in 1986, 3,031 drivers in this province were involved in alcohol related accidents; 3,-31 drivers in alcohol related accidents.

Mr. Deputy Speaker, the costs of alcohol abuse return to government. The government is expected to bear those costs; government is expected to provide the rehabilitation; government is expected to provide the preventative programs; government is expected to provide the health care.

If we take liquor sales and privatize the lot, Mr. Deputy Speaker, we stand to lose substantial revenues, revenues which I believe ought to be used for treatment and prevention and for health care. These are not insignificant revenues, Mr. Deputy Speaker.

Let me just refer to the revenues from the Liquor Board to the province of Saskatchewan over the last number of years. In 1982, revenues from the Liquor Board were \$49 million to the treasury of Saskatchewan; in 1983, \$110 million; in 1984, \$79 million; in 1985, \$71 million; in 1986, revenues to the province of Saskatchewan from the Liquor Board were \$84 million; in 1987, \$140 million; in 1988, predicted 122.5; and predicted 1989, \$150 million. Since 1982, Mr. Deputy Speaker, from the Liquor Board, revenues to the province of Saskatchewan to 1989 will be \$805 million — almost eight-tenths of a billion dollars.

(1600)

Mr. Deputy Speaker, if we privatize, if we franchise out liquor sales in this province as this government has set as a goal, we are going to sacrifice substantial revenues. And I ask, Mr. Deputy Speaker, if we're going to lose that kind of income as a province, then where will the money come from to fund treatment centres like Whitespruce? Where will the money come from to fund treatment centres like the Angus Campbell in Moose Jaw, and Calder in Saskatoon, and St. Joseph's in Estevan? Where will the money come from to fund the Wascana Hospitals, the long-term rehabilitation centres? Where will the money come from for education? Where will the money come from for social services to care for families who suffer because of a loved one's abuse of alcohol?

Mr. Deputy Speaker, the franchising option which is now available through this Bill, combined with this government's wholesale plunge into privatization, which now will include Liquor Board stores and liquor sales, may well cost this province millions of dollars; the provincial treasury, millions and millions of dollars — dollars which I believe are so desperately needed for the treatment and the prevention of alcohol abuse.

And I look forward to when members of this government will stand in this House and defend the loss of this kind of revenue to the provincial treasury. I look forward to

members entering this debate and responding to that question.

Mr. Deputy Speaker, I ask you and members of this House, what will be the likely effect of the privatization of liquor sales in Saskatchewan on consumption? What will be the likely effect on Saskatchewan young people?

Mr. Deputy Speaker, let me just describe the current situation in Saskatchewan. These again are figures from SADAC. They're dated May 1987. They are taken from a national health survey of drug and alcohol abuse across Canada. And interestingly, Mr. Deputy Speaker, I was not able to get the most recent figures on consumption in this province because they're not available to SADAC because the Liquor Board has not made them yet available.

These then are figures that date back to 1985, which are about as recent as we can get. In 1985, Mr. Deputy Speaker, it is estimated that there were 46,000 — 46,000 — problem drinkers in Saskatchewan; 46,000 people, substantially more than the population of the city which I come from — 46,000 problem drinkers. In 1985 it was estimated there were 586,000 moderate drinkers in Saskatchewan.

Mr. Speaker, the question I ask is that if this Bill passes, if we see the wholesale privatization and franchising of liquor sales in Saskatchewan, are we going to see more of those moderate drinkers, more of the 586,000 moderate drinkers, moved into the category of problem drinkers — moved into the 46,000?

You'll find it interesting, Mr. Deputy Speaker, that of the 46,000 problem drinkers in Saskatchewan, almost half — almost half of that number — 47 per cent of that number, were people aged 15 to 24. Half of the problem drinkers in Saskatchewan, about 23,000 young people in Saskatchewan, are described as having a problem with alcohol.

Now I ask: does this Bill, does the franchising out of liquor sales and the privatization of liquor distribution in this province, does that help the problem or does it compound the problem? And I'm given to believe it compounds the problem, Mr. Deputy Speaker.

Let's just imagine the situation. Let's just imagine the situation, if this government has its way and we see the total privatization, franchising out of liquor sales in Saskatchewan. Let's just imagine the situation.

Well the liquor sales in that situation now will be for private profit of the retailer. That will be the first goal of the retailer, to earn his or her private profit. That's understandable. Everybody understands it. That'll be the first goal. And so it's very conceivable, Mr. Deputy Speaker, that what we're going to have is a market that's flooded with retailers. Everyone will want a franchise. Of course everyone will want a franchise. Of course everyone will want in on the lucrative trade. It's conceivable, Mr. Deputy Speaker, that we will end up having a liquor outlet in every corner of every town in Saskatchewan.

Mr. Deputy Speaker, we've all been to Small Town, United States, you know the small towns that have one grain elevator and one garage and one store and five liquor outlets. We've all been there. We've seen that. It's conceivable, it's conceivable we'll have that same kind of situation in Saskatchewan. It's conceivable, Mr. Deputy Speaker, that we're going to have off-sale in pizza parlours. It's conceivable we're going to have off-sale in the corner confectionary. Perhaps it's more than conceivable, Mr. Deputy Speaker, perhaps it's arguable, perhaps it's predictable.

The franchising out of liquor board sales, the privatization of the liquor stores, is that going to help or hinder in our fight against alcohol and drug abuse? I tell you, it's going to put a lot of pressure on small retailers to get into the business. And if sales are for profit, Mr. Deputy Speaker, if sales are for profit, surely we're going to see heavier advertising of alcoholic beverages, surely we're going to see price cutting in an effort to get a part of the market, surely we're going to see discount sales on booze.

In the situation today, Mr. Deputy Speaker, we have hotel owners and liquor board stores who are responsible for the sale of alcoholic beverages. And they are responsible, Mr. Deputy Speaker. They are conscious of their role in not selling to minors. But imagine the situation if we've got the small corner store that has teenagers that work behind the counter and you've got other teenagers coming in to buy. Are they going to be as careful? Are they going to be as responsible? Are they going to say to their friends; no, I can't sell you a 12 pack because you're not old enough?

Mr. Deputy Speaker, I come down Albert Street and I see a big billboard in front of one of the hotels on Albert Street advertising canned beer, cheapest in town. Are we going to see that kind of billboard in front of every corner store and every pizza parlour? What's the impact of that, Mr. Deputy Speaker, on our society? What's the impact of that kind of thing on Saskatchewan society, and what's the impact on Saskatchewan young people, and what's the impact on Saskatchewan families? Is that the kind of province we want? Is that the kind of province you want?

Well I say it's not the kind of province I want, Mr. Deputy Speaker. We have a system today that meets consumer demand, that for the most part meets consumer desires. Even with the system we've got, we struggle with the problems. The last thing we need in this province, Mr. Deputy Speaker, is increased accessibility. The last thing we need is discounting of alcohol prices. The last thing we need is heavier advertising. The last thing we need to do, in my judgement, is to sacrifice the revenue into private hands. The last thing we need to do in this province, Mr. Deputy Speaker, is to compound the problem that already exists.

Mr. Deputy Speaker, for those reasons I will not be able to support this Bill. And let me just draw to some conclusion in this. By describing what can only be described as the hypocrisy of the government opposite, today in question period the Minister of Health talks about the young people of Saskatchewan who have fallen astray, and indicates his great concern for the young people of

Saskatchewan who are caught in the web of alcohol abuse.

On the other hand, we have the Premier of this province at Whitespruce, opening a drug and alcohol treatment centre for young people, and we have congratulated this government on that development. The very day the Premier's at Whitespruce opening, this legislation's being introduced in the House.

We have the Premier at Whitespruce describing the problems of alcohol and drug abuse in our society on a par with the drought that we faced this spring; we have the Premier up at Whitespruce talking about the arms race and comparing the arms race, and solving the arms race, with the difficulty in solving the problem of abuse among young people in Saskatchewan; we have a Premier and a government who try and foster the image that they stand for Saskatchewan young people and they stand for Saskatchewan families; we've got a Premier who, from a luxury yacht out in British Columbia, issues a communiqué with his three partners from western Canada. Let me quote the first paragraph of the communiqué. He says:

The rapid pace of change in family and working lives is placing particularly intense pressures on today's youth and their families. These pressures have resulted in an alarming increase in drug and alcohol abuse.

The Premier talks about an alarming increase in drug and alcohol abuse. At the same time, this is the Premier, this is the government, that legalized the beer and wine ads for television and the media, and this is the government that refuses to take them off. Mr. Deputy Speaker, this is the same Premier who now . . . and the same government, who now wants to privatize the liquor stores. This is the same Premier and the same government who now wants to have franchised booze sales all across Saskatchewan. This is the same Premier and the same government that brings into this House an Act which, in my judgement, can only compound the problem.

Mr. Speaker, you just simply can't believe what they say when you see what they do, and their attitudes and their actions can only be described as hypocritical.

And so I think that Bill 50, this Alcohol Control Act, or should we describe it as alcohol out-of-control Act, this Bill 50 will be a test for members of this government, a test for certain members of this government, and we'll just see about their commitment to Saskatchewan families.

How many of them will stand up in this debate and defend private liquor sales? How many of them will stand up in this debate and defend price-cutting and advertising and promotion, more outlets and competition for liquor sales in this province? Will the member for Rosthern stand up in this debate and defend these policies of his government? Will the member for Rosetown, the Minister of the Environment, will he stand up and defend these policies in this debate? Will the member from Morse? Will the member from Moosomin?

Mr. Deputy Speaker, I believe this Bill will be a test for

these members, a test of their commitment to the Saskatchewan young people, and the Saskatchewan families they so much like to talk about.

Will the member from Arm River stand up and defend this legislation in this House? And what will they do when it comes time to vote, Mr. Deputy Speaker? Are they going to vote for this? Are they going to vote for this? Well we'll see, Mr. Speaker. And so I sincerely hope that members opposite, on this occasion, will listen to their conscience, will listen to what they know is right and will not listen to their party whip, but will stand and take a stand on this issue, even though it may go contrary to the desires of some of their front bench.

I ask members opposite, this time put the interests of Saskatchewan young people first, put the interests of Saskatchewan families first, say no, say no to this Bill, say no particularly to the provisions that'll see the franchising out of liquor sales in this province.

So, Mr. Speaker, I end by just a plea to members opposite; I hope they will do what is right, do what is right.

(1615)

Mr. Hagel: — Thank you very much, Mr. Speaker. It's a pleasure to be recognized, and I welcome you back to the Chair as well. I'm sure your presence will contribute to decorum in the conduct of this debate.

Mr. Speaker, my colleague from Moose Jaw South has raised a number of pertinent points related to the debate on this Bill before us, Bill 50, allowing for the privatization of liquor stores in the province of Saskatchewan.

Mr. Speaker, I listened very carefully to the points that he raised, and he and I, being both from Moose Jaw, have had opportunity to share our views and to consult with constituents. And I find myself, Mr. Speaker, sharing a great number . . . in fact, I would say all of the views that were put forth by the member from Moose Jaw South.

He, in his career, has often found himself dealing with people who were suffering from problems related to the use, and more seriously, the abuse of alcohol in our society. And prior to coming to this Legislative Assembly, through my career as well, I am pleased to say that I have had opportunity to be involved in dealing with social problems related to the use and the abuse of alcohol, and most specifically as it relates to the use in combination with operation of a motor vehicle.

It is my view, Mr. Speaker, that when this Legislative Assembly deals with a matter such as the distribution of alcohol in our society, that that is not just a passing phenomenon over which we can leap lightly. It is something that we must all take seriously, and we have to think very, very carefully about the social implications of this Bill.

And quite frankly, Mr. Speaker, I stand in my place today to raise some concerns, some of which will be similar, some of which will be different from those that the member from Moose Jaw South raised. I raise them not in

an aggressive kind of manner today, because it is my hope that the debate on this Bill will be a reasoned debate that will allow members on both sides of the House to give very careful consideration of the implications and to draw conclusions that will not represent partisan political relationships, but will represent a decision that each of us sees in the best interests of the people of Saskatchewan.

First of all let me say this, Mr. Speaker, that it is my view that this Bill before us is an outright contradiction between many of the other messages attempting to be sent by the Government of Saskatchewan today.

On the one hand, as my colleague from Moose Jaw South said, we have, with perhaps a larger amount of fanfare than is really necessary, but yet at the same time a very significant step was taken just a few days ago with the official opening of the Whitespruce treatment centre for young people here in the province of Saskatchewan. It's a treatment centre that is long overdue.

I certainly concur and support with the provision of this kind of necessary service for the young people in our province suffering from addiction. And it is appropriate that the Premier and the Minister of Health and others should talk about the significance of that treatment centre to deal with some very crucial problems affecting young people today.

Well I'm certain there is no one of us in this Legislative Assembly who has not been touched personally, and probably several times, either through our careers or our friendships and personal relationships, by the problems related to alcohol abuse and dependency in our province. It is a major health care issue that does need to be addressed.

But it seems to me, Mr. Speaker, that it needs to be addressed more than through the provision of just a single facility, to say there it is; we've got this facility; now we're doing what we need to be doing. Those of us who come to this Legislative Assembly have a responsibility to look at the implications of related kinds of legislation and how it either facilitates drug abuse and dependency or how it may deter from that and therefore create what we would all consider to be a healthier kind of society.

I find it kind of odd that we are introducing Whitespruce centre and at the same time, as my colleague from Moose Jaw South said, on the very same day, that we're introducing this Bill to allow for the privatization of liquor stores. And I want to outline what the implications of that are.

I find it also, Mr. Speaker, odd that this very same government is the government that brought to the people of Saskatchewan, booze ads. And is there any one of us here who has children who has hasn't had the experience of our children humming the beer commercial tunes and the words? And contrary to a promise that was made when booze ads were first allowed some five years ago, that they would never be shown when children were watching, I challenge any member to turn on a sports activity on their television and find that activity presented without a booze ad.

And so at the same time we have within our society a promotion of the message allowing these ads, the message being that to have a good time, to engage in athletic activities, that booze has to be a necessary part of that. And this Bill, unfortunately, Mr. Speaker, in my mind, is more consistent with that initiative of the Government of Saskatchewan, the booze ad initiative, than it is with the Whitespruce ad, or with the Whitespruce initiative, I should say. And that's the part that alarms me about this Bill.

Now as we look at the problems related to alcohol in our society, Mr. Minister, or Mr. Speaker, you will be aware, you may very well be aware that about 10 years ago there was very significant research done here in the province of Saskatchewan. The government of the day was dealing through the Aware program, with a public awareness program to try and influence the health attitudes towards alcohol consumption.

And I recall very clearly, Mr. Speaker, attending a workshop related to research at that time which spelled out very clearly that there is a relationship between access to booze and the use of booze. And that's logical and it's not surprising that research would say that. The more booze is available, the more it's going to be used. It's a research fact; it's also common sense tells us that.

Research also tells us, Mr. Speaker, that the greater the use of alcohol, the greater the abuse of alcohol. And again, it's kind of odd that we have to have a researcher to tell us that, but to simply confirm what we all know by way of common sense.

And then the final step, Mr. Speaker, is that the research told us of all that there is a relationship between the abuse of alcohol and the dependency, or alcohol addiction. And again that's not a fact that we need a researcher to tell us. Common sense tells us from our own experience, the more booze is accessible, the more it is used, the greater the abuse and the greater the addiction.

And it's with that kind of concern, Mr. Speaker, related to the accessibility of alcohol in our society, which is a clear implication, a clear implication of this Bill, that I stand and express my concerns today.

Now this Bill will allow for, and the most significant part of this Bill, Mr. Speaker, is it will allow for a large increase in the number of liquor franchises allowed in the province of Saskatchewan. In fact, if I'm reading it correctly, it places no limits on the number of private franchises, no limits at all. The previous Act did have limits, but this Act takes away any limits on the number of liquor outlets that can operate in the province of Saskatchewan, operate privately, privatize liquor outlets, Mr. Speaker, with the consequence being an increased competition for liquor sales.

And so what we're going to see, I predict, Mr. Speaker, if this Bill is passed, is that we will see in the province of Saskatchewan, begin with great enthusiasm, the battle for the booze buck. The battle for the booze buck is what's going to be on. Because, Mr. Speaker, rather than having people working in liquor stores now being paid a salary to do their job and to do their job according to the

regulations and the law, we will be having liquor outlets all across Saskatchewan in every corner eventually, I suspect — every corner across Saskatchewan, we will have liquor outlets that are being operated for a profit.

Now what's that mean? Again it's obvious, and we don't need researchers to tell us. Common sense says that when you're operating for a profit, then you have a vested interest in selling more. The more you sell, the more you make; therefore, the battle for the booze buck by private operators across the province of Saskatchewan.

Now we can anticipate with that, Mr. Speaker, price wars. And price wars again to attract the consumer and to make booze that much more accessible to all people of Saskatchewan. And again we go back to, accessibility eventually leads to increase in alcohol addiction.

There will be a temptation, I predict, Mr. Speaker . . . I'm not totally naive by the ways of the world, and I suspect that therefore we would find a temptation to sell some of that booze illegally simply because there is the profit motive in place and that people are not, who are working in those stores, who are operating those stores — are not operating for a salary to operate according to the rules, but on the profit motive. And the more you sell, the more you make.

And my fear, Mr. Speaker, quite frankly, is that booze will become more readily available to young people who are not legally entitled to purchase alcohol, through back-door sales. And I don't think that's a characteristic of alcohol purchase that the people of Saskatchewan are clamouring to see.

As my colleague from Moose Jaw South pointed out, and we've already seen it to some degree, an increase yet, yet a greater increase in the advertising, encouraging people to use alcohol, to purchase alcohol, and encouraging people to equate the use of alcohol with good times and with a positive kind of life-style and encouraging people to draw that kind of relationship.

And it's only common sense: if you have a product and you want to sell it, you advertise. What do you do in advertising? You advertise to increase the consumption, so as to increase the sales, and therefore the profit.

There is also . . .

An Hon. Member: — How do you equate that with the 5 per cent decrease in the consumption of alcohol in North America? It doesn't make sense.

Mr. Hagel: — The member from Regina Wascana has some very interesting statistics that he would like to share with this House, and so I encourage you, member from Wascana, I encourage you to enter into this debate to share these statistics with us and to tell me and to tell the people of Saskatchewan how you and your colleagues see this privatization of liquor outlets in the province of Saskatchewan, encouraging increased consumption, making booze more acceptable as an investment in their long-term health. I look forward to hearing that message from you defended in any way that you choose.

And it's been kind of characteristic of the debate on this Bill so far, sir, that the members on the government side opposite have sat silently — catcalls, and you yip and you yap from your seat, but I challenge you to stand and enter into this debate and tell the people of Saskatchewan where you stand.

Well, Mr. Speaker, either a good number of members opposite would appear to have a great deal of interest in this topic — and if they are as supportive and would like to be in support of, on the record, supportive on the record of the position that they espouse in this Bill, then I encourage them to stand in their places and let their constituents know where they stand and how they support this Bill.

I'd like to now, Mr. Speaker, turn to deal with the issue of jobs. As I said before, the practice in Saskatchewan today, largely, is that people are employed in liquor stores to deal with the dispensing of liquor according to the regulations and the law of the land. And therefore, Mr. Speaker, the situation is one that we have a good number of liquor store employees who have stable employment and with decent pay. And those are people who contribute to the economy in their various communities across the province.

Now, Mr. Speaker, in order to understand the implications of this Bill, we have to look also in the context of a Bill that everyone is anticipating to arrive in this Legislative Assembly whenever the Minister of Labour decides that he is going to have the . . . allow the people of Saskatchewan to take a look at it. I'm referring to The Trade Union Act.

Now it's no secret, Mr. Minister, Mr. Speaker, it's no secret that employees in liquor stores across the province of Saskatchewan are members of the Saskatchewan Government Employees' Union. They're civil servants; they have a union. Everybody that I talk to anticipates that in the near future we will be finding some amendments or some changes affecting people who are organized employees.

And I hesitate to raise this issue because I do understand it is anticipating what may happen. And so I can't comment on what will happen, I can't forecast, but let me raise a concern about what could happen if amendments are made to The Trade Union Act which will eliminate successor rights, successor rights if operations are sold off.

In other words, if it should happen, Mr. Speaker, that changes are made to The Trade Union Act so that liquor stores can be sold off but the employees and their collective agreement don't go with them — which is the law in Saskatchewan today, that I'm afraid, I am afraid may be up for change — if that should happen, then, Mr. Speaker, what we do find in Saskatchewan is that we do find a situation where we have a number of long-term employees with very stable employment and good working conditions, who are good citizens and contributors to the economy in their communities, either without jobs or looking at jobs which offer minimum wage.

And that would be the practice consistent with the privatization experience related to initiatives of this government so far. And so, Mr. Speaker, I simply raise the alarm that follows so frequently. We saw it with the privatization of the Saskatchewan technical institutes to the Saskatchewan Institute of Applied Science and Technology, when the Minister of Education stood in this House and explained that one thing that would happen with this new privatized technical system in Saskatchewan was that employees would lose their rights to take their collective agreement with them with the new employer.

(1630)

And so the pattern has been set. I mean, I'm not looking for bogymen. I'm not looking for dark horses in closets here, Mr. Speaker. I'm referring to a practice that has happened. It has happened twice already in this Legislative Assembly related to the privatization initiatives of the Government of Saskatchewan.

An Hon. Member: — The question I have is: how come there's only 15 people out to Moose Jaw at a privatization meeting?

Mr. Hagel: — The Minister of Education yaps from his seat, and he knows that I tell the truth. He knows that, Mr. Speaker. And I encourage him to enter into this debate, along with his colleague from Regina Wascana, to tell your constituents just how you stand on this Bill and how you look forward to the benefits of this Bill being increased access to alcohol, leading eventually to the abuse of the use of alcohol and problems related to that.

Mr. Speaker: — Order, order. Order. I would just like to call on all members to allow the debate to proceed without undue interference. And as we all know in this House, the odd interruption is permitted. Due to the nature of the House, however, we must try not to step across the bounds of good behaviour, and some members, I believe, are doing that now.

Mr. Hagel: — I appreciate that very much, Mr. Speaker, and calling to order the odd member from Weyburn for his interjections here.

Mr. Speaker, when we look at this privatization of liquor stores in Saskatchewan, we have to ask ourselves, who is going to get those franchises, that unlimited number of franchises across the province of Saskatchewan?

Now is it likely, when we look at the track record of this government, that there will be ads and people will be invited to apply, and on some objective measurement those outlets . . . the franchises will be designated for outlets? Highly unlikely, I suggest, Mr. Speaker.

We have in Saskatchewan today a government which has made patronage an art. And I have a fear, Mr. Speaker, that what we have here is yet another initiative to make tailor-made patronage in the province of Saskatchewan. When I look at the record, I can conclude nothing else — wide open for tailor-made patronage, with no limits to the numbers of outlets. And interestingly enough, Mr. Speaker, in this Bill, without the requirement to have a guest room in close proximity to this liquor dispensing

outlet.

Now we all know, and the legislation in Saskatchewan today is, if you're going to serve liquor, you have to have either an eating establishment or you have to have, in close proximity, the availability of guest rooms.

Well, Mr. Speaker, what this piece of legislation says is that that is no longer a criteria. These franchises of unlimited numbers will be available to whomever the minister designates, in whatever number he designates, without the requirement to have a guest room — without the requirement to have a guest room in close proximity.

And what does that tell me, Mr. Speaker? What that tells me is that the American model of driving through some small town that is in the process of disappearing as we . . . is being risked in rural Saskatchewan today in that American model. And we've all seen it. We drive through a small town that's got one garage, one general store, and three bars — is the one that we can look forward to in the province of Saskatchewan if this Bill goes through, because there is absolutely nothing in this Bill to prevent that scenario in the province of Saskatchewan. And I say, shame, Mr. Speaker — I say, shame. That is not the vision, that is not the vision of small town Saskatchewan that the people of Saskatchewan want.

But when I look at this Bill in the context as well, Mr. Speaker, of The Urban Municipality Act, I say, when we put these things together, we have a potentially ominous — potentially ominous — scenario that faces the people of Saskatchewan.

Now why do I say that? Another Bill before this House right now is The Urban Municipality Act. What does The Urban Municipality Act permit if approved? It permits for the possibility of wide open shopping, including on Sundays. And when you look through that particular Act, Mr. Speaker, of the things that can be permitted on Sundays, you'll find that one of the things that can be permitted is the sale of liquor — the sale of liquor, the sale of liquor — in The Urban Municipality Act.

Now, Mr. Speaker, we don't have to be terribly brilliant to put these things together. If you have the possibility, as authorized in this Act, for the minister in charge to designate any number of franchises he wants, to whomever he wants, including to restaurants and pizza parlours which can be open on Sundays, Mr. Speaker, there is absolutely, with the legislation before the Assembly today, there is absolutely nothing to prohibit the off-sale of alcohol beverages on Sundays in the province of Saskatchewan — and when you tie that in with the fear about changes to The Trade Union Act, being operated out of businesses that are paying people minimum wage.

And I put those things together, Mr. Speaker, and I asked myself: is that the kind of Saskatchewan that the people of Saskatchewan sent us to serve in this Legislative Assembly? Is that the kind of Saskatchewan? Did the people of Saskatchewan say, get into that Legislative Assembly and get us a situation where we can have liquor stores on every corner selling booze on Sundays and paying people minimum wage? Is that what the people

sent us to this Assembly to say? I say no, Mr. Speaker, and that is one of the flaws of this Bill.

Some Hon. Members: Hear, hear!

Mr. Hagel: — An ominous scenario — an ominous scenario when you look at the realities. And ain't that a lovely picture; ain't that a lovely picture for the people of Saskatchewan today?

Well, as my colleague from Moose Jaw South pointed out as well, Mr. Speaker, there is another problem related to this Bill, and it has to do with the potential for revenues. Since 1982 the province of Saskatchewan has generated some \$800 million worth of revenues through the sale of booze. And I suggest, Mr. Speaker, that that is a princely sum. I mean, what the heck, I mean, I guess we could look at it the other way and say, well, that's less than the actual deficit in the 1986 with this PC government, but that is a princely sum, Mr. Speaker.

And I suggest as well that it is a revenue source from which we need every penny we can get, apologies to no one — apologies to no one. The sale of booze as a source of generating revenue for the province of Saskatchewan is something for which none of us need apologize. And we need every penny we can get, not only to deal with the implications of the abuse and the addiction from the use of alcohol but from all of our social needs in this province of Saskatchewan.

And my fear, Mr. Speaker, is that through this privatization, through this privatization of liquor outlets in the province of Saskatchewan, that a very important and substantial revenue to the province of Saskatchewan will be lost.

Another significant characteristic of this Bill, Mr. Speaker, is that it will move much more control over the operations of the distribution of alcohol to regulation instead of by legislation. And what, in effect, it seems to me, Mr. Speaker, is that if this Bill is carried, this debate . . . this Legislative Assembly will have seen its last debate related to the distribution of alcohol in our society today, because the specifics related to the distribution of alcohol, if this Bill is carried, will be made by regulations issued behind closed cabinet doors. And I don't believe, Mr. Speaker, that the people of Saskatchewan mandated any of us, when making decisions that affect the social structure of Saskatchewan, to make one decision now, and then allow for the decisions thereafter to be made behind closed cabinet door.

This Bill, Mr. Speaker, although you know on the surface it may not appear to have a great deal to do with the social structure of Saskatchewan, in my view does. It has to do with fair employment; it has to do with the enforcement of regulations and laws so that the distribution is according to the will of the Legislative Assembly; it has to do with opening up and providing unlimited access. I believe . . . I think we're going to find liquor stores on every corner. One of the members opposite — I'm not sure if he was jesting or not — said to me, he's interested in having two.

Mr. Speaker, this Bill will allow for liquor stores on every corner in the province of Saskatchewan. That's what it

allows for. No restrictions . . .

An Hon. Member: — That is the stupidest thing I ever heard . . .

Mr. Hagel: — Ah, the member from Weyburn says that's the stupidest thing he ever heard, and I agree; it is the stupidest thing I ever heard.

Some Hon. Members: Hear, hear!

Mr. Hagel: — And you put it in here. I wonder, to the Minister of Education, I mean, we've had a whole raft of the stupidest things you've ever heard in this Legislative Assembly.

We had the Minister of Finance saying he was thinking about a phone book for all the province of Saskatchewan. A few days later the Deputy Premier stood and said he thought that was the dumbest idea he ever heard. Now we have the minister putting forth . . . another minister putting forth this privatization of liquor stores Bill, and we have the Minister of Education saying that's one of the stupidest things that he ever heard, to allow for the unlimited availability of booze through potentially, through potentially a liquor store on every corner.

But I challenge you, sir, I challenge you, if you were convinced that this is the right thing, to stand and defend it. And I challenge you to point out the part of this Bill that places limits on the number of franchises, the number of outlets, that can exist in the province of Saskatchewan. I say to you, sir, it's not there, and therefore I agree, it's one of the stupidest things that I ever heard as well.

Well, Mr. Speaker, I look forward to seeing members opposite stand on their hind legs in this Assembly and to communicate to the people of Saskatchewan and to their constituents back home just why they support this Bill which provides for the privatization of liquor stores and the availability of liquor, including on Sundays, including putting workers in a place, into a position where they're working for minimum wage, and including the possibility of liquor stores on every corner.

Now I would be very comfortable, Mr. Speaker, if someone from that side could stand up and say to this House, to me, that I'm wrong, that my interpretation is incorrect, and to point the place in the Bill where it says that there will be limits, and to point to the place in the Bill which says that it does not allow for patronage appointments, and to point to the place in the Bill which guarantees that liquor store employees who are currently working at jobs will be allowed to continue to work with the same wages and the same benefits and the same collective agreement.

I challenge the members opposite, Mr. Speaker, to stand and point to the specific parts of the legislation that provide that assurance for the kind of social structure in the province of Saskatchewan that I think Saskatchewan people want, Saskatchewan people who have a vested interest in the family structure and in healthy living, people who have made an historical statement about the importance of health care in this province and who recognize, Mr. Speaker, that one of the greatest health

problems in the province of Saskatchewan today relates to the abusive use of alcohol, and the addiction.

Those are the concerns, Mr. Speaker, those are the concerns that I have. I look forward to hearing from members opposite, and I will watch very carefully how they vote when it comes to voting related to this Bill, Mr. Speaker.

And so, Mr. Speaker, I conclude by saying that what we have before us here is a Bill laden with problems, laden with problems; which needs much more review; and which requires, Mr. Bill . . . by its implications, the opportunity for Saskatchewan people to have input — not just those who are directly affected, like hoteliers, and certainly their input is valued and important and welcome, but on the broader scope as well, Mr. Speaker, all of Saskatchewan people who have a vested interest in the social structure of our province.

This Bill requires that kind of opportunity by Saskatchewan people, Mr. Speaker, and accordingly, I will now move adjournment of debate.

Some Hon. Members: Hear, hear!

Debate adjourned.

(1645)

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Berntson that Bill No. 62 — **An Act respecting Securities in Saskatchewan** be now read a second time.

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

The Assembly resumed the adjourned debate on the proposed motion by the Hon. Mr. Taylor that Bill No. 55 — **An Act to establish the Public Participation Program** be now read a second time.

Mr. Rolfes: — Mr. Speaker, I think a few chosen words are in order on this Bill. This Bill . . . (inaudible interjection) . . . as the member chirps from his seat again, Minister of Urban Affairs.

Mr. Speaker, this particular Bill on public participation is more aptly called, as my member from Moose Jaw indicates, probably the Bill should be called privatization, but more commonly referred to as privatization.

And, Mr. Speaker, this Bill hits at the heart of Saskatchewan. It simply destroys the way Saskatchewan has been developed over the years. This particular Bill, Mr. Speaker, changes how we have developed Saskatchewan over the history, where we look at the private sector and the public sector and the co-operative sector in helping us to develop our land-locked economy.

This particular Bill gives the Minister of Public Participation, or privatization, gives him sweeping powers — powers, Mr. Speaker, which would allow him and his cabinet colleagues to not bring before this House

the deals that they make in selling off our Crown corporations and our other assets that we have come to respect in this province.

This is, Mr. Speaker, a very sweeping Bill. And what concerns me more, Mr. Speaker, what concerns me more about this Bill is the hidden agenda of this government — the hidden agenda. They have told us time and time again, and the minister for Public Participation has told the people of this province not to worry; I will consult with you; before any deal is made, you will be consulted and I will discuss in detail with you what the plans of the government are.

Now, Mr. Speaker, we know that those are simply not the facts. And we can enumerate countless examples where this minister says one thing, and does entirely the other. Sask Minerals is a very good example.

Sask Minerals. The minister goes out to Chaplin. He tells the employees that well, yes, it could be privatized any day now. He gives them exactly no indication who would purchase Sask Minerals. He doesn't tell them at all what the price will be. He doesn't ask them if the employees may be interested in using the co-operative method of buying Sask Minerals and running it themselves.

No, what does the minister do? He assures them: don't worry about your jobs; I will protect your jobs and I will have you people participate intimately; and from step number one, the first step in this whole process, you will be involved in the privatization of Sask Mineral. What did they learn the next week? That the Sask Minerals plant at Chaplin has been sold to an out-of-province firm — absolutely no consultation whatsoever, none whatsoever.

And, Mr. Speaker, the only thing that we can assume from the members opposite is that they will follow their ideological bent in privatizing every Crown corporation there is. And I will refer to that a little bit later when I talk about Madsen Pirie, the chief consultant or adviser to Margaret Thatcher in London, England, who the government . . . I'm not sure whether they brought him out here, but certainly had a lot of influence in getting Madsen Pirie out here. And some of the members opposite, the cabinet members, were at the meeting that took place at the Centre of the Arts here in Regina.

And I want to, Mr. Speaker, read some of the statements made by Madsen Pirie and the fundamental philosophy that is behind this privatization taking place today in Saskatchewan.

And, Mr. Speaker, the United Kingdom is the forerunner of this whole business of privatization. And the members opposite want the people of Saskatchewan, or want to let the people of Saskatchewan know that everything is going well with privatization in the United Kingdom, which is simply not true, which is simply not true.

The philosophy that's behind this, and the strategy that is behind this is simply not only to play on the greed of individuals but to say to them: well if you become a capitalist, you can make a quick buck at the expense of the other people of this province and you can become a

little capitalist on your own.

But, Mr. Speaker, what has happened, of course, is that in many of the examples in the United Kingdom where shares were sold to the ordinary individuals — and these shares, by the way, as Madsen Pirie indicates you've got to sell them at a below value so that the individual experiences a good increase and makes a fair amount of money, but what the individual has done, of course, in most cases, has simply resold them. And what has happened is that the . . . And the same as the minister . . . as the member from Kindersley indicated I'm wrong. But the same thing that happened here in Saskoil — the same thing that happened in Saskoil — that today, Mr. Speaker, we have three out of four shares owned by people outside of this province. And you can't do anything about that, Mr. Speaker, when you sell shares and they go on the Toronto Stock Exchange, anybody can sell and anybody can buy.

And of course what has happened is that the shares are concentrated in the hands of very few people outside this province. And when Saskoil made a profit here last year and this year, where did all our dividends go? Did they stay in the province? No, 75 per cent of them went outside the province and most of them went to Ontario. Most of them went to Ontario.

And so this whole theory, this whole business of privatizing to make the individuals in the province own the business personally — we already owned them publicly — but each individual can then own them, hasn't worked. Because as the individual can see that he or she can make a quick buck, they sell it on the stock exchange and those shares again get concentrated in very few hands.

Mr. Speaker, I will go back to Saskoil a little bit later and what it actually . . . what actually has happened to Saskoil. Sask Minerals was exactly the same thing. Over the years Sask Minerals, I think except for one year, made a very handsome profit. And they paid their royalties, they paid their taxes, and it was a very good Crown corporation for this province and paid handsomely into the public coffers.

So what have they done? They went and sold Sask Minerals for about \$12.5 million, way below the estimated value of Sask Minerals. Sask Minerals was evaluated at least twice that by the government opposite a few years ago. So the company that bought it got a very good deal. And they'd be, well, economically irresponsible if they didn't purchase it. What I can't understand, Mr. Speaker, is that the members opposite who claim to be those expert business people, why they would sell, why they would sell Sask Minerals for half the evaluated cost to a firm outside the province. That doesn't make sense. But, Mr. Speaker, neither did the selling off of the highway equipment.

I'll give you one example. I know of a construction owner who happened to be at that highway sale. And there was a DC-9 for sale. So he went to the government officials who was there and said, what's wrong with this machine; you've only got it advertised at 30-some thousand dollars. And the government officials said, look, there's nothing

wrong with this machine; in fact we just put \$30,000 worth of repairs into it. Well, the guy said, it doesn't make sense. You're selling it for \$32,000, and you put \$30,000 worth of repairs into it. Well, he says, the government wants to sell it. So this construction guy, this construction owners, bought the DC-9 for \$32,000. Now is that a good deal for the people of this province? Those are the business people over there. They sold that DC-9 for \$2,000. Doesn't really make sense, but that's how they . . . Well I can't follow it; it just doesn't make sense. Highway equipment that was valued at 40 or \$50 million, sold for between 5 and \$6 million at the most.

And, Mr. Speaker, I ask anyone to drive on our highways today, drive on our highways today and see the shape they're in. No. 11 Highway from Saskatoon to Regina is a scandal, is an absolute scandal. You drive over there, I'll tell you . . . and the minister on the Environment, of course — many cabinet ministers over there won't know because they fly over them; they don't drive them. Well if you drive them, if you drive them, Mr. Minister, then you would have to agree with me that the road from Saskatoon to Regina is atrocious. Now the one from Regina to Saskatoon going the other way isn't nearly as bad, but the one from Saskatoon to Regina is a scandal. You know, it makes me ashamed that I belong to this province and that we've allowed our highways to deteriorate to that extent.

I ask the members also to drive on No. 5 that is just being repaired east . . . west of Humboldt. I just happened to come across that highway, Mr. Speaker, on Saturday night when I went to visit my father in the St. Mary's Villa in Humboldt. What do we have? A brand-new highway and it goes like this, Mr. Speaker. And you drive over it and you can't believe it — you can't believe the shape that highway is in. And that, Mr. Speaker, has just been constructed. It's a shame that the taxpayers of this province would put out this kind of money for that kind of quality of highway that we are getting. They simply don't stand up.

So, Mr. Speaker, why is the government opposite so bent on privatizing all the Crown corporations? Well I think one of the main reasons is, Mr. Speaker, that they listened to the expert, the expert from the United Kingdom, and that is Pirie, Madsen Pirie. And Madsen Pirie, when he was here, says the following:

“All Crowns should be sold,” free market supporter says.

And a number of the cabinet minister opposite, I believe the Deputy Premier was at that meeting, if I remember correctly. It was reported in the paper that he . . .

An Hon. Member: — Were you there?

Mr. Rolfes: — No, it was reported in the paper that you were there . . .

An Hon. Member: — No, it wasn't.

Mr. Rolfes: — Pardon me?

An Hon. Member: — It wasn't reported that I was there.

Mr. Rolfes: — Yes, I think they said that . . . yes, I'm pretty sure that they said that you were there. They said they couldn't miss you.

Mr. Speaker, why, why are they so bent on it? Well, because they're taking their advice from Madsen Pirie. And Madsen Pirie said that every Crown corporation should be sold, and he says this:

Fundamentally, the best thing to do is to get rid of all Crown corporations," he said during an interview prior to his speech. "In general, the worst way to privatize a Crown corporation is to sell it to a single buyer. That way you only satisfy one party. Instead, management and workers should be offered discount shares and no one should be fired," he said. And a reduction of the work force should be accomplished through retirement incentives and the transfer to private sector.

Well, Mr. Speaker, we have seen some of those steps being followed and that kind of strategy being followed by the members opposite, except they haven't followed some of his suggestions. And that's why they have really got a lot of people angry at them.

When they privatized the dental program, the school dental program, what did they do? They fired close to 400 people. They herded them into a room — they never consulted with them — they herded them into the room and said: your job is finished; take your stuff and leave. That's exactly the way they dealt with the people of this province in privatizing the dental program.

And, Mr. Speaker, the other thing is, as Madsen Pirie says, when you privatize, make sure that the program you offer is better than the program you had. Well in the dental program, of course, it wasn't true. The members opposite weren't ready for privatizing the dental program, and they abolished an excellent program which served over 300 communities in this province, and when, as admitted by the Premier in the House here the other day, now they only have dentists in 79 centres in the province. And, Mr. Speaker, that kind of privatization doesn't work. It simply doesn't work.

And, Mr. Speaker, in the United Kingdom, in the United Kingdom . . .

Mr. Speaker: — It being 5 o'clock, the House now stands recessed until 7 p.m.

The Assembly recessed until 7 p.m.