

The Assembly met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

INTRODUCTION OF GUESTS

Hon. Mr. Lane: — Thank you, Mr. Speaker. On behalf of my seat mate, the member from Indian Head-Wolseley, I would like to introduce to the Assembly some 38 students from the Indian Head Elementary School, Mr. Speaker. They are seated in the Speaker's gallery. They are grade 6 students and they are accompanied by teachers Michelle Krueger and Tony Colley, chaperons Barb Lambrecht, Tillie Carey, Linda Tourigny, Gail Rein, and their bus driver George Desautels.

Mr. Speaker, the hon. member will be joining with them after question period for refreshments and questions. I would ask all hon. members to join with me in welcoming the students and their chaperons and teachers from the Indian Head Elementary School, Mr. Speaker.

Hon. Members: — Hear, hear!

Hon. Mrs. Smith: — Thank you, Mr. Speaker. Once again I have the honour of introducing, in the west gallery, to you, 24 grade 3 and 4 students from a French immersion class in Oman School from Swift Current. They are accompanied today by their teacher Danie Marin, and they have some chaperons: Mrs. Reimer, Mrs. Schindel, Mrs. Bridal, Mrs. Carr and Miss Levesque who is also a teacher, I believe, in Oman School. Also, Mr. Speaker, Al the bus driver is back from yesterday. I can only think that perhaps he enjoyed the entertainment so much he wanted to see an encore.

I hope the students enjoy the proceedings this morning, and I will look forward to meeting with you at 11 o'clock for any questions that you may have, and, of course, for refreshments. I would ask all members to please welcome them.

Hon. Members: — Hear, hear!

Mr. Swenson: — Thank you, Mr. Speaker. It's a pleasure for me this morning to introduce to you and the other members of the Assembly, 23 grade 5 and 6 students from Caronport School in Caronport, Saskatchewan. They are located in your gallery, Mr. Speaker.

As I'm sure most of the members in Saskatchewan know that Caronport is one of the largest private schools in our province, and recently just completed the Hildebrand Chapel which I had the honour of being at the opening of. It's truly a magnificent building, and I would urge any member in Saskatchewan to go and take a look at the chapel.

They are accompanied today by their teacher Mrs. Eunice Carter, chaperons Mr. Sonny Osborne, Mrs. Budd, Chris Cutler, Mrs. Gerber, and Mr. Vandersluys. I'll be meeting with the students later and hope to answer any questions of things that you might have seen in the Assembly. And I would like all members to help me in welcoming these

students from Caronport this morning.

Hon. Members: — Hear, hear!

ORAL QUESTIONS

Lay-offs at Sodium Sulphate Plants

Mr. Calvert: — Thank you, Mr. Speaker. My question is to the Premier. Mr. Premier, yesterday in this House your minister of privatization badly misled this House in terms of the lay-offs at the sodium sulphate operations in Chaplin and Fox Valley.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — Mr. Premier, the sodium sulphate operations have lost seven positions. The assistant plant manager in Chaplin took an early retirement; one of the two engineers took a job elsewhere because the company planned to down-size to only one engineer; five people have been laid off, including an accountant, two labourers, and a personnel officer, and a foreman in Fox Valley. Mr. Premier, by my count that's seven, not three.

Mr. Premier, I'm going to ask you if you will ask your minister responsible for privatization to either apologize to this House or to do the decent thing and resign.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, yesterday the minister and I had the opportunity to join about 3,000 people in Saskatchewan at a brand-new opening associated with public participation and privatization that creates 425 new jobs in the province of Saskatchewan, very positively endorsed by the people of western Saskatchewan and north-western Saskatchewan.

The hon. member asks, with respect to individual employees, where they go when we have public participation or privatization. And I believe that there are 81 employees in the Chaplin and the Fox Valley area associated with this operation. Fox Valley has 37, the Chaplin plant has 30, and the head office has 14, for a total of 81, Mr. Speaker. And the opposition spends their time asking, well what happened to the people who took early retirement; how many were there; when were they? And the minister answered yesterday, and he said that there were a number that quit, there were a number that moved on, there were a number that changed position.

I will say to the hon. member that the information that I have is that there were three early retirements, with the following procedures that go with early retirement — and I'm sure he's familiar with that. One was offered a job but declined, and we continue to offer employment opportunities for individuals that may want to do something else; and one was terminated for incompetence, and from time to time that happens in government and in the private sector. I'm advised the Chaplin engineer quit, and one took early retirement immediately following the sale of the Chaplin enterprise.

So we have a combination. And I can go through all the

members, Mr. Speaker, and I don't want to take any more time than he would like, but there's three early retirements following the procedures, one offered another job, one terminated for cause but given . . . I would just ask . . . the hon. members asked, Mr. Speaker, and I want to go through so that it's perfectly clear to the opposition; one offered another job, one terminated for cause but given compassionate severance, for a total of five. And to get the seven that the hon. member is talking about you have to include one that quit — the Chaplin engineer — and one that took early retirement following the sale.

Now I just put all those together, because it's a combination of Fox Valley, the Chaplin plant, and the head office, for a total of 81.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — Mr. Speaker, new question to the Premier, and it may take me some time to ask the question given that the answers in this House are so long.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — Mr. Premier, the fact of the matter is there are seven fewer positions in the sodium sulphate operations in Chaplin and Fox Valley than there were before you privatized it. What happened, Mr. Premier, what happened to your government's solemn pledge that there would be no job loss as a result of privatization of Sask Minerals? What's happened to that solemn pledge?

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, for example, if you have an engineer at Fox Valley and the position is vacant, and the individual quit, the opposition can say, well for Heaven's sakes he's no longer there. That it isn't to say it won't be filled again or filled by somebody. I mean, look at the silly games that they play. It's quite pathetic when you think about it. They won't even allow a company to replace an engineer at Fox Valley, or another employee. They would sit there and say well, for Heaven's sakes, there's not 83 or 85 as we go through the process.

We have 18,000 more people working this month than last month in the province of Saskatchewan. We have the best unemployment record in western Canada. We have the second-best employment record in all of Canada. We've just announced 425 new jobs yesterday, and they're asking: well, what happened to the engineer in Fox Valley, and will he be replaced? Of course they can expand. They want to see that operation grow. They want to see economic opportunity take place. They're going to have to be dealing with inventories like anybody else does. They're into the international market.

And day to day, day after day, the opposition who . . . that are against water projects, they're against saw mill projects, they're against uranium products, they're against upgraders. They're against all the job creation. When we do one, Mr. Speaker, they say, well there isn't an engineer yet at Fox Valley. Well there will be. Mr. Speaker, there will be an engineer at Fox Valley.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — Mr. Speaker, the Premier just said there will be an engineer at Fox Valley, and we'll be watching for that very carefully, very carefully.

Mr. Premier, I remind you of the commitment made by your minister of privatization in this House, a commitment that he repeated in print, in letters to the residents of Chaplin — a commitment where he said in this House the rights of the employees have been at the front of this deal; their employment is secure. How secure is the employment of the seven that are now gone? How secure is the future of their families? How secure is the future of the community of Chaplin? Mr. Premier, what happened to your guarantee of job protection?

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, to show you how the NDP mislead the public, when, ever, has early retirement been considered a lay-off? When? Never. Statistically it's never considered one. And you sit there and you try to confound yourselves and each other by saying, well there's early retirement by several people here; what happened to your offer?

If people want to retire and we haven't filled the positions yet, or if the plant is growing, what happens if you find out that there's going to be 10 more employees a year from now because it's expanded? What will you do, and say — where's your promise; you didn't keep it the same?

We want more jobs and economic activity, and if people want early retirement, whether it's in teaching or education or in the public service, we provide it and we don't include it in a statistic.

There are more people working now in the province of Saskatchewan — 18,000 more than a month ago, the best record in western Canada — and you're saying early retirements are lay-offs. Do you know what? You should go back to school with respect to some economic activities and study a little bit about statistics before you mislead the public any more.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — New question, Mr. Premier. Do you know what, Mr. Premier? You ought to go out to Chaplin and talk to the people of Chaplin.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — Mr. Premier, there have been five permanent lay-offs from the sodium sulphate division — five permanent lay-offs. The accountant has been permanently laid off, two labourers have been permanently laid off, a highly respected foreman in Fox Valley has been permanently laid off, the personnel officer has been permanently laid off. Mr. Premier, the individual who took the early retirement did so to save the job of a younger man in that plant. That's why he took early retirement.

Some Hon. Members: — Hear, hear!

Mr. Calvert: — Where is the guarantee of job security?

Hon. Mr. Devine: — Well, Mr. Speaker, now they've . . . Mr. Speaker, I hope the media and the public watch this. Now there's no longer seven; now it's five. Okay, you're back to five, and then you'll be back to three. You have to play this game. You don't like to have the province going back to the people. You don't like the people being involved in public participation. You don't like the natives being involved in it. You don't like employees being involved in it. You will stand there, from Moose Jaw South, and you know the union leaders that you represent, and they don't want public employees involved in government; they don't want public employees involved in anything to do with the private sector, and you know that.

Well I'm telling you, we're giving the province back to the people, back to the employees, back to everybody, because the people want to be in charge.

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — And I will not be intimidated by somebody who comes in here and says, well what about this early retirement; what happened to this individual?

Diversion of Water from South Saskatchewan River

Mr. Lyons: — Thank you very much, Mr. Speaker. Mr. Speaker, my question today is to the minister responsible for the Saskatchewan Water Corporation. Mr. Minister, on May 5 in this House you said:

But as a corporation (that is the Saskatchewan Water Corporation), we're not considering diverting water out of the South Saskatchewan into the Souris or anything like that.

Those are your own words, Mr. Minister, I have here a paper which not only talks about one method of diverting water out of the South Saskatchewan to the Souris, but four. And it's drawn up by Mr. Alex Banga, the head of your corporation, the head of the Saskatchewan Water Corporation's hydrology branch.

My question, Mr. Minister, is this: does Mr. Banga know that he's not supposed to be looking at water diversion, or do you not know what's going on in your department, or, as what I think is more likely, you've deliberately misled the people of this province and this House on the question of diverting water out of Saskatchewan?

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order. Order. The hon. member from Regina Rosemont knows that terms such as "deliberately misled" directed towards ministers or other members are not acceptable, are not acceptable, and I ask him to withdraw that statement and apologize.

Order. Order. I think all hon. members should come to order.

The reality is the member from Regina Rosemont, in his

question, indicated that he thinks the hon. member — order, order, order, order, order, order — that the Minister of the Environment has deliberately misled the House. I once more ask the member from Regina Rosemont to please rise, apologize to the House, and withdraw the statement.

Mr. Lyons: — Mr. Minister, what I said was this, and I asked him a question. I asked . . .

Mr. Speaker: — Order, order. Would the hon. member please withdraw the remark?

Mr. Lyons: — Mr. Minister, I withdraw the . . . what the Speaker heard.

And ask the question as I originally did. Did you . . . Does Mr. Banga know that he is not supposed to study water diversions, or do you not know what's going on in your department, or did you intentionally mislead this House? That's the question I'm asking you, Mr. Minister. What is the answer to that question? That's the question I asked.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — Order. Order. Hon. members know that they cannot do, by implication, what the rules do not apply directly. I once more ask the hon. member from Regina Rosemont to withdraw that statement.

Mr. Lyons: — Mr. Minister, Mr. Minister . . . excuse me. Mr. Speaker, I'll ask the minister again. I withdraw the final question, or the implication as you perceive it that there was an attempt to slur the character of the minister. The facts remain, the question I asked was this: does Mr. Banga not know what's going on, what he's supposed to do? Does the minister not know what's going on, or was the House given an answer which is contrary to the facts?

Some Hon. Members: — Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, I haven't seen the document that the hon. member refers to, but the man that he refers to, Mr. Banga, was asked to speak to a water group some time ago, I believe it was in March, and at that time the topic that they asked him to address was the methods of diverting water from one reservoir to another, and that information comes out of a 1973 report that was done when the NDP government were in power.

This government has no intention of diverting water from one reservoir to another, and I have advised the hon. member of that before. I stay with that statement. And yes, Mr. Banga knows what he's doing. He was asked to speak on a very narrow topic, and at that time he drew from that one report, and that was the information that was provided to the meeting.

Some Hon. Members: — Hear, hear!

Mr. Lyons: — New question, Mr. Speaker, to the same minister. Mr. Minister, the paper I'm referring to are the proceedings of the symposium on the inter-transfer . . . inter-basin transfer of water, impacts and research needs for Canada, in November of this year. And in that . . . pardon me, in November of 1987, in that symposium and

the paper presented by Mr. Banga, he said:

The diversion scheme was proposed in connection with the proposed Rafferty-Alameda projects as a means of realizing long-term, future development potential in the Souris River valley.

In 1973 there was nothing to do with those Rafferty-Alameda projects.

Some Hon. Members: — Hear, hear!

Mr. Lyons: — Mr. Minister, isn't that the same kind of heresy that you and your government suspended Stephen Kendall for? Why is it that Mr. Banga, acting on government orders, can talk about transferring water from the South Saskatchewan to the Souris River, and yet you take away Mr. Kendall's job?

Some Hon. Members: — Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, this is very much the same question that the member was asking on May 5, and the information he had at that time was the same information that he's using today. The meeting was on a very narrow topic, as I told you. I may be wrong on the date of the meeting; I was not in attendance at the meeting. But Alex Banga was asked to speak to a very very narrow topic, which was the method of diverting water from one reservoir to another. That's what he spoke on, and the background information was drawn from the 1973 report, as I advised the House earlier.

Mr. Lyons: — New question. Mr. Minister, we're not talking about 1973, a 1973 paper. We're talking about the opinion of the chief hydrologist of Sask Water Corporation. Listen to what he says in that paper. He says, "Increased diversion does appear to be inevitable." Those are his words, in talking about taking water, stealing water from the South Saskatchewan River to divert it to your precious Rafferty-Alameda project. That's what his words are. He's talking about the Rafferty-Alameda project and stealing water from northern Saskatchewan to put it down into that mud-wrestling pit called the Rafferty-Alameda project. How can you stand here and say that it's got to do with 1973?

Some Hon. Members: — Hear, hear!

Hon. Mr. Swan: — Mr. Speaker, if you go back to the report that was written in 1973, much of that report was written in a study dealing with Rafferty dam, and so as this is looked at, yes, the information would have at that time pertained to the Rafferty project. I advised the House that we do not intend to transfer water from one reservoir to another to meet the needs of the Rafferty Project. I stay by that statement.

Some Hon. Members: — Hear, hear!

Drought Situation

Mr. Upshall: — Thank you, Mr. Speaker. Mr. Speaker, my question is to the Minister of Agriculture, and I thank him for his applause as I arose.

Mr. Minister, the other day on the television program, Live at Nine, you said that you would do nothing to see that the deadline for seeding crops would be extended past the date of June 20. You essentially said that was no longer needed because the rain has come and the drought is over. Is that your position, Mr. Minister, that farmers in Saskatchewan have now escaped the drought?

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm sure that the students this morning must find question period very interesting. The hon. member would say that the Minister of Agriculture and the Premier of this province would say that the drought is over. Now I didn't say the drought is over, anywhere.

An Hon. Member: — Yes you did, more or less.

Hon. Mr. Devine: — More or less, now he says. Mr. Speaker, now I want the children to watch this. More or less over, or I kind of said it . . . I mean, this is what question period is like all the time in here — more or less on the money. Okay, look — we said June 20, and the crop insurance people and the soil scientists advised it.

And they're afraid, Mr. Speaker, to listen to the answer. And I want the students to notice that too. They're not supposed to speak from their seats, but they continue to speak from their seat . . .

Mr. Speaker: — Order. Order, order. Perhaps we'll just go to the next question. Order. Order. Order. Order. Order.

Mr. Upshall: — Mr. Minister, I can say that because you don't give farmers in this province any indication of what you're going to do. You haven't done for three months in the drought, and they're still waiting for to see what you're going to do.

Some Hon. Members: — Hear, hear!

Mr. Upshall: — Now you were asked to consider the plight of these farmers who decided that it'd be a waste of time and money to go and seed their crops and move the soil so it would blow away. Now these farmers have made sound financial management decisions, and your government will not co-operate with them and will not support them by policy change.

My question to you, Mr. Premier, is: why?

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, I'm sure the hon. member would probably talk from his seat if I went through the long list — they're starting already — if I went through the long list of areas of support that farmers and ranchers have asked for that we have delivered, and we're going to continue to help them.

I could say to the hon. member very sincerely, about \$100 million has been allocated through the water corporation, PFRA (Prairie Farm Rehabilitation Administration), the federal government, ourselves, on

drought-proofing, which is the management of water, the conservation of water, for drilling and for piping, and to make sure that we can move towards managing dry cycles all the time.

The second is, I will say that the federal cabinet, I believe, is meeting today with respect to the package that the four western provinces and the stock growers and people across southern Saskatchewan have put forward to them. We've said that we would provide assistance right to farmers and ranchers.

The third is, Mr. Speaker, associated with crop insurance and deficiency payments and stabilization payments. We are modifying that on a week to week basis, and monitoring it to make sure that we can make the appropriate adjustments. He knows already that on fall-seeded crops that people can cut them and provide the community with feed, and we will consider that a crop insurance.

We did not move June 20 to July 1 because as you know, coming from Humboldt, or I would think you'd know, as you get seeding closer and closer to July, you run the risk of frost at harvest time. And most farmers and most specialists will tell us, no, you should seed that summer fallow now, particularly because there's been some rain; seed it; don't have two years of summer fallow back to back, because you suffer and your high probability of suffering severe soil erosion as a result of back-to-back summer fallow. So please seed it June 20th. Then we'll look at a green feed program for the summer as we monitor the rains and monitor the feeding program.

So there's a combination of several hundred million dollars allocated to agriculture through crop insurance stabilization and several other programs that are in the mill now. Some have been announced; some will be announced very quickly. And certainly, we will respond to farmers as quickly as we can, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Mr. Upshall: — Mr. Minister, your titbit announcements are not helping farmers make proper decisions, and that's the point here. You're not supporting them in their sound management decisions. And I'll tell you, they're still waiting to see where this drought package . . . that it's coming.

Mr. Minister, I'll tell you, just because you got rain on your lawn on south Albert doesn't mean there's not still a problem, and we need immediate action.

Some Hon. Members: — Hear, hear!

Mr. Upshall: — There was an announcement in Calgary, and it appears as though that your statements a couple of days ago on the television were kind of softening the blow for maybe the federal government to try to bail them out a little bit of this pledge that they have.

Now, Mr. Minister, with many farmers already pushed to the edge, facing a severe drought crisis — many farmers severely pushed to the edge — why, in light of that, have you not had a package of drought available to them? It's

now the middle of June. You've had ample time. What is wrong with your government that you can't come out with a comprehensive package so every farmer will know what they're facing and they don't have to keep guessing to know what you're going to do, or if you're going to do anything?

Some Hon. Members: — Hear, hear!

Hon. Mr. Devine: — Well, Mr. Speaker, I can say to the hon. member that we attended the Saskatchewan Stock Growers (Association) annual meeting in Moose Jaw and have had the stock growers advise us on the kinds of things that we should do with respect to drought. They know that we have participated before and have been there with the farmers and the ranchers to provide assistance.

The NDP, Mr. Speaker, doesn't show up at the stock growers' convention because obviously they don't represent rural Saskatchewan and they don't listen to them, Mr. Speaker. We do listen to them. We listen to the stock growers all the time. We understand the livestock industry because many of our members here are members of the Saskatchewan stock growers. We are member of commodity groups and we listen to farmers and their organizations across the province.

That's why, Mr. Speaker, we will respond when they think, and in the fashion that they think is correct. And they've advised us, Mr. Speaker, make sure that you do it right; there is no hurry for a rapid announcement; do it in very specific terms in co-operation with all three prairie provinces and the federal government. We will listen to the stock growers and the farmers and the ranchers, Mr. Speaker. We're not going to listen to the NDP because they do not represent rural Saskatchewan.

Some Hon. Members: — Hear, hear!

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

Mr. Gleim: — I'd like leave of the House to introduce some guests, Mr. Speaker.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Gleim: — Mr. Speaker, it's my honour and privilege to introduce to you, and through you, some members in your west gallery, the following distinguished visitors of our province. They're here on a conference. They represent various Masonic jurisdictions and Masonic fraternities which has a world-wide membership of approximately 6 million members. Masons care about the handicapped, the unsheltered, and the needy. They care for the young and assist the elderly. Simply put, Masons care about people.

I would like now, Mr. Speaker, to introduce to you distinguished visitors. I would like each of them as I introduce them, would they please stand: Most Worshipful Brother Claude Norris, Grand Master, Lodge of Kansas; Right Worshipful Brother Robert Papas, Grand Senior Warden of Grand Lodge, Minnesota; Right

Worshipful Brother William Miller, Grand Senior Warden, Grand Lodge, Washington; Right Worshipful Brother Donald Kimmel, Grand Junior Warden of Grand Lodge, Montana; Most Worshipful Brother William Pellow, Grand Master of Grand Lodge of Canada in the province of Ontario; Most Worshipful Brother Clayton Gault, Past Grand Master of Grand Lodge, Manitoba; Most Worshipful Brother Robert Juthner, Past Grand Master, Grand Lodge of Alberta; Most Worshipful Brother Gordon Thompson, Past Grand Master of Alberta; and Robert Dalziel, Friendship Lodge No. 212, Regina.

I would like all members of this Assembly to welcome these members to our legislature. We have approximately nine members on our side that belong to the same Lodge, and I would like all members to welcome these people to our legislature.

Hon. Members: — Hear, hear!

POINT OF ORDER

Mr. Tchorzewski: — Mr. Speaker, I rise on the point of order due to the difficult time that you obviously have had in the House here morning. And I rise on the point of order because of the carryings-on of the Premier, which were really beyond what it should be and you know ought to be not allowed in question period.

During the answering to the questions, the Premier gave long, irrelevant answers never related to the questions. You sat him down four times by rising in your place, without shutting off his microphone and without making any comment to the Premier.

I ask you, Mr. Premier, to consider the record, the length of the Premier's answers, and the procedures of the House today, and consider applying the rules on the Premier in the same way that you apply them on other members of this House.

The other point I want to raise, Mr. Speaker, which is related, is that you said that the member from Rosemont had alleged that the Minister of the Environment had misled the House. I listened to the questions very carefully. I did not hear the member from Rosemont allege that the member from Rosetown misled the House. He simply asked a question which I thought was an appropriate question, and I think the record will show was an appropriate question.

I ask you, Mr. Speaker, to check the record in both cases, to check the implementation of the rule, and bring back a statement on whether the rules have been applied equitably on both sides of the House, or whether the Premier is getting special privileges because of his position and not treated simply as another member of this House like every other member, Mr. Speaker.

Some Hon. Members: — Hear, hear!

Hon. Mr. Schmidt: — Mr. Speaker, in speaking to the motion, first of all — speaking to the point of order — the first observation is that the allegations made by the members opposite in their point of order are frivolous and at best can be described as a publicity stunt. The Premier

was merely answering the questions, and the fact that they did not like the answers should not be a subject of a point of order.

Mr. Speaker, the fact is that when you rose, it appeared to the members on this side and most likely to the people in the gallery, that you rose to call the members opposite to order because they were making so much noise I couldn't even hear the Premier answering the question, and I can almost touch him from where I stand.

So I would say, Mr. Speaker, that the point of order raised by the members opposite is frivolous; it is a publicity stunt because they have run such a poor question period today that they received answers that they didn't like and couldn't understand. I would say simply that it is nothing more than the members of the opposition being sore losers, and this is the result of this order.

Mr. Speaker: — I have listened to the hon. member's point of order, and the response from the Minister of Labour. Regarding the second part of his point of order first, the point of order on the hon. member's statements from Regina Rosemont cannot now be raised since the remarks have been withdrawn.

However, having said that, I should just like to make this point regarding that issue that was raised. Hon. members know that one cannot not only directly but indirectly, make allegations about any member in this House who intentionally or deliberately misled the House. So I would just say this. I would like to remind hon. members of that. And secondly, of course, you may check *Hansard* and you will find, I'm sure, that *Hansard* will bear that out.

Order. I have just indicated that a point of order on a remark that has been made cannot be raised; and secondly, I have just commented on the hon. member's remarks, and I'm advising you, if you wish you may check it out in *Hansard*.

As far as the first part of the point of order is concerned, I would just like to say this. For quite some time now, we have, I believe, have had a good question period. I believe hon. members on both sides of the House have in fact been trying to adhere to the rules. And from time to time it's possible that it did break down; however, that's understandable. But on the whole I would say, for quite some time now we have had good question periods and I believe not only I but all members and the public appreciate that.

As I said before, sometimes our questions do get somewhat long and there are times when perhaps the answers aren't right on the question that was asked. However, I would just like to remind . . . I think I would just like to remind hon. members again, that in keeping with the good question periods we've had for about two months now, I would like to ask the co-operation of all members, and that includes everybody in the opposition, everybody on the government side, including the Premier, that we try to adhere to the rules, and I'm sure that question period will continue in a good manner in which we have become accustomed to in the last six weeks or two months.

Mr. Tchorzewski: — Thank you, Mr. Speaker. I regret to say that this matter is much more serious than you give it credit for, and you have not addressed the point of order which I raised, adequately.

My point of order on the Premier was that four times, the Premier, in answering a question, spoke at great length without your interruption. That's four times, in almost all cases not addressing the question, and I know that might be debatable.

But on those four time you rose to your feet, you allowed the Premier to continue. You have access to a switch on your desk which you can cut the Premier off. You said no word to the Premier at any of those four times indicating to him that he was taking a considerable amount of time and therefore cutting into the opportunity for members of the opposition to ask further questions.

I say to you, Mr. Speaker, to provide a ruling to this House whether it is something you ought to be doing, and that is cutting off either the questioner or the Premier when they are taking too much time. You do it with the questioners regularly. You did not do it to the Premier four times today and I ask you to explain why.

Some Hon. Members: — Hear, hear!

Mr. Speaker: — I've listened once more to the member's point of order. I believe that I have made a statement on it previously. I have made a ruling. I have listened carefully to what the hon. member has said and I believe that at this time I don't have anything further to say on it, except to once more, once more remind hon. members that it is in the best interests of this whole House that all members try to stick to the rules as much as possible. I know that's difficult to do a hundred per cent of the time, but I'd just like to remind all hon. members of that once more.

Hon. Mr. Hodgins: — Mr. Speaker, before orders of the day, and with leave of the Assembly, I'd like to move some motions respecting transferring some Bills to Non-Controversial Bills Committee.

Leave granted.

MOTIONS

Referral of Bills to Standing Committee on Non-Controversial Bills

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by my seat mate, the member for Melville:

That the order for second reading of Bill No. 71, An Act to amend The Wildlife Act, be discharged, and the Bill referred to the Standing Committee on Non-Controversial Bills.

Motion agreed to.

Hon. Mr. Hodgins: — I move, Mr. Speaker, seconded by my seat mate, the member from Melville:

That the order for second reading of Bill No. 87, An Act to amend The Municipal Employees'

Superannuation Act, be discharged, and the Bill be referred to the Standing Committee on Non-Controversial Bills.

Motion agreed to.

(1045)

Hon. Mr. Hodgins: — Mr. Speaker, I move, seconded by my seat mate:

That the order for second reading of Bill No. 89, An Act respecting certain Consequential Amendments to Certain Acts resulting from the enactment of The Municipal Board Act, be discharged, and the Bill be referred to the Standing Committee on Non-Controversial Bills.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, with leave of the Assembly, I move, seconded by my seat mate:

That the order for second reading of Bill No. 91, An Act respecting certain Consequential Amendments to certain Acts resulting from the enactment of The Saskatchewan Farm Security Act, be discharged, and the Bill be referred to the Standing Committee on Non-Controversial Bills.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, with leave of the Assembly, I move, seconded by my seat mate, the member for Melville:

That the order for second reading of Bill No. 92, An Act respecting Provincial Emblems and Honours, be discharged, and the Bill be referred to the Standing Committee on Non-Controversial Bills.

Motion agreed to.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF THE WHOLE

Bill No. 54 — An Act to amend The Land Titles Act

Hon. Mr. Andrew: — Yes, Mr. Chairman, officials with me are the deputy minister, Mr. Brian Barrington-Foote; co-ordinator of legislative services, Doug Moen; master of titles, Georgina Jackson; and Crown solicitor, legislative services, Rita Vogeli.

Clause 1

Mr. Shillington: — Mr. Minister, I'll pick up where I left off after second reading. What problems do you foresee — I'm talking about something that isn't in the Bill and I think should be — what problems do you foresee in doing away with requiring compliance with The Homesteads Act in cases where the couple are ... in cases where it's a

husband and wife or otherwise, I guess, male and female who own it as joint tenants?

Hon. Mr. Andrew: — That matter was quite substantively investigated when we were looking at the change to this Act. It became our view that perhaps there was not the acceptance of that position out there by certain groups and so we are continuing ongoing discussions with those various groups. I would agree with you that if that could be accomplished, we could expedite the process substantially, but there's still some people yet that perhaps have a little difficulty appreciating just exactly what that would mean.

Mr. Shillington: — Well what the minister's saying is, you haven't got the courage of your convictions, and if you did, you'd go ahead and do away with it. That's I think, a fair translation of what you just finished saying.

Mr. Minister, it is a great nuisance in law offices and other offices which do these simple transfers, to have a husband and wife, or male and female come in — they are joint tenants; then you've got to explain why they've got to pick up this piece of paper, run down the street, pay 5, 10, \$15 depending on which door they happen to go through, all for the sole purpose of ensuring that the wife consents to something she had to consent to anyway. There's no practical way of selling a half interest in a . . . an undivided one-half interest in a house.

So I think, Mr. Minister, that's a fair translation. If you had the courage of your convictions, you'd do it; but you don't, so you haven't.

Hon. Mr. Andrew: — No, I mean, I don't think it's a question of courage, I think it's a question . . . perhaps that's something that we can look at doing next year. I've indicated to you and publicly that I believe there's a lot of merit in the suggestion that you are advancing. All I'm simply saying is that it was our view that certain parts of the world out there were not prepared to accept that yet, and so we need to consult with them, talk with them more, and hopefully we can get people on side for that type of a move. And I don't think there's anything wrong in doing government by consulting with people, talking to people and coming to a common position on it as opposed to simply standing up and saying, I'm going to change the law. I mean, it's part of the consultative process of government.

Mr. Shillington: — Who, in the last six months, did you consult with, Mr. Minister, and who is it that stands on holy ground with respect to the preservation of The Homesteads Act in this area?

Hon. Mr. Andrew: — I'm advised . . . I'll go through the list of the various groups the department met with, and this is not the entire group: women's institute, the Provincial Council of Women, the YWCA (Young Women's Christian Association), the Saskatchewan Action Committee on the Status of Women, Saskatchewan Women's Agricultural Network, the Immigrant Women of Saskatchewan, and various other ones.

And I think the view by the officials in the department that

met with those various groups would be the following: — that perhaps the women's groups representing more urban settings did not have much trouble with the proposed changes. But some of the rural women's groups still did. I mean, the Bill has been around here for a long time. The meaning of homestead, there's still, I suppose, a concern out in the country that this would somehow take away their rights, and that's one of the only rights they have. And so I would hope you could appreciate that. It tends to be that some of those groups representing more of the rural type of people, and so we felt that we should consult with that group further before making those changes.

Mr. Shillington: — Mr. Minister, let me be perfectly clear about what I'm suggesting. I'm not suggesting we do away with The Homesteads Act with respect to rural land. I think it serves a purpose there. And I agree with the women's institute, which is largely, I think, a rural institution, and the other rural women's group she met with. I think that makes sense.

I'm just suggesting that where land is owned as joint tenants, which is the archetypical situation in urban Saskatchewan, it makes no sense . . . it takes you 10 minutes to explain why such a ridiculous anarchism has survived from the 1880s into the 1980s. Then you've got to send them down the street and they've got to come back, and the whole process takes an hour out of their time, and it is an embarrassment, nothing short of an embarrassment. So I hope, Mr. Minister, that a little more courage is shown in dealing with this.

I want to deal with something else, which is not, I think . . . I'm not sure if it is within the Act or not, and I know that the chairman will listen closely and assist me if it doesn't come squarely within the four corners of the Act. The corporations branch now has their data bank, with respect to corporations, on-line. I can say that the PC (personal computer) is sitting on the corner of my desk — 30 seconds, I can find out whether a company's . . . I can do a search on a company. It would be oh, so useful if we could do the same thing in searching land titles.

I don't think for . . . I'm not suggesting — just before the staff at the Land Titles Office go into orbit — I'm not suggesting that we be allowed to actually accomplish transfers of instruments because I don't think that would work, at least not with . . . at least it wouldn't be the first thing we'd try. But it seems to me it would work to allow us to search titles, and it would just be so useful to be able to do it.

And if it's useful in Regina, I tell you, it's a great nuisance out in the rural areas. We have an office in Coronach, and the Land Titles Office for the district is in Moose Jaw, and it is a great nuisance to be able to not . . . to have to do a search. Moose Jaw's fairly good because Moose Jaw will do it over the phone. But I understand, from rural solicitors, the Regina office won't handle searches over the phone, and they have no option but to phone in. Now that's not the gravamen of my complaint at the moment, whether or not the Regina land titles office has time to do searches over the phone.

My suggestion to you is, in 1989 . . . in 1988 we are well

past the date when we should have on-line searches, an on-line search capacity with respect to these land titles offices.

Hon. Mr. Andrew: — Well I think we discussed this before. With the automation that we are about to launch into very soon now, one of the options would be to have that on-line process from land titles directly into lawyer's offices. You could not have a system, I don't think, that would allow for the mechanical transferring of titles. They still have to have the document submitted. Hopefully we can streamline that as well, but it would still have to be delivered to the land titles office.

With regard to the searches, we are advised that that is probably something that could be done with, hopefully, not that big of a cost either to the system or to those that would access it.

Mr. Shillington: — Those are my comments, Mr. Chairman. I have gone through the Bill. I have no difficulty with any of the sections in the Bill. And I think, Mr. Chairman, I have no questions on it. I, for my part, Mr. Chairman, am prepared to give the Chair leave to proceed through this Bill page by page.

Pages 1 to 7 inclusive agreed to.

The committee agreed to report the Bill.

(1100)

Bill No. 37 — An Act to provide for Security for Saskatchewan Family Farms

Hon. Mr. Andrew: — The officials with this Bill are still Mr. Barrington-Foote, Mr. Moen, along with Sam McCulloch, who is Crown solicitor involved in legislative services, and Terry Scott, from Agriculture economic branch, will be here momentarily.

Clause 1

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, as I stated in my address in second reading, this Bill, I felt, was a lot of band-aids, although there may be some marginal improvements in some areas.

I would like to know, Mr. Minister, what process you went through before you decided what type of legislation that you were going to bring forward to this legislation to support farmers. Who did you consult with? What was the time frame of your consulting, the actual process of gathering ideas to put a Bill together?

Hon. Mr. Andrew: — I suppose it would be fair to say that I will confine the answer to that question as to what we did in the Department of Justice with regard to the Bill. There has been, as you are aware, a study that went out last fall with various members of the legislature to hear opinions from various farm groups. They came back with a report.

Two of the elements of that report that we incorporated into this particular legislation related to the home quarter, number one, and related to the question of trying to bring

in a number of the various pieces of legislative protection, if you like, to farmers, that had developed over a period of time into one Bill, if you could. And so those that . . . out of that report, we picked up on; some of the other stuff was left to Agriculture and other departments.

With regard to our consultation, we had some officials from our department spent some time, I think about a week, in the state of Minnesota and the state of Iowa, who had gone through those two states — perhaps the most difficult farm states in the U.S. — dealing with debt question in the United States. I think there was some 4,000-and-some cases in Minnesota last year. So we looked at their system and how we might be able to pull some features of that that might work here.

We consulted with various farm groups. The ones I personally was involved in — and others were involved in many more — was with Saskatchewan Wheat Pool, with the Saskatchewan wheat growers. I spent a fair amount of time with credit union, Credit Union Central, with other credit unions, with the banking association, with Farm Credit, and, I would guess, with many and various individual farmers as to how they thought we could best respond to the debt problem or what was needed for the debt problem. So we tried to consult fairly widely. We tried to get a package that could be accepted by both sides in the equation of farm debt — the lender and the borrower.

Mr. Upshall: — Mr. Minister, in your consultations, and you said that you had your department's consultation and the Department of Agriculture, and I assume that you got together before . . . do I assume correctly, I should ask, whether you got together before the Bill was printed? And also, what was the main underlying concern of all these farm groups that you met with to consult when bringing forward legislation to help the farmers?

Hon. Mr. Andrew: — Well I would say probably the most common question or issue most commonly raised was: what we would like to see is the price of wheat go up, and then we would not have to rely on government hand-outs, and we could handle ourselves reasonably well with regard to our debt. But it's all a product of the price of wheat being so low, and then that shakes down to the value of land and, during that period of time, debt probably increases, and so the main thing is fix the price of wheat. Now I think anybody knows that that is a rather tricky thing to try to do, as a provincial government. The leaders of the seven major developed countries of the world are trying to wrestle with that question. So that was the main issue.

The second issue, I think, is a . . . I suppose a variety of points. One would say that, well, just leave the law the way it is. Some would say there's too many restrictions now; it's too difficult to foreclose — this came from the lending institutions more often. Some farmers were, I think, concerned. In fairness, I think the greatest concern was that if you do something to protect those in trouble, are you going to, on the other hand, create problems for those that need access to money, to be able to borrow money; are you going to create then problems on the other side and end up with causing more problems than you attempted to solve? I think that would fairly state

the most common views expressed.

Mr. Upshall: — Well I think you . . . I hope your . . . I should say, you're not as naive to think that . . . and I hear this . . . that's the catch-phrase: will you get more for our wheat. But we all know — and it hasn't changed since 1930s when the farmers marched to Ottawa to get a dollar a bushel for their wheat, and they got it — by the time they got back home everything else had jumped up so that they weren't any further ahead.

Well I think that you hit on the underlying concern — that was the debt. I mean, we'd like more dollars for the product, but the thing is the debt. And any conversation that I have with any farm group or any farmer, that is the underlying theme of what they're saying — the debt problem has to be solved.

Now, Mr. Minister, when you were talking to these people and when you put the Bill together and talked to them again, were they satisfied that this Bill would do what was necessary to alleviate the debt problem that we have in Saskatchewan?

Hon. Mr. Andrew: — I would put it from this point of view. I don't think anybody would suggest that this Bill is going to solve the debt problem in Saskatchewan agriculture, nor do I believe that there is, quite frankly, an easy, simplistic way of doing that, quite frankly.

What this Bill does is provide tools that were not there before to assist many farmers in negotiating their debt down. And the reality out there for many farmers is that their debt is too high relative to the value of their land or their assets, and they're in a position where they literally cannot service that debt. Some are in a position where they are . . . in fact the debt is higher than their assets and they're insolvent, by any definition of that word.

What this will allow is clearly the ability to better negotiate with that financial institution, and they're being done around the province by very many people, more and more every day. I suppose there's two schools of thought as to how you deal with this. Do you deal with it by somehow writing a regulation or a rule and appointing somebody to go out and write debt down? Now as you know, from a constitutional point of view that's very tricky to do, and probably we would find ourselves in a position of having a Bill that's unconstitutional, number one.

The other theory is that you have to do it on an individual basis; that one farmer, the deal that he might be able to do would be different than what another one might be able to do. And so that process goes on.

At the same time, if you were to start doing an overall write-down by, let's say, a bureaucracy or something, you're going to probably dry up credit in the province, and that is really something that most farmers would not be able to live with either.

Mr. Upshall: — So what I'm hearing you say, Mr. Minister, is that this Bill now . . . with this Bill, you're going to allow farmers to individually go to the bank, and on even terms they're going to sit down and they're going

to be able to negotiate out this debt. Well I think that's . . . We've seen in the past the luck of farmers sitting down with the banker; besides that, if I as a farmer don't have the assets to hire a lawyer, or if I'm not aggressive or whatever the situation may be, my back's up against the wall.

An Hon. Member: — Farm Credit Corporation.

Mr. Upshall: — Yes, and Farm Credit Corporation.

So am I hearing you say that it's your position that this is the way, this is the policy that your government is going to put forward in order to try to reorganize the debt, is to give farmers a little more time by saving their home quarter for a period of time and having them, on an individual basis, go into the banks and negotiate down their debt. Is that the new position of your government?

Hon. Mr. Andrew: — Well prior to this legislation the reality was that either you . . . in most cases you went to a lawyer, and the lawyer, using the tools available to them.

An Hon. Member: — Lawyers won't take butter and grain for fees.

Hon. Mr. Andrew: — I will get to the member from Regina Centre here in a few minutes.

The main tool used always was the lawyer, quite frankly. And what the lawyers did was stall foreclosures of the farms, and that took anywhere from three years to five years to seven years, depending on how the lawyer functioned within the court system, etc.

What this does is allow many farmers to use mediators instead of lawyers, and therefore they don't have to come up with the cash that many lawyers demand up front before they're going to do any work for them. So a mediator can go in there and try to attempt to do that deal on behalf of the farmer.

In the event that he's not successful, you still have the other rights, which is the legal rights that were always there before. So this is clearly something to assist and hopefully have that debt renegotiated individual by individual.

Mr. Upshall: — Are you telling me, Mr. Minister, that now, because of this Bill, that a farmer will not have to have a lawyer if he gets in trouble in his bank. And unless I heard you wrong, that's what you said, that the mediator is now going to replace the lawyer if I'm in financial trouble and I have to negotiate with a bank.

If that's your position, Mr. Minister, I think that we should get a new minister because everyone knows that you don't go to negotiate with a bank without a lawyer, because you'll lose every time, and even then you lose most of the time.

And this is the problem that I have with this Bill, is that instead of addressing the debt problem in a manner that would . . . through your government, in a manner that would set out the rules of a debt restructuring program,

you now are saying that you have the mediator, you don't need a lawyer; that individual farmers are going to be able to go on their own, without any government restructuring program, and their financial woes will be over.

Well, Mr. Minister, I say to you that that is a pipe-dream, because we all know that putting off the debt does not solve the problem — putting it over a period of time, giving the farmer a little more time. AS I said in my remarks a few days ago, if I have \$100,000 debt, after three years I have a 10 per cent interest compounded, I have almost \$150,000 debt.

This Bill does not address that. And you're saying that it gives them more time to negotiate. Farmers in Saskatchewan, through no fault of . . . or no complete fault of their own, are in a debt crisis because of the number of factors that are involved — they're in a debt crisis. And yet you're saying that just giving them more time, giving them a mediator, they're going to be able to solve that.

(1115)

Well, Mr. Minister, I ask you why you didn't come forward with legislation that gave farmers a process, a program whereby they could restructure that debt so everybody would be treated equally, and they knew where they stood before they went into the bank and they didn't have to go into a situation where there was a very few ground rules that they could play by, by a debt restructuring program. Why did you not bring something like that forward?

Hon. Mr. Andrew: — Well, you make a couple of observations. You say that the farmer does not now, will not now have the use of a lawyer. A farmer can have the lawyer if he jolly well wishes to have it. What I indicated to you is that there are many farmers out there who choose or would prefer not to simply have a lawyer all the time. Some of them don't like lawyers.

An Hon. Member: — Well you have to have a lawyer, come on.

Hon. Mr. Andrew: — The member says you have to have a lawyer. Maybe the mediator can serve this function better than the lawyer can serve the function. That's the long and the short of it.

Now if mediation does not work to the satisfaction of the farmer, then the farmer clearly has the same rights he had before with regards to taking this matter before the courts and the process that he had. In fact, he's got more factors now, including the home quarter restriction that we put on before.

Now the member opposite talks about, why didn't we come in with a debt restructuring program? I wonder perhaps if the hon. member would be prepared to set out what he's meaning by that, in a little more detail.

Mr. Upshall: — I wouldn't normally answer a question from the minister because it's supposed to be the other way around. But we on this side of the House — just for

you . . . for your sake, and in case you haven't heard it before — we on this side of the House have time and time again called for a debt restructuring program, a program whereby the debt could be put over a long period of time at a low, fixed interest rate, using farm credit as the major lender.

And now . . . and then there has to be some provision for a debt set aside in many cases, whereby the farmer can see his way through the problem he's having. And then beyond that, there has to be some form of counselling, or the farm debt review board or whatever it is, to help farmers figure out exactly, over that period of time, if they can work themselves clear.

That's the basis of it. And we've said that a hundred times, and everybody else has said that — the farm groups and individual farmers around here.

And you had the perfect . . . you've had opportunity in the past to make application to the federal government. You've had opportunity in the past to restructure the \$1.6 billion that your government holds, and yet you have failed to do that. In fact, you've upped the interest rates. You put the production loan over 10 years, but you upped the interest rate.

I mean, that's just a skeleton of what could be done. And just for your sake, Mr. Minister, would you . . . why did you not consider those types of alternatives?

Hon. Mr. Andrew: — With regards to the three points that the hon. member raised . . . And I'll take them not necessarily in the order you gave them. The counselling program: I think that you will acknowledge that there is a counselling program there. You might have differing views as to a different emphasis that might be on it, but I don't think we're disagreeing, in principle, on that.

With regard to extending the debt, I take what you're meaning there, if it's a 10-year debt or a five-year debt, would rather have a 25-year debt, lower interest rates over that longer period of time, financed through Farm Credit Corporation.

We have requested the same type of thing. The report that came from the various MLAs indicated that they would like to see lower interest, longer term debt. Now, that's up to the fed to do that under farm credit because you will, I think, acknowledge that there's not that kind of money in a province like Saskatchewan to put that kind of program in place.

With regard to the set aside of the debt, that's the one thing . . . I mean it's nice to say, let's put some rules to set aside debt. I still didn't follow quite what you meant there. Could you give me some more details of that?

Mr. Upshall: — We won't get into this game, Mr. Minister. What I said is that your government failed to address the very serious problem that we have in debt. Your government holds 1.6 billion, the federal government holds a billion and a half dollars which is nearly half the debt that farmers in this province hold.

And despite the fact that you say we can't do anything

about the federal government, you sure took credit for the . . . your Premier took credit for every deficiency payment we got. In fact, he says, I'm the guy that did her. And then when it comes to a debt restructuring program, all of a sudden you don't have any influence over the federal government.

I'm saying that half the debt in this province could be addressed immediately by the two levels of government. We all know that everyone has to partake. Everyone who's a part of the problem has to partake in the solution, whether it be the farmer, or the institution, or the governments.

And your government has failed to address that in this Bill. Instead you come up with a series of band-aid solutions that on the face of it the farmers are going to possibly get this sense of protection. We'll see what happens in time.

But I'm telling you, Mr. Minister, that over a period of time those farmers, because of your lack of trying to solve this debt crisis, they will be no better off than they are today — in fact, they'll be probably worse off. The insecurity that's going to be created between the farmer and the institution because of the threat of the drying up of credit is going to add to that problem. And you have created an environment now where nobody knows exactly where they're going to stand when it comes to the farmer going to the institution, and the institution dealing with that individual.

Any my question to you is, Mr. Minister: because the two levels of government control about half the . . . or hold about half the debt, and because the two levels of government have total control over the banking system, why have you not addressed the problem of debt in Saskatchewan in a manner that will, over the long term, help farmers see themselves through a crisis period? Why have you not done that?

Hon. Mr. Andrew: — Well I'll take your questions again as you raised them. With regard to the deficiency payment, you say that we . . . that the Premier took credit for it. If I go back to 1986, it was the members opposite that were accusing the Premier of being the guy that in effect got this because he wanted it for the election campaign, so it was no . . . I mean, it was you that were giving the Premier the credit for it, not us. We accepted that, but certainly I don't think there's any dispute with regard to that.

The second part, you say, is the Government of Saskatchewan should, because it has about a billion-plus debt out there, that the Government of Saskatchewan should take the lead and write that debt off; in fact that's what the hon. member is saying. There's two things: one, this Act brings the ag credit corporation under this Act and therefore ag credit corporation are going to have to look at various accounts and be prepared to maybe adjust their debt in that process, no different than any other financial situation is.

I take it though what the hon. member is suggesting, that we write off a significant part of any debt held by ag credit corporation. That's what the hon. member is saying, and

that's a billion plus. And I wonder if the hon. member would . . . you know, is it 300 million you're supposed to write off or 500 million you're supposed to write off? Is it only to certain individuals that it should be written off or to somebody else? And obviously, if you're going to write that debt off, you're going to have . . . the taxpayer is going to be the person paying for it. And I would suggest to you that the taxpayer is prepared to go a long ways in helping the farmer; I'm not sure that a \$300 million write-off of the debt directly to the farmer is something that the taxpayer is prepared to accept.

Mr. Upshall: — I don't know if there's any rules in this legislature, Mr. Chairman, to reprimand a member who uses falsehoods, but I'll ask him and yourself to check the record, and if I used the words write off, I did not. I know I didn't and he knows I didn't and he's trying to turn the tables, because he and I know both . . . both know that the write-off aspect of debt is not a totally acceptable solution because of many and varied circumstances. And he knows I never said that, and I would ask in the future that he does not attempt to distort the truth or use facts that are absolutely false or non-facts.

Now, Mr. Minister, I asked you, I said to you that your government and the federal government have the authority to control this crisis. You've come up with a Bill, despite the fact that you knew there was a problem out there, despite the fact that the institutions know there's a problem the farm organizations know there's a problem, and everybody in the country knows there's a problem. You've had ample time, ample time over the last two years to come up with a debt restructuring program. You have had a farm input road show, you have had a equity financing road show. People have told you time and time again that the problem is debt.

In your own equity financing proposal you said, 11 per cent of the farmers are insolvent, 28 per cent of the farmers are in serious cash-flow difficulty. And yet you sit there and try to make light of a serious problem by putting false words into my mouth.

The issue, here, Mr. Speaker, is the credibility of your government. And I know farmers out there are asking themselves why nothing is being done at a provincial level, why nothing is being done at a federal level. All they can hope for now is that there's a federal election in the fall and something will happen, because that's the way the Tory governments work. It's the four-year flood — every four years you get a flood of programs that try to keep everybody happy so you get in government again and have a three-year drought.

So, Mr. Minister, when you look at a solution to the debt crisis, you come up with legislation that does not address the problem. It does not address the major, underlying problem. You make some minor arrangements . . . amendments, you make some things easier; in some cases it may be a little better, but the problem is that you haven't attacked the problem. And until you attack the problem, we're going to continue to have quitclaims and foreclosures and people walking out of their land.

And I say to you, Mr. Minister, it is a disgrace that you and your so-called agricultural-based party are letting down

the farmers of this province severely. And you get up here and you'll give us your rhetoric about standing behind farmers.

And, Mr. Minister, I ask you once more: will you bring, in concert with the federal government, in legislation to restructure the debt over a longer period of time, at low fixed interest rates, in a manner that will allow farmers to have a secure position in this province over the next few years?

Hon. Mr. Andrew: — I indicated to the hon. member at the opening statement, and the report by the committee chaired by the member from Hudson Bay, or Kelsey-Tisdale, was to the effect that we had proposed some time ago to the Farm Credit Corporation that the Farm Credit Corporation look at longer-term debt with a lower rate than simply market share rate that they're charging for the most part now. We've asked for that. I indicated to you that we did not believe that we were in a position financially to put that all, or take that burden upon ourselves. We've asked for that.

Now what the hon. member has said, as I understood his question, is that you have to have debt restructuring. He meant more than simply delaying or stretching the debt out, I think. He also said you also have to write some of it off. And that's what I heard the member say.

And if you don't . . . if you're not, if the hon. member is simply saying that all we want to do is stretch the debt out, well that is not going to solve the problem either. The problem is, there's too much debt there relative to the value of land.

So there's two ways you can deal with it. You can get the commodity price to go up, or you must have a situation where debt is written off. And debt is going to be written off, in our view, on a case by case basis as opposed to some formula.

An Hon. Member: — At whose expense?

Hon. Mr. Andrew: — At whose expense, the hon. member from Shaunavon says . . . I . . .

An Hon. Member: — No, no, Elphinstone.

Hon. Mr. Andrew: — Oh yes, Elphinstone. Sorry — not used to that. The member from Elphinstone. At whose expense . . .

An Hon. Member: — Elephant-stone.

Hon. Mr. Andrew: — Elephant-stone. At whose expense is the debt to be written off? My suggestion to you is this, is that a lot of the debt that is out there that has to be written down cannot be serviced in any event. So while it's being written off somebody's books, primarily financial institutions, that is really a false figure on their books for the most part anyway.

(1130)

Mr. Koskie: — Thank you, Mr. Chairman. I want to direct a few questions to the minister in respect to the Bill. He

has put forward a piece of legislation. I want to go over in some details the concerns that have been raised in respect to the legislation. But first of all in drafting this in the background of information that you have, you seem to be agreeing that there is substantial debt in the agricultural industry. You have indicated that it's somewhere around \$6.5 billion here in Saskatchewan.

Your report, or the report of your road show, indicated that there was 11 per cent of the farmers of Saskatchewan — or this is the statistics that they included in their report — 11 per cent of the farmers are in the position of being insolvent at this present time. You also indicated in the report that there are 28 per cent of the farmers that have a serious cash flow.

I want to ask the minister, because we have attempted to deal with the Minister of Agriculture, in putting in this Bill here, did you do a total analysis before putting in this legislation, analysis of the debt situation that has to be addressed here in the agricultural community?

I'd like to ask you whether you in fact did an analysis; and secondly, whether or not you could provide us with a copy of the analysis that you did in respect to the debt situation in Saskatchewan? Or did you in fact go off half-cocked and simply added a few more provisions to an existing piece of legislation with the attempt to try to pretend that you are indeed acting on behalf of the debt-ridden farmers of Saskatchewan?

So I'd like to ask you again: do you have a total analysis of the debt situation in Saskatchewan; do you agree with the figures as was laid out in the report of the road show commissioned by the government at taxpayers' money that went around the province; is it your belief that those figures are accurate, that 11 per cent of the farmers are insolvent, that 28 per cent have a very serious cash flow problem? I'd like to ask you whether you did a debt analysis. Could you provide us with it?

Hon. Mr. Andrew: — Before I respond to the hon. member's question, I wonder if perhaps I could introduce some guests that just came into the gallery.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Andrew: — I would like, on behalf of the member from Rosthern, to introduce some students from South Corman Park School in Saskatoon, grade 5 and 6 students. There's 28 students. I think they're in the Speaker's gallery, just came in with their teachers — and you're going to have to pardon me because the writing is very difficult for me to read here — a Karen Anderson, a Susan Shore, and a Harold Kroeger. Hope I got those names right. Chaperons Angie Klein, Carol Buckwald, Liz Carpenter, Shirley Russell.

Welcome to the legislature. I hope your tour to Regina you find rewarding, and have a safe trip home.

Hon. Members: — Hear, hear!

COMMITTEE OF THE WHOLE

**Bill No. 37 — An Act to provide for Security for
Saskatchewan Family Farms**

Clause 1 (continued)

Hon. Mr. Andrew: — The hon. member, with regards to the . . . I suppose the great problem of trying to get an exact handle on the debt is that you can have an idea of how many problem farmers you have with, let's say, the ag credit corporation.

If you go though to, let's say, the Credit Union Central, or to a major bank, and ask them for their numbers as to how many farmers are in category, let's say A, B, C, D, and E, in levels of severity of debt versus no debt at all, they will not give it to you, and they protect that information. They will give you some broad figures. They'd probably give the same ones to you that they give to us as well. And so you get nothing more than simply broad figures from it. Farm Credit is much the same way; they will give you a wide number of people of how many debts there are.

So I would agree with the hon. member that he indicated that 11 were in an insolvent position, that 28 were in serious debt questions. I would not dispute those numbers.

There's another number, though, that I think is significant and tells the story to a degree on a wider sense of the entire province, and that is this: if you go back about four to five years ago, the average value of land in Saskatchewan was about \$400 an acre. The average debt on that land was about \$67 an acre. Today, the average land value in Saskatchewan is \$280 per acre, and the debt has swelled to a hundred dollars per acre.

The problem, by any economic measure then, is if you have land valued at \$280 per acre a hundred dollars per acre debt on that land, you are not able to service that debt. And that's from an overall point of view of Saskatchewan — you cannot service that debt.

How many fit into each category? I would simply say that the numbers that you have would be fairly, fairly close to accurate. There is no way that you can get the exact numbers though.

Mr. Koskie: — Well, Mr. Minister, I find your answer rather surprising, that with the resources that the government has in the Department of Agriculture to do the analysis, I can't feature a government launching and dealing with a debt problem without having done an analysis.

And what you're saying here is, the wheat pool could go forward — and they did an analysis two or three years ago — and what you're actually saying here is that the Department of Agriculture, the Department of Finance, and you who are in charge of this Saskatchewan Farm Security Act, or at least in the implementation, have not even done a fully analysis of the debt. That's the part and parcel of it. You just haven't done a total analysis of the debt, because I asked you, if you had, could you file with us so that we would have a better appreciation, from the expertise of the government, in order that we can

intelligently address and be critical of the situation and how you may be addressing it or at least give some constructive proposals to addressing it.

But I find it almost unbelievable that you would come into here, into this Chamber, and say that with all the resources of the government that you don't have a handle on where the debt is, because I'm very interested, Mr. Minister, to know whether in fact it's all of that group of young farmers that got into agriculture in the early '80s, and I'd like to know the numbers relative to other aged farmers, the more established ones. I know, generally speaking, that you have about one-third that are in pretty good shape, and another third are in between, and a third at the bottom.

And what is important to know is a total analysis of the debt crisis and to be able to analyse what are we about to lose, because I'll tell you, this Bill here, in your own words, is not going to solve the problem for those 40 per cent that we're talking about with the serious cash flow and the 11 per cent that are insolvent. And I think you'd have to admit that.

So I ask you again: do you have any breakdown and more specifics as to who is in fact holding the largest portion of this debt, because it's important to make a decision here of what action we take because we don't want to lose a whole generation of new, young farmers. And that's the crisis that we're looking at?

And if Saskatchewan Wheat Pool has put it forward that it will take 10 to 20 years if we lose that young generation of farmer that we had set up during our years of administration and subsequently — and we had some considerable success in the '70s; young people came back and got re-established in agriculture, and you had the farm purchase program that you put in right after you got elected — and so I'm asking you here, have you done any analysis as to who are likely to be the casualties in respect to the debt crisis?

Hon. Mr. Andrew: — If I could answer the question to the hon. member this way, we have . . . we clearly have the resources to do the analysis if we could have the information. What the credit unions and the banks are not prepared to supply you is the following information: the number of people that re in serious debt; what type of a classification they would fit in — young, old, otherwise; what area of the province are they in; what's the magnitude of their individual debt. That they guard fairly jealously, that type of information. I would dearly like to get in there, not that I care about any individual's debt, but get into the books of the banks and credit unions to find that out.

Now the hon. member raises what I think is a very significant question, and that question is: on the whole, what type of farmer is facing the debt crunch? You're always going to have some farmers that through whatever means — and I don't think it's a large number — that do not have the capacity to run their farm very well. That's a small group, and you've always had those in good times and bad times.

The ones that are concerned, I think the ones the hon.

member raised, is those who are the young farmers, very often went into the business in the late '60s, but more likely in the '70s when the prices were very, very good. They got in at a time when prices for land was escalating very high. They got in at a time when it looked like that was going to continue. They got in at a time when machinery became sort of the rule of the day for farmers — everybody had to have a bigger and bigger tractor and a bigger and bigger combine and more of it — and they got themselves into problems.

Now if these people are not assisted in some way to remain in rural Saskatchewan and to remain on the farm, there clearly is a problem out there, and that problem is going to be the population of rural Saskatchewan. The population of the farm community in rural Saskatchewan is going to be older people. They don't, as a rule, have children, therefore there's pressure on the schools. They don't have children, therefore there's more and more pressure on, let's say, the community rinks or whatever it's going to be and there . . . it's a rural problem.

So clearly the member identifies that. I think we all agree with that concern as the problem. I would suggest that the large majority of farm debt cases today tend to be those that bought land in the '70s, mostly young people, or their father who backed them up or was the one that in fact bought them for the children, and that's the ones that are in problems.

Mr. Koskie: — Well, Mr. Minister, can I get specific then with the information that you should have, and that is in respect to the Agricultural (Credit) Corporation of Saskatchewan, your corporation, and I was wondering whether you could indicate the total amount of loans that you have out to farmers and whether you could give us the up-to-date statistics of the arrears in respect to any of the ACS (Agricultural Credit Corporation of Saskatchewan) contracts.

Hon. Mr. Andrew: — I can attempt to get it. I don't have that with me, but I will try to get it for later this day.

Mr. Koskie: — Well in reviewing the debt, which you obviously didn't do a very thorough job, I was wondering whether or not you had any participation by the federal government, and if you could indicate what was the type of discussion that you had with the federal government prior to drafting this Bill, or indeed while drafting the Bill, and whether or not you have had any general discussions with the federal government in respect to the overall debt crisis, and whether there's any suggestions coming from the federal government.

Hon. Mr. Andrew: — Well, did we have discussions with the federal government? We've been having discussions with the federal government for some time.

An Hon. Member: — With no results.

Hon. Mr. Andrew: — Well the member says, no results. I think . . . I mean, the federal government, whether we want to play politics in here as we always do, I think by anybody's standards the current federal government has put a lot of money into agriculture. I mean, that's a fact.

Now have they come to grips, as perhaps we would like to have seen them, in the area of farm debt? As I indicated in my second reading speech, one thing that we have proposed a number of times to the federal government is a chapter 12 bankruptcy rule like they have in United States, which makes it a lot easier to deal with farm debt, certainly solve farm insolvency questions, to write that debt down through that mechanism. We can't do that by our jurisdictional strait-jacket that we're in.

(1145)

So that's one thing that we have advanced to the federal government, and I think is something that from our research would show us as one of the reasons for the success in Minnesota dealing with this farm debt question. So we've done that.

We've indicated to the federal government that we would like to see farm credit become far more aggressive in the sense of longer-term loans at lower interest rates, at preferred interest rates. We've advanced that to the federal government.

Now the federal government are going to have to respond in their own time, and they're not going to have me doing the responding for them as to whether they're prepared to make those two changes. We have certainly lobbied to have that done.

Mr. Koskie: — You indicated to my colleague from Humboldt the net effect of this Bill as I understood you — and correct me if I'm not stating it correctly — but one of the benefits of this Bill will lead to a debt write-down. I want to ask you: who do you intend to carry the total debt write-down in respect to the effect the Bill will have in achieving that end?

Hon. Mr. Andrew: — I take it your question to be that who is going to suffer the loss with regards to the debt? I think any arrangements that are worked out, and that are worked out in other jurisdictions, have to carry the following way: it's got to be . . . very often if an individual went in and bought some land, let's say for \$1,000, in your area that you represent or the area I represent, that land has now dropped to let's say \$400 per acre, and you maybe borrowed \$800 per acre on that land. The value on that debt is no longer \$800 an acre if it cannot . . . even by taking the land away and putting it on to the market, the best you're going to get is \$400 an acre.

So right there \$400 has been in effect lost by the financial institution, whether it's provincial government, federal government, banks, or credit unions. So obviously they've done that. Many of those people do not want to write that down. So they have to do that. Maybe the farmer, for his part, has to put a quarter or half section up for sale and obtain some extra money and write that down further, apply that debt on that further. So I mean, it's a combination of those things. But as far as most of the debt write-down, it's going to be the financial institutions that are going to carry it.

Mr. Koskie: — And do you believe that the financial institutions are on equal footing when it comes to dealing with the agricultural write-down, that is, the competition

... not the competition, but the comparison between the Royal Bank and the credit union movement in Saskatchewan, which is membership-owned and operated throughout Saskatchewan.

The credit union has a very significant investment in agriculture as you know, somewhere in the neighbourhood of \$865 million. It seems to me that for the Royal Bank to write off what they owe, about 1.2 billion, their investment in agriculture, and even if they had to take a substantial loss in respect to the write-down, do you think that there is an equal playing field or a level playing field in the comparison of the application generally applied to the Royal Bank, which is world-wide, has massive investments and diversification of investments as compared to the credit union movement in Saskatchewan. Now that is a concern. And what you have done, in my view, is to put them on equal footings, and they are not entirely on equal footings.

Saskatchewan credit union movement in Saskatchewan are all owned and operated by individual boards in their community and have a tremendous contact with the people within their own communities so far as allocating loans and so on and knowing the needs and who they can give it to. No other institution has as close association of knowing who the loan should be made to and what type of portfolio should be developed in that given community.

And what I see here is that you've put them on the same playing field, so to speak, and it seems to me that they are unequal. Because I talked to the credit union people, and they indicate that a large percentage of theirs is directly loaned to farmers, some 865 million, but even the rest of their portfolio is so locally controlled and relevant to the agricultural economy.

But that's not the case with the Royal Bank, and it's not the case with the Toronto-Dominion, it's not the case of the Bank of Commerce. But the two big players are the credit union movement and the Royal Bank. And I don't know how you can set out a set of rules and say that they apply equally to two institutions that are unequal. How can, for instance, how could the credit union movement be prepared to absorb a write-off equivalent to the Royal Bank and survive?

Hon. Mr. Andrew: — Well I think you have to look at it in the following way. We clearly took into consideration in how we might draft this legislation with the reality of the credit union.

Now what you might say if it ... I don't think the hon. member would suggest for a minute that the credit union be exempted from any provincial legislation, otherwise you would find yourself in the situation where the farmer, farmer A and farmer B, one having it from the Royal Bank and one having it from the credit union, the one that has his loan from the Royal Bank would get to have a significant write-down, and the one from the credit union would not. The farmer would then soon come to you and say, well is that fair? Just because I dealt with the credit union, I don't get as much protection. So clearly what we're after here is primarily to assist the farmer. All right.

So then you come to the second question: is the credit union going to be put at risk with this particular legislation? I have met with the credit unions, I met with credit unions from all over Saskatchewan, Monday. They have indicated that they are going to stay in the business of lending money, and that this Bill is not going to — to farming, as some have said they were not. This Bill is not going to put the credit union at risk, that it is going to somehow become insolvent.

So you can't draw the law that's different. What we've tried to do in this is draw the law so it's the same for a private lending institution, the credit unions, or government lending institutions. And they all must be dealt with in the same way.

Mr. Koskie: — Mr. Minister, you put the credit unions in the same ball of wax as the banks that are operating in Bay Street at Toronto. That's what you're saying. You're saying the old banks, the Royal Banks, the friends of the Tory government, are the same as the people-founded credit union movement which had to be developed when the banks were running the farmers off the land. That's what you've said.

And you're saying here, oh no, it's not going to ... I've talked to the credit union movement and there's no risk there for them. Well do you think they could possibly come out and say to you or the public that this legislation is going to put our movement into risk? Do you think they could do that? They'd have a run on their deposits. That's the problem. You put them into an impossible position that they cannot even object publicly to your Act. And you said to them, you're the same as the Royal Bank, even through their structure is completely different.

I go to my community in Muenster. I'll tell you that the ... or Wishart. I got a letter from the credit union at Wishart. Do you know what's the composition of the credit union at Wishart? There are eight farmers and one business man on the board in Wishart, and they are very concerned in respect to the implications because they say they know the local situation, those farmers dealing with farmers, that they don't need the Minister of Justice, who is not a farmer, interfering with the portfolio that they have been able to negotiate and work in the interests of the farmers.

And all I can say is that ... My information is that the farmers have been satisfied with the treatment that they have been getting from the credit union, and they have serious concern that, by the retroactivity of this Act, what you have done is to interfere with that local autonomy, dealing locally; you've interfered with a financial portfolio that they have developed which was beneficial primarily to the farmers, because that's who they have to cater to, because that's primarily their clientele.

But the bank, they could care less, in a way. What is it to the Royal Bank if they have to eat a few dollars of a loss, because they can cover it up on service charges, and they have a portfolio outside of Saskatchewan, based in Ontario, where the economy is booming.

So I ask you ... you have considered in respect, in exclusion for the credit union — I understand that you have — I want to ask you: do you not think that by the

very nature of the credit union structure that it's so entirely different from the banks that a possibility of exclusion of the credit unions may be meaningful?

Hon. Mr. Andrew: — Well, no, we rejected that for the following reason. As I said before, this legislation, while we're going to keep in mind the lending institutions and how it would impact upon them, it's primarily directed to the farmer.

Now if we excluded the credit union from any type of legislation that provided protection, the farmer that had borrowed money from the credit union would not have the protection of the law, and the law would then not be applied to farmers equally or to people equally across the province. And I really don't believe that the members opposite would support that, including the member from Regina Centre. And I would very much doubt that he would be of the view that we should exclude the credit union from all legislation dealing with how you proceed through foreclosure, exclude the credit unions so that the farmer that dealt with the credit union would have different rights, would have fewer rights than the farmer that didn't.

We could not accept that, nor would anybody, in my view, accept that type of an approach.

Mr. Koskie: — But you make an assumption. You make an assumption that the credit union movement in this province couldn't deal as fairly with the farmers as what you're legislating here. That's the assumption you make, and I don't agree with that assumption.

I agree with the assumption that the credit union movement and the local boards know better what is good for Muenster or Wishart or Swift Current or Meadow Lake or North Battleford, than you sitting here in your office. That's what I say. And you haven't considered the uniqueness of the structure of the credit unions.

I want to indicate a few concerns that I have had from the credit unions:

We find it disturbing that a stay of proceedings may be granted for three years if the court find there was a sincere effort to repay. Surely other criteria such as management ability, capacity to pay, must be considered in these cases.

Those are some of the concerns.

The changes under the guarantees and the co-signers and the deficiency protection will force lenders to drastically reduce or eliminate their value as security to loans, thereby making it more difficult for farmers to obtain credit.

I ask you, Mr. Minister, just in respect to those two things that has been mentioned here, and I'm not mentioning the credit union, but there are two serious concerns. One is in respect to the "stay of proceedings maybe granted for three years if the court finds there was a sincere effort." And they're saying, surely there should be an expansion of the criteria. That's a concern.

And they're also concerned in respect to a further decrease in the availability of credit because of the fact of the limited liability of guarantors and co-signers and the deficiency protection.

Hon. Mr. Andrew: — Let me go to the last two points you raised first. With regard to the co-signer and the guarantees, there's no significant change there that would impact upon their security.

With regard to the guarantee, what we are saying is the following. When a situation would come where a farmer goes in to borrow money from the bank or credit union and they ask that his father or someone else guarantee that note, that the guarantee document should set out the maximum amount by which that guarantee can be held liable for. That's simply a disclosure thing and my talking with the credit union on Monday, that was not seen as a difficult problem for them.

With regards to the situation of the home quarter and the sincerity test, the sincerity test on the home quarter, that is something that I think that the credit union and many of the people in the credit union, the directors of the credit union that I talked to in Kindersley, their view is this: if the test is properly interpreted by the court, ultimately it's going to be the court that interprets what sincerity means; then they do not have a problem with it, because an individual farmer who is sincerely trying to make it go, they are prepared to ride with them, and an extra three years, they can buy into that, provided he is sincere. Now he might not be . . . he might not have the best numbers that add up for them right now, but if he is sincerely trying, they will go that extra mile with him. And that's what they've indicated to me, and I believe that's the view of many credit unions around the province.

(1200)

Mr. Koskie: — Well I want to further . . . I don't know how many letters you got in respect to it from the credit unions, and I perhaps would like to know to what extent you have communicated and have you received many written concerns from the individual credit unions throughout the province.

But I read yet another complaint or a letter of . . . to one of your members, with a copy to us, and it says that:

The government's proposals do not address the long-term issues about necessary financing for agriculture.

And that's what we have been saying.

If some type of program or alternative is not developed, loans will not be available for key areas of farm financing. These areas include: — homestead financing, inter-generational transfers, on-farm diversification, production intensification, technological change introduction, debt consolidation, and refinancing.

These are the basic concerns the credit unions have had, and many of them that we discussed with them indicate that there are problems in respect to your Bill.

And I want to ask you, in respect to the retroactivity, why do you see that it's necessary to effect the — retroactively — the portfolios that farmers and credit unions have worked out? Why was that provision so necessary, because that's a major concern to them?

Hon. Mr. Andrew: — Well I think the view advanced by many farmers that we talked to is that they saw in the protection of the home quarter some stabilizing effect on them, some security for them.

I think the thing that I discovered during this process of putting this Bill together is that few people really understood what the exact homestead protections were. You had a commonly held view out there that a bank or credit union could never take your homestead away; they have a view that you can never put a person out of his house in the winter-time, both of which were wrong.

What was being done, quite frankly, is a lot of waivers were being grabbed by certain financial institutions — waivers on the Provincial Mediation Board that were not covering off the land that was used, or it wasn't really a mortgage but was covered off to service some of their operating loan that they hadn't had security on. And that was happening a fair amount of the time.

So what this is designed for is to give some security to the farmer that he's not going to be totally out of a place to live, and so that security, I believe, is very important.

Mr. Koskie: — Have you done any estimate, Mr. Minister, in respect to the amount of write-down, say per million of loan by an institution, that you could calculate out? Have you calculated out to estimate what is the probable write-down per million of investment?

Hon. Mr. Andrew: — That's, I suppose, a tricky thing to do. And when I spoke to the credit union on Monday, also speaking there was Mr. Hartley Furtan from the University of Saskatchewan and recognized ag economist, and as I indicated to the hon. member from Humboldt, what he indicated over the last five years, the ratio of the value of land to the debt on that land has moved from \$400 value at \$67 debt to \$280 value and \$100 of debt, his argument being that at perhaps 400 value at \$67 per acre debt, that would probably be able to be serviced. But when you've got less than \$300 value of your land with \$100 debt on it, literally it could not be serviced, in an overall point of view, and therefore there would have to be either some lessening of that debt or correspondingly an increase in the value of land, which is not terribly likely to happen and it's something that we would not have a great deal of control over.

Mr. Koskie: — Another concern that has been raised by some of the intensive farming operators in the province is in respect to the home quarter, Mr. Minister. And that individual farmer is concerned that he has been using his home quarter for substantial financing of his operation.

Intensive operators have indicated that as a consequence of the legislation dealing with the home quarter and the stay in respect to the three years, will virtually dry up his credit. And I wonder how you intend to address that particular problem?

Hon. Mr. Andrew: — Well, there is a clause that allows for the exemption to apply to the Farm Land Security Board for an exemption in that type of situation for (a) to build new buildings on that home quarter; to buy a home quarter, or to use it for refinancing.

So that is going to be provided. Instead of applying for that waiver to the Farm Land Security Board . . . or to the Provincial Mediation Board, you apply to the Farm Land Security Board.

Mr. Koskie: — Well there may be an exemption, I'm not going to argue with that, but the very consequence that you have a home quarter which was being used as security with a financial institution for an operation, suddenly now you say that that can't be foreclosed on for three years if he makes a sincere effort. Okay?

The concern is that you could put any exemption that you wanted; by the very nature of the retroactivity of imposing the stay on the home quarter, financial institutions are changing their loaning policies — changing the rules. And you can have amendments or you can have provisions in respect to it, but the financial institutions are changing their policies and are saying they are not going to, in fact, cover subsequently a loan on home quarters because they don't know what you're going to do next. Not only have you went retroactive in respect to what they have been using — the home quarter — but they're saying, subsequently their policy is that they will not use the home quarter. And so exemptions don't solve the problem, Mr. Minister.

Hon. Mr. Andrew: — I mean, this is not the first time the government has brought in retroactive legislation. When you formed government in 1971 . . .

An Hon. Member: — You're missing the point.

Hon. Mr. Andrew: — Well it is the point. When you formed government in 1971, you placed a moratorium on a repayment of debt. Now that is retroactive legislation every bit as much as this is retroactive legislation. It is our view that that credit will not in fact dry up. The banks have said that, and the credit unions are going to continue lending money in that situation.

Mr. Koskie: — Mr. Minister, I don't know where you've been. You must have been locked up in this building and haven't been talking to anyone, because we went out on our drought tour to talk with the farmers, which I was surprised that your caucus hadn't done, and we talked to many of the financial institutions and in particular the credit union. And they indicated that they had even two members of their staff who had a home quarter — and they're working as staff — and they want to, in fact, build. Regardless of what you have in your legislation, their loaning policy is that they're no longer going to give any loans in respect to the home quarters.

This is the reality, and so I'm asking you, can you give any assurance? Because this is important to the intensive operator, because every indication is that the policy in respect to the home quarter is being changed by the financial institutions. Have you got any commitment that

the policy in respect to the home quarters will not be changed?

Hon. Mr. Andrew: — I've got the . . . perhaps the hon. member has the same, in the sense that the meeting on Monday with credit unions from across the province in Regina, and what that group of credit unions undertook to do was, and I will read it to you:

Whereas the Credit Union Central remains committed to lending to agriculture sector and working all our farm members through these difficult times, therefore be it resolved that in order to ensure the long-term viability of the sector, the credit union will: (a) assist credit unions in making the mediation process work; (b) assist in the development of flexible credit union farm lending policies — assist in the development of flexible credit union farm lending policies.

This doesn't say that they're going to shut credit off to those people. It's going to work on a flexible policy that'll make it work. So I simply say to you that that's the assurance that I have, and I believe that they will in fact make it work.

Mr. Lingenfelter: — Mr. Chairman, I appreciate the opportunity to get involved in this debate on Bill 37. It follows along the line of questioning of the member from the Quill Lakes. But in the letter that he referred to — and I want to indicate that it's from the Herbert Credit Union and the date is June 1 — and the reason that I can read it into the record, it was carbon copied to a large number of people, including yourself, the Hon. Bob . . . the hon. minister, the Premier, the Leader of the Opposition, as well as the Leader of the Liberal Party.

And the letter was sent to the member from Morse, and it is signed by the chairman of the board . . . Corney Martens, president of the board of directors at that credit union. And it outlines the problems, as indicated by the member from Quill Lakes, that will occur for the Herbert Credit Union.

The fact is, is that it's not a large bank like the Royal Bank who will be able to write down their debt because they're making millions of dollars in third-world countries, in New York, in Toronto; and if they have to drop 500 million in Saskatchewan, they can absorb it because they're making returns on their money — 20, 25 per cent on places that are booming in other parts of the world.

But the problem for the Herbert Credit Union is that they have no ability to eat the kind of write-down that you're asking them to do. They're simply not . . . This is what the credit unions are telling us, is that: is it fair that the members of the Herbert Credit Union who have money on deposit should be called on to absorb even \$500,000 in loss, or a million dollars in loss, if the credit union assets — and I'm just guessing here — is \$20 million? Where are they going to get the money from?

The letter indicates in the final paragraph:

If further action is necessary to reasonably protect these individuals (that's the individuals you're

trying to protect, and I understand why you're trying to do that), it should be taken. And the cost or consequences, however, must be equitably managed.

And what they're saying is that if you're going to pass this Bill that makes write-downs a possibility — in fact in many cases, as you indicate, that's the only alternative — should that not be shared by the taxpayers of Canada, as was the case with Massey-Ferguson, Chrysler, some of the trust companies in eastern Canada? When we were called on to help out those failing businesses, we paid our taxes; you paid your taxes; I paid mine, and we helped out Chrysler, and now it's a flourishing business again.

The point that we're making is not that Bill 37 is totally wrong and you're heading in the totally direction, but who should pay when you have write-down? Should it be the members of the credit union system who have on deposit a few dollars for their kids' university, or a few dollars for their retirement?

And I guess that's the question, the fundamental question, Mr. Minister, that I want to ask you is whether that's fair that it, at the Herbert Credit Union — I wanted to use that example because they're making it an issue — should they be the only ones responsible for the debt write-down?

Hon. Mr. Andrew: — Let me try to respond to the member this way. First of all, the taxpayers of Canada right now, and the taxpayers of Saskatchewan right now, are contributing almost one-half of the income of grain farmers in this province. And you know that if going through . . . and you've talked to lots of people. The income side, about half of their income now is coming from government programs. All right?

An Hon. Member: — So you're saying that's all it's going to be?

Hon. Mr. Andrew: — No, but I'm saying that the taxpayer has made a fairly significant contribution to the Saskatchewan grain farmer. No question about that.

Now with regards to the credit union, is the hon. member suggesting, as the member from Quill Lakes did . . . It seems to me you can address it in two ways: you can exempt the credit union from this legislation, and that would not be fairly treating farmers because they happen to deal with the credit union. That's number one. Number two, then: should the governments — what you're saying — inject money into the credit unions?

An Hon. Member: — You're going to have to anyway if you drive them out of business.

Hon. Mr. Andrew: — Well, I don't . . . I think the credit unions are not going to be driven out of business. I think that is an exaggeration. And in my view, I don't think government is in a position yet, nor have the credit unions even indicated that they would wish to have the government inject a bunch of money into the credit unions.

Mr. Lingenfelter: — I'm going to say, Mr. Minister, I'm

not going to dwell on this a long time, because you're going to ram this thing through anyway, and you're not going to make the appropriate changes.

But you talk about the income side and the taxpayers of Canada putting money into the income side. I agree with that. But your report, that your own MLAs brought back and tabled in this legislature, clearly indicates there's two sides to the problem — the income side and the debt side. And they indicate the biggest problem is the debt side and how we're going to solve it. And this Bill simply isn't dealing with the debt side.

(1215)

We believe that the \$6 billion in debt is so big, so massive, and a large part of it built up by the federal and provincial government — about half of it — that we do need the taxpayers of Canada to become involved in the debt side; that throwing it back at the local credit unions is only going to create another problem that then you'll have to step in and solve a year from now. And I wondered if you had any provisions to help out credit unions who are going to be forced into that position because of Bill 37. This is what the credit unions are telling us; this is not my view.

I have served on the board of credit unions, and I understand a little bit about them. But when I was working on the board of the credit union in Shaunavon back in 1976, farmers had record profits; things were booming. It was a different kind of a problem that we had that time; it was where you were going to invest the money that people were bringing in.

Today under your administration — I don't blame it totally on you — but the problem is different. The problem is farmers have no money, so they're getting subsidies on the income side. But the credit unions are saying the debt issue has to be dealt with by the governments, both of Canada and of the province. And what they're saying is your own report isn't being dealt with, where the taxpayers should be involved on the debt side, all of us, because it's that massive.

And what the credit unions are saying clearly at the local level, that if you force them to eat that much debt that is not able to be collected, they're going to have some serious problems. And I'm wondering if you have any contingency plans now, as Minister of Finance, if that starts to happen and you push the first domino and things start to roll. Because that, with a six and a half billion dollar debt, no light on the horizon, in fact with the drought an ever-increasing debt load being whipped up, who's going to pay? And the local credit unions are saying it's irresponsible to expect the local depositors to pay the Bill.

Hon. Mr. Andrew: — Well I suppose you would . . . the natural extension of that question becomes, if you are going to provide help, is it better to provide it directly to (a) the farmer with the debt? And if you're to provide that, are you going to provide it through . . . I mean, you can call it income, whichever way you want; if you're going to give the farmer additional money tagged that he has to use that to pay down the debt . . .

An Hon. Member: — Some aren't in trouble though, Bob.

Hon. Mr. Andrew: — That's exactly the case. So what you're saying then is we will only pay money out to farmers that have a debt.

An Hon. Member: — Some aren't in trouble though, Bob.

Hon. Mr. Andrews: — That's exactly the case. So what you're saying then is we will only pay money out to farmers that have a debt.

An Hon. Member: — We're trying to solve the problem.

Hon. Mr. Andrew: — I understand that. But then you have to say that if you go to that type of a program, and you know full well, having been a farmer and living right besides a farmer, you're going to say: well this farmer here, we're going to give him a hundred thousand dollars, and this farmer here, we're going to give him nothing. And the farmer that sits beside him says, well why should I be punished that way, because I have worked hard, I didn't buy a motor home, or perhaps I didn't buy that land, and why should I be punished for doing it that way?

So that's a very difficult question, and you can appreciate that out there as well. I think we exaggerate if we somehow suggest that the credit unions in Saskatchewan are in trouble, because they are not, by any definition of that word, and I think it would be an unfair statement to somehow suggest that they are.

Mr. Lingenfelter: — Just a concluding remark, and the minister skated around the issue of the problems that credit unions may be up against, and clearly indicated by a large number of letters, and that is whether you have a contingency plan, if in fact credit unions are coming to you . . . like, you're moving the problem from the farmer to the credit union boards. And they are basically going to be in a dilemma that they may be coming to you in a year. And I wonder whether or not the members in your department are checking out some options of where they're going to be injecting money if credit unions in fact have that kind of a problem.

And you will know in the mid-west United States there are literally thousands of private banks that have gone bankrupt during this process. And the federal government has had to move in in the United States and bail out the lending institutions.

And I think that what you're doing here with this legislation is shifting it to the small credit unions, and you could have a problem. That's the only point I'm making, and whether or not consideration has gone into the implications of Bill 37 if down the road a year the credit unions simply aren't able to function, having taken up that much debt.

Hon. Mr. Andrew: — Let me make a couple of observations. One, if the credit union has trouble, it's not because of Bill 37, it's because they lent money on a high market for land, and very often maybe lent up to 80 per cent of thousand-dollar-an-acre land. Now that where they're in a problem, and when the land drops there's a debt there. All right? There's a debt there with that particular problem.

Now the member from Elphinstone has been around this place long enough and around the system long enough to know that with those fellows sitting up in the next row,

that you're not going to hear a minister of Crown, nor would you expect him to, to say that we have a contingency plan to somehow bail out the credit union.

I've told you I've spoken to Credit Union Central. Credit Union Central in fact say that there is improvement out there on the horizon with regard to farm debt held by credit unions, and so that they are managing this thing through and that the credit unions are not in trouble. That's the way that this type of questioning is going to go flowing out of this place.

And that is not in fact the case. The credit unions are in a positive position and will continue to be in a positive position.

Clause 1 agreed to.

Hon. Mr. Andrew: — Mr. chairman, there is a number of House amendments. I don't know whether the members opposite have them. There's none of them that are substantive. Most of them, I think, are picking up the correct writing, and that type of thing.

Clause 2

Mr. Chairman: — A House amendment to section 2 of the printed Bill.

Amend section 2 of the printed Bill:

(a) in clause (f) by striking out:

real property in Saskatchewan that is situated outside a city, town, village, hamlet or resort village and that is used or is capable of being used

And substituting:

other than Part VI, real property in Saskatchewan that is situated outside a city, town, village, hamlet or resort village and that is used;

(b) in subsection (h)(i), by striking out "producer" and substituting "farmer";

(c) in subclause (o)(i), by striking out "a mortgage granted by" and substituting "a mortgage granted to"; and

(d) by renumbering section 2 as subsection (1) and adding the following subsection after subsection (1): —

(2) in clause 2 (1)(h), "farmer" means "farmer" as defined in Part II, III or IV, as the case may be.

Mr. Shillington: — Mr. Minister, the amendments in (b) and (c) correct what are really typographical errors, drafting errors, rather; (d) is utterly pointless. I don't know why you included it.

My question is really about (a). What change is wrought by . . . what practical change is wrought by the

amendment in (a)?

Hon. Mr. Andrew: — I'm advised that the . . . to the hon. member from Regina Centre, the change was made to cover this type of situation: when you use "capable of being used," there was a concern that perhaps a developer might be sitting on some land just around the city that could be argued was capable of being used for farming, and therefore he would fall under the protection. We were not designing this legislation to cover that type of individual, only the legitimate farmer. And that's why the amendment was fine-tuned a bit to cover that potential situation.

Clause 2 as amended agreed to.

Clauses 3 to 7 inclusive agreed to.

Clause 8

Mr. Shillington: — Mr. Minister, it appear that The Public Service Superannuation Act will not apply to the mediators. Am I correct? Is that your interpretation, and if so, why?

Hon. Mr. Andrew: — I advise that if they are employees of the Department of Justice, they will be covered; if they're per diem people as now exists with Farm Land Security Board, they would not be covered. And so that it's not necessarily true.

Clause 8 agreed to.

Clause 9

Mr. Chairman: — House amendment to Clause 9.

Amend section 9 of the printed Bill:

(a) In clause (b), by adding "and all notices given" after "made";

(b) In subclause (f)(i), by adding "with respect to the homestead" after "vacated"; and . . .

An Hon. Member: — Can we take this as read.

Mr. Chairman: — Will you take the amendment as read?

Mr. Shillington: — This amendment illustrates what's wrong with this whole process, Mr. Minister, with respect to the Farm Land Security Board. Given the passage of time, I didn't say this under clause 1, but it is a great regret. The year has gone by, and what we have is this trifling effort, and it is a trifling effort. The improvement in the lot of the farmers under this Bill is going to be very, very modest. I'll predict in three months nobody will remember that this bill was ever passed. It is a very modest effort.

And this amendment illustrate what's wrong with the whole process. What's wrong with the process is that the banks have an endless amount of resources, and they obviously have this government on a very short leash. The farmers have neither the resources nor do they have a hand on the leash.

Mr. Minister, I think I know what this is doing; this is correcting drafting error which would have resulted in notices having to be given a second time and thus there might be a delay of up to three or four months. I think that's what you're doing with this; you're correcting a drafting error.

Mr. Minister, I'll say I liked it just fine as it was. I got no problem with the banks having to give a notice all over again and take another four or five months. Mr. Minister, what is . . . that may be all a given farmer needs; that may be all a given farmer needs to get back on his feet — another four or five months.

And before the minister absorbs too much wisdom and too much brilliance from the member from Morse, I think I know what he's pouring into your ear and he's suggesting that my comments are somehow or other inconsistent with the comments of my colleagues from Quill Lakes and Elphinstone, who suggested that there was some problems for credit unions here.

I agree thoroughly with the member from Quill Lakes. I don't think there's any comparison in the way they treat their clients, their depositors, and their mortgagees. I have . . . I deal with both, although I don't act, in a sense, for either one, but I deal with both. There's no comparison in the way the credit unions and the bank of . . . and the Royal and the Commerce treat them. There's no comparison at all.

Our problems here are by and large with . . . not with the credit unions, who I think have been more than fair with their clients. It's then with the banks and with the agricultural credit corporation and the . . . now, in the last little while, with the FCC (Farm Credit Corporation (Canada)).

I don't think the credit unions . . . I'll bet you never got a complaint about this as it was drawn from the credit unions, but I'll bet you every bank had their legal staff poring over this and yelling in your ear that they didn't want to give these notices all over again. Well I say, Mr. Minister, it was just fine as it was.

As I say, this is symbolic of what's wrong with the whole process. The banks have the resources and they have your ear and they got this amendment. Mr. Minister, the farmers, who have neither resources nor your ear, apparently, have got nothing.

Most of these amendments, I can almost name the counsel that most of these amendments came from — they act for the Royal, the Commerce and a few others, and this is one of them.

Mr. Minister, it's a great shame you didn't leave it as it was. The farmers would have had another four or five months, and I think that may be all it takes to get a few of them through.

Hon. Mr. Andrew: — Two things: one, that request for that amendment did in fact come from the credit union. I mean they were the one group that . . .

An Hon. Member: — You never talked to them.

Hon. Mr. Andrew: — We certainly did talk to them. The council for the credit union raised that point. I'm just . . . I'm telling you.

The second thing the hon. member said that he predicts, he stopped short of saying that he would eat the Bill this time, so I guess that's improvement.

(1230)

Mr. Shillington: — Now that's humorous enough; it almost drew a laugh, but it stopped just short of that magical mark.

Mr. Minister, I wish to deal with the issue, instead of sort of being a latter day comedian. Mr. Minister, what was wrong with the Bill as it was? It would give the farmers another four or five months. Grain prices . . . I notice on the Chicago quotes, grain prices are going up. We may be at the bottom of the trough right now. It may be all it takes is a few more months to get them into next year when they get a good crop and perhaps some higher prices. And I've got no problems at all with giving those farmers who are in trouble another four or five months.

Hon. Mr. Maxwell: — Mr. Chairman, if I might have leave of the Assembly to introduce some guests.

Leave granted.

INTRODUCTION OF GUESTS

Hon. Mr. Maxwell: — Mr. Chairman, I thank the members of the opposition for giving me the leave requested.

It's a pleasure for me, Mr. Chairman, on behalf of my colleague and friend, the member for Redberry, who unfortunately couldn't be here today, to introduce to you and all members of this Assembly, a group of 15 grades 7 and 8 students from Salteaux School in Cochin, Saskatchewan. They're seated, as we can see, in the Speaker's gallery, Mr. Chairman.

We welcome you to the Assembly today and trust you're having an enjoyable visit to Regina. I'll be pleased to meet with you and your teacher Len Gorgei, and chaperon Ernestine Gopher, outside on the lawn just as soon as we recess today, for a discussion, refreshments, and photographs.

Welcome to the Assembly and have a very pleasant and safe trip home. Thank you. Please welcome them.

Hon. Members: — Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 37 — An Act to provide for Security for Saskatchewan Family Farms

Clause 9 (continued)

Hon. Mr. Andrew: — To the hon. member, let me put it this way. The change being recommended by the

department here is to clear up and make it clear as to what was involved. It was our original intention to get the same meaning as was here. This is to avoid simply litigation, where you're going to, in all likelihood, have litigation in this field in any event. So it is designed simply to clarify the intention in the first place.

Amendment agreed to on division.

Clause 9 as amended agreed to.

Clauses 10 and 11 agreed to.

Clause 12

Mr. Chairman: — House amendment to clause 12. Do the members take the amendment as read? Is the amendment agreed?

Amendment agreed to.

Mr. Upshall: — Yes, Mr. Chairman, I would like to think that the mediator in any case who is appointed would have mutual acceptance by both parties involved. That way they would get on to the mediation in good terms by all parties.

And with respect to that, I would like to move the following amendment:

Amending section 12 of the Bill by striking out subsection (2) and substituting the following:

(2) following the receipt by the board of a notice of intention pursuant to subsection (1), a mediator, mutually acceptable to the farmer and the mortgagee, or failing such agreement, a mediator acceptable to the board;

(a) shall be designated by the chairman of the board for the purposes of this section; and

(b) a copy of the notice shall be forwarded to the mediator so designated.

I so move.

Hon. Mr. Andrew: — Mr. Chairman, I have no problem with the intent of this particular amendment. In fact we've chased this around. Officials tell me, where you run into the problem with this amendment is with the two boards, the provincial board and the federal board. And it can't be done. That's why we didn't pursue that way.

But clearly the intention is for the mediator to be work . . . I think what you're saying is that the mediator, to be effective, if it can be mutually agreed in the vast majority of cases, then both sides see the mediator as a middleman or mediator. That is clearly the intention. We will do that by way of policy statement, but I am advised that it cannot be done, given the fact that you have a fed board and a provincial board and they work together. And there's where the problem comes.

So I would ask you to . . . that I have no problem with what you are attempting to do here. It's just that I would ask that

this amendment not be put into the Act because it would be too difficult.

Amendment negated on division.

Clause 12 as amended agreed to.

Clauses 13 and 14 agreed to.

Clause 15

Mr. Koskie: — Thank you, Mr. Chairman. I want to, in respect to section 15, subsection 5, for the purposes of the minister, in this section here, Mr. Minister, it indicates that, you know, if the financial institution acts in bad faith in respect to the mediation, that it shall be delayed for 180 days.

I think that we have to put a more stringent restriction on financial institutions acting in bad faith. And what we are proposing here is to increase the 180 days to a total of three years to help guarantee that there will be no bad faith on behalf of the financial institutions. Obviously what happens, if it goes to . . . if the farmer acts in bad faith, what happens is foreclosure proceeds and he loses, potentially, his holdings. Here, if a financial institution acts in bad faith, merely 180-day delay. What are we proposing here is that:

Amend section 15 of the printed Bill by, basically:

striking out "180 days" where it appears in subsection 5, and substituting "three years."

I'd like to present that to the Chairman, and a copy to the minister.

And as I said, I think it's important to put every stress upon the financial institutions to act in good faith.

Hon. Mr. Andrew: — Well again, I would speak against this amendment in the following way that . . . I think it's you know, if the bad faith certificate is in fact issued, then they have to start all over again and go through that process which is going to take longer than the . . . even longer than the 180 days. It's going to in fact take that long. They're going to have to go through that process, and would just encourage all members not to support this.

Mr. Gardner: — Mr. Chairman.

An Hon. Member: — Oh, I must hear the comments . . .

Mr. Gardner: — I'm sure you would appreciate that.

With leave of the Assembly, Mr. Chairman, I would ask leave to introduce some students that have just joined us in the gallery.

Leave granted.

INTRODUCTION OF GUESTS

Mr. Gardner: — Mr. Chairman, to you and to the rest of the members in the Assembly, I'd like to introduce some grade 6, 7, and 8 students. I think there's 11 of them that

have come in this afternoon to visit with us. They're from the town of Hyas, Saskatchewan, which is in the north-central part of the Pelly constituency.

And for the benefit of the students that are there, what we're doing right now is second reading on the farm security Bill, which might interest both you students and your parents, I think, when you get home. So I would ask you to kind of watch the proceedings, and I'll meet with you about 1 o'clock to try and answer some questions you might have.

They're here today with their teacher Edward Buk, and their chaperon and bus driver Lorne Melnik, and I would ask that everybody welcome the students to the Assembly this afternoon.

Hon. Members: — Hear, hear!

COMMITTEE OF THE WHOLE

Bill No. 37 — An Act to provide for Security for Saskatchewan Family Farms

Clause 15 (continued)

Mr. Shillington: — I just want to make a very brief comment, Mr. Chairman. If there's ever any proof needed that being a banker means you never have to say you're sorry, because you're never sorry about anything — you always get things your own way — it's got to be this section.

Mr. Chairman, I want you to note that when the farmer doesn't negotiate in good faith he loses his land. When the bank doesn't negotiate in good faith, something called mandatory supervision, supervised mediation, takes over. In other words, they're told to go and do it properly. I, for the life of me, don't know why the farmer doesn't have the advantage of supervised mediation.

(1245)

I want to say as well, in my experience, the banks, in a sense, never negotiate in good faith. They walk in and say, we want the land or we want our money. And those two extremes are the only positions they'll ever accept.

Leaving that aside, leaving their intransigencies aside, this section is clearly weighted in favour of the bank. The farmer, if he doesn't negotiate, loses his land. The action of the bank isn't dismissed, they're just told to do it properly. Why isn't the farmer given the advantage of supervised mediation? I'll tell you why: because the members opposite are in the hip pockets of the banks and get too much money in donations at elections to bite the hand that feeds them, that's why.

Hon. Mr. Andrew: — I would suggest to the hon. member that if he went and talked to some of the banks in Saskatchewan, they would laugh you out of their building if they said that we were in the back pockets of the banks. Some of them are not very happy with this legislation, I can assure you.

I would propose to the hon. member that I would be

prepared to look at this type of an amendment, the "180 days, or such additional period as the court considers appropriate." And that would give it into the hands of the court as opposed to the three year.

I mean . . .

Mr. Shillington: — I want to, just for a moment, utter a criticism of the court system with respect to this. The whole training of lawyers and judges is that you arbitrate property rights. They do not have to solve social problems; that is not their training, and they don't know it. We've got a very serious social problem; we are stripping away — take a figure — 20, 25 per cent of the young farmers off the land. That poses a very serious social problem for us. Courts and lawyers who sit as judges are not mentally trained to deal with social problems; they arbitrate property rights, and they have no problem arbitrating the property rights — the money's owed, and it's the bank's property — and I don't think the farmers will get anything out of such a provision. I don't think it's worth doing.

I say, Mr. Minister, that this is patently weighted in favour of the banks, and your amendment won't change a thing, and it isn't worth the 30 seconds it takes to pass it, quite frankly.

Hon. Mr. Andrew: — This process was originally copied out of the Minnesota proposal where it worked fairly effectively. Now I'm not just telling the hon. member that it did. It is my suggestion that we should make an effort to see if this process will work. If it falls apart or does not work, then we'll be prepared to look at it then. But I am confident that this in fact will work.

Mr. Shillington: — Well I just want to make a point about Minnesota. I spent some time in Minnesota; in fact, I have actually argued a case in a Minnesota court, and I can tell you there's quite a difference. Judges who hear these sort of cases in Minnesota are elected. They have a different mentality than judges here who are Tories and Liberals, and for that reason are appointed to the bench. The court system works quite differently. This would be decided in the state courts in the U.S. and the state judges are elected in Minnesota, and they're a different breed of people.

I tell you, Mr. Minister, this is not worth doing. It's just patently weighted in favour of the banks. And I urge you, Mr. Minister, to adopt what is a sensible and fair amendment from the member from Quill Lakes.

Hon. Mr. Andrew: — Well I think for you to somehow say the Saskatchewan bench has no compassion for the farmers is stretching it a mite far, I would suggest, even for one who has maybe a lower opinion of the lawyers and the bench than the general population. But I think that's stretching it a bit far.

The courts in this province, I think, while not perfect, and they system not terribly perfect, to say that the courts are not prepared to give significant consideration to the farmer, I think that that's not, in fact, that's not in fact the case. And just because the hon. member wants more NDP on the bench, well, I mean, I don't think that makes

that kind of a difference.

Mr. Koskie: — I'd like to make one further submission to the minister. Mr. Minister, when you look at it, this is a consequence that should be viewed by you and by the government that here, if you have a financial institution that has found that is not acting in good faith, you know all that you do to the financial institution, and it states: if the court finds the mortgagee has not participated in mediation in good faith, it shall adjourn the mortgagee's application. It doesn't have to go back through the whole process; it adjourns it at the application point that has been reached. And to adjourn it, you find a financial institution in bad faith, and all they do is delay it for 180 days.

I think it's clear here that this is a provision that is entirely written by the banking institutions, and surely, what would be wrong with imposing a longer term if indeed the bank has been found to be acting in bad faith? What objective reason could you have for not extending a further period of time for a banking institution who acts in bad faith in respect to the mediation process?

Hon. Mr. Andrew: — I just say to the hon. member that it is our view that this process will in fact work. I think we should give it time to see that it'll work. And if there has to be amendments further down the road, then we're prepared to entertain, but not this point in time.

Mr. Chairman: — Order. The question before the committee is the amendment moved by the member from Quill Lakes. Will you take the amendment as read?

Amendment negated on division.

Clause 15 agreed to.

Clauses 16 to 21 inclusive agreed to.

Clause 22

Mr. Chairman: — House amendment to clause 22 — we'll take the amendment as read? Is the amendment agreed?

Amendment agreed to.

Clause 22 as amended agreed to.

Clauses 23 and 24 agreed to.

Clause 25

Mr. Chairman: — There's a House amendment to clause 25. Will you take the amendment as read?

Amendment agreed to.

Mr. Shillington: — Mr. Minister, I just want your assurance, because the law here is complex and it has not heretofore been very nicely drafted. I want your assurance that this section, in a sense, puts in this Bill the existing law and that there's no change in the existing law with respect to . . . no change intended in the existing law with respect to the right to sue for a deficiency or

otherwise.

Hon. Mr. Andrew: — I'm advised that with the judicial sale clause in there, there was some case law that was in dispute as to whether or not the deficiency rule applied to that, and therefore this is to clarify that and, in fact, give more protection to the farmer. That's what it's designed to do.

Mr. Shillington: — Yes, it was precisely my question.

Hon. Mr. Andrew: — The purpose overall here is to not in any way, shape, or form diminish the rights and the protection provided to the farmer.

Clause 25 as amended agreed to.

Clause 26 agreed to.

Clause 27

Mr. Lingenfelter: — Mr. Minister, section 27 as printed . . . describes a farmer described in subsection (1)(a)

is deemed to have the first right for a period of 15 days after written notice has been received by him to notify the mortgagee of his intention to exercise his right to purchase all (the) farm land that is (the) subject of (the) offer and for (the) purchase price stated in the offer;

Mr. Minister, and I'm sure that this must have been an oversight on the part of the people drafting. You will know that someone who is about to purchase a piece of land or exercise his option . . . the simply fact that if you're using a credit union, they meet on a, I suppose, on a basis of once a month. If you have an application before the board — 15 days to arrange money, even under normal circumstances, is totally inappropriate.

And what we're suggesting here in the amendment would read that striking out subsection (27)(2) of the printed Bill and (a) in clause . . . first of all in clause (a) by striking out "15 days" and substituting "90 days." And secondly, in clause (b) striking out "15-day period" and "15 days" and substituting "90-day period" and "90 days" respectively.

This would allow the farmer, for example, to go out arranging financing, if it were an option that he could look at realistically. But I think it's fair to, and I'm sure you'll agree, that 15 days simply doesn't give the option to the farmer to arrange any kind of financing. And with the best intent of mind, we support and argue that it should be changed from 15 to 90 days.

Hon. Mr. Andrew: — I follow the argument advanced by the member from Elphinstone. I can say to the hon. member though, in my meeting this week with the credit unions on Monday, I was . . . one area that they were on me very, very hard was on this particular section, that it shouldn't be there even at all. And so to go beyond the 15-day rule that we have in here, to 90 days, would cause some problems in that group.

And what I say in this is when we drafted this Bill, we tried to draft that with a fair balance one to the other. And we

believe we struck that balance and to start monkeying with this fairly significant moves in that way, I would recommend that we don't do it.

Now again I say, as I say to the previous member's proposed amendment, is that let's see how this legislation functions, whether it works, and then take it from there.

Mr. Lingenfelter: — Mr. Minister, I'm a little disappointed. I guess not a little disappointed that you won't accept this amendment because what you're doing here in fact is not sticking to your conviction and that is that no option be given to the individual farmer. I mean, by putting 15 days in, you're simply putting something down to give the appearance of an option being given. It simply isn't possible. Even if you and I, who may be interested in buying a quarter section of land, an offer to buy, subject to arranging our financing, 15 days simply doesn't give you the time.

And I say again, the normal process at a credit union is that they meet once every 30 days, and from time to time they may miss a meeting, the monthly meeting, and then it's 60 days before you'd even have your application looked at.

Now clearly what you're doing here with 15 days is giving the appearance that you're giving this option to the farmer, but in reality, if the credit union is suggesting to you that you not even have it in — and I would say that it's not the credit union but the banks — you aren't putting anything in that helps the farmer. Because 15 days, and I'm sure you realize it, doesn't give the opportunity for the farmer to exercise the option of going out and arranging financing.

And I say again, even under excellent circumstances, farmers who are in good shape can't go out and arrange financing in 15 days unless they have cash in the bank. Because in order to take it to a credit union and have the loan looked at, and approved or rejected, takes longer than that. And in these cases you're dealing with people who are very much on the fringe of the economic system in farming. And it may take a month, two months, getting family members together who may want to inject cash into saving the family farm, if it has value to them. You may have a relative in British Columbia or in another part of the province who wants to help out by lending money to the individual to help save the family farm.

(1300)

I'm sure you can understand that. I mean, coming from a rural constituency, being involved in a law firm and dealing with these kind of transactions, you must have some sympathy for the idea of giving the farmer an option of longer than 15 days because it simply isn't realistic. We know that. Why put it in now and wait to see how many farmers exercise it when you know that none will be able to. It simply won't be an option for them.

Hon. Mr. Andrew: — Two things. One is the . . . I am advised that this is fairly close to the standard form. I think the hon. member though gets towards the larger question, and that is the next sort of phase that we will be developing towards is to try to put in place a program to in

fact assist these type of people to buy it. And this will allow us that. And I think what we really have to look at, instead of extending the time, is to bring in a program that would assist that individual in buying that back — whether it's through a guarantee or whatever. And that's the intention of what we are going to pursue.

Mr. Lingenfelter: — I say to you, Mr. Minister, that in the interim, and I don't disagree or disbelieve you when you say there's another program, but we have been waiting six years. Now there may be a program coming that would allow for farmers to purchase this land and you make a decision in a program there that you would make a decision at the same time this was happening. But why, in the interim, don't you put in 90 days and then amend it to put in 15 after you get your program in place. Wouldn't that seem logical?

Hon. Mr. Andrew: — It is our view that this will function as a good start and that the real help here will become in the form of a new financing package that will probably be brought in within the year.

Mr. Koskie: — Just one further question here. You say that you may have another program to help the farmer to claim it within the 15 days after he puts in the first right of refusal. But if he doesn't qualify for your program and has an opportunity to go to a financial institution, it's not physically possible to make the arrangements. So you're taking that option out, and then you're going to totally control, you're going to totally control who qualifies under your program. Because you can't physically do it within 15 days, arrange for the financial arrangements to have the cash on purchase price available.

So why wouldn't he extend the time? If you have a program and it works very fast, you do it the same time, fine and dandy. But give the farmer the opportunity at least of looking at other financial institutions. Or he may have in fact another investor that will . . . But let's take some time. How do you expect them to be able to manage that? You can't even sell a house and get it through in 15 days, arrange the finances, because there's often inspections and evaluation and so on.

How in the bloody name can you possibly expect a farmer to come up with the cash in 15 days? What is the logic within it?

Hon. Mr. Andrew: — I think there's two things. One, if you're going to in reality see this thing triggered, there's going to be a large length of time for notice that the farmer's going to be trying to get this arranged, and it's just going to be determining what the price of the bid was as to whether or not he's in that situation. The situation that you're going to find this in is that the farmer loses his land over to the bank or to the credit union. Now if he's going to have that option to meet the highest bid, that's going to come sometime; there's got to be notice of when the sale is coming forward and that type of thing, and so it's a lot longer than the 15 days that you talk about when you make that argument.

Mr. Lingenfelter: — Well here again it looks like we're not going to get the minister to move. But you know full well that no credit union or lending institution is going to

deal with a loan application before they know whether or not there's an option to buy. You know that. Your argument may work with some people, but it simply isn't going to work with lending institutions.

I use the example of a farmer who goes through the process. If in the middle of the mediation he goes to a credit union and says, I want to arrange financing in the event that the mediation is going to say that I have an option to buy it back. The credit union is going to say, well as soon as they make their decision, come back to us and we'll deal with it. And then it will take a minimum of a month.

So obviously what you're doing here is excluding all of them from this option. And in reality, this clause, section 27, is a smoke-screen to look like you're doing something when in fact you're doing what the banks asked you to do, and that is not allow anything like this to take place. And let's just be perfectly clear that that's what we're doing. And there's no cover for it. There's no explanation.

What you're doing . . . this is a Boyd Robertson amendment; it's the section that you have in here that disallows anyone from having the option of arranging financing. And I would be willing to bet that they offered up this suggestion to make it look like you were helping the farmer when in fact there's nothing here. So let's admit it.

And if you had the courage of your conviction, you would take this section out because it's irrelevant, or if you believed what you were saying you'd accept our amendment of 90 days. But let's be clear and not fool the troops that we're trying to help them out — you're not, on this section. And just so we know where we're at.

Hon. Mr. Andrew: — I'll make only two observations. Again, this is one that was . . . this concept was used in Minnesota, the same dime. That's number one. That's number one, and number two: — we have consulted with many of the senior members of the Saskatchewan bar that tend to be those that stand for the farmer, the most . . . you know, there's certain lawyers that are . . . have carved out a reputation. They're in support of this amendment. They think it's an important amendment.

Mr. Lingenfelter: — Can you tell me how it would hurt anyone to put in 90 days. Who is it going to harm?

An Hon. Member: — Besides the banks?

Mr. Lingenfelter: — Besides the banks, and there, only marginally. Like, if the farmer can arrange the financing in 90 days, how does it hurt the banks even? Except they want to have the hammer over the farmer to make the ultimate decision, that's what it's all about.

Can you tell me who it's going to harm to make this amendment? I can tell you who it's going to help. It's going to help many hundreds of farmers who may be able to arrange financing, that's who it's going to help, this amendment.

Can you tell me who it's going to harm to move this amendment?

Hon. Mr. Andrew: — I'm advised that the . . .

An Hon. Member: — Minnesota.

Hon. Mr. Andrew: — No, you spent most of this time on my case for what this is going to do to the credit union, and credit union is one area that would be harmed by this.

Mr. Chairman: — The question before the committee is the amendment moved by the member for Regina Elphinstone. Will you take it as read?

Amendment negated.

Clause 27 agreed to.

Clauses 28 to 30 inclusive agreed to.

Clause 31

Mr. Chairman: — House amendment, moved by the Minister of Justice, to clause 31. Will the members take the amendment as read?

Amendment agreed to.

Clause 31 as amended agreed to.

Clauses 32 to 42 inclusive agreed to.

Clause 43

Mr. Chairman: — House amendment to clause 43. Will you take the amendment as read?

Mr. Shillington: — Yes, I have an amendment which I wish to propose. I'll ask one of the pages to distribute on to the Clerk and the others to the government members.

Mr. Minister, we have some difficulty with giving the Farm Credit Corporation special . . . making a special case for the Farm Credit Corporation. Some members, I think it was the member from Thunder Creek, was quick to advise me the other day that the credit union system is not the largest mortgager, not the largest holder of farm mortgages; it's the Farm Credit Corporation.

Yet, Mr. Minister, you have given the Farm Credit Corporation a special situation. This section, which has been the subject of such vociferous complaints from our own home-grown credit union, does not apply, at least not retroactively, to the Farm Credit Corporation.

And don't stand up and give me some malarkey about it being . . . not having the right to affect them under the charter of rights with the constitution. (a) I don't think that's accurate; and (b) if it is, they are subject to direction by a Conservative government, with which you claim and speak with great pride of having the closest relations.

So I say, Mr. Minister, the Farm Credit Corporation ought to bear the same burden as everyone else. And if it's fair for Saskatchewan's credit union system, it ought to be fair for the Farm Credit Corporation as well.

And I'm not going to be in any sense dissuaded by any constitutional arguments you have. Assuming they're 100 per cent accurate, this is a federal Crown corporation and you ought to ensure that they're prepared, voluntarily — if that's the position you must take — voluntarily to comply with this legislation.

Hon. Mr. Andrew: — The purpose of the legislation as related to Farm Credit Corporation was to bring them under the three-year delay rule, if you like, not to totally change . . .

An Hon. Member: — I gathered that.

Hon. Mr. Andrew: — All right.

An Hon. Member: — I wondered why.

Hon. Mr. Andrew: — Well, that was the purpose of what we were doing, and to do it otherwise would be totally to make retroactive what they had relied upon for a long period of time.

Mr. Shillington: — I know the hour of the day is late, Mr. Minister, but if it's fair for the credit union system, why isn't it fair for the Government of Canada. What is there about the credit union system that must bear this cross that the Government of Canada must not. I think — I may be wrong — and no doubt under Conservative tutelage the Government of Canada is not in the financial condition it once was. But I think the Government of Canada's pockets are as deep as the credit unions. And if the credit union system has to carry this, then so should the Farm Credit Corporation. And it's your government and it's your corporation, Mr. Minister.

Hon. Mr. Andrew: — What I'm saying is that if the credit union had a waiver prior to this Act going in, that waiver is still recognized; and the farm credit have a waiver which is a general waiver, then that waiver is still recognized. But they both have to then go through the three-year rule.

Mr. Shillington: — But, Mr. Minister, you have exempted the Farm Credit Corporation from the operation of this provision.

An Hon. Member: — Always was.

Mr. Shillington: — Well, then it never should have been. The minister says, it always was. Then it never should have been. If this is fair for the credit union system, then it's fair for the Farm Credit Corporation. It's indicative of what's really wrong with this problem, is that the Governments of Saskatchewan and Canada hold too much of the debt, and they're not prepared to ante up a nickel.

(1315)

And that's really the problem, Mr. Minister. You have in the last few years, made yourself major creditors of the farmers. You're tougher than most private banks would be in collecting the money. You increased the interest rate. You make the terms more onerous. The Government of Canada holds the largest share of the debt through the Farm Credit Corporation, and they're not prepared to play

ball here at all.

I say to you, Mr. Minister, if this Act applies to Saskatchewan's credit union system, it is ludicrous that it doesn't apply to the Farm Credit Corporation.

Hon. Mr. Andrew: — Yes, but I think the hon. member has to appreciate, when you were in government you brought in, as well as we, protective legislation for farmers. And when you brought in that protection you always excluded Farm Credit (Corporation). This is the first time that Farm Credit (Corporation) has been brought in to part of the system.

Now we recognize . . . because they had a blanket waiver before, because they never fit under the provincial legislation, always advancing the argument that because they were a federal government agency, the province could not bind them constitutionally. They were always excluded. This is the first time they're being brought under it, and therefore their waiver was always a blanket waiver. The credit unions or the banks had to apply for a waiver.

Mr. Chairman: — Question before the committee is the amendment moved by member for Regina Centre. Would you take the amendment as read?

Amendment negated on division.

Mr. Chairman: — Question before the committee is the House amendment moved by the Minister of Justice. Will the members take the amendment as read?

Clause 43 as amended agreed to.

Clause 44

Mr. Chairman: — House amendment to clause 44. Will the members take the amendment as read?

Mr. Shillington: — I would like an explanation for this.

Hon. Mr. Andrew: — I'm advised that what this does is confirm existing law as it relates to homestead. Okay. In the past there were certain rules under the homestead . . . that were exempted from it, and this would just continue that on, that process on, so it doesn't make any changes.

Clause 44 as amended agreed to.

Clauses 45 to 49 inclusive agreed to.

Clause 50

Mr. Shillington: — Let me just ask a question of the minister. Perhaps we can approve this part. Am I correct that this is lifted out of The Limitation of Civil Rights Act, and enacts no substantive changes in the law with respect to the repossession of farm machinery?

Hon. Mr. Andrew: — I'm advised that that's exactly true, and there's no substantive change to it.

Mr. Shillington: — Then may I suggest to our esteemed chairman that we can approve part IV as a block.

Hon. Mr. Andrew: — There's apparently an amendment to 55 and therefore we have to get to that.

Mr. Chairman: — There's amendments throughout the Bill from 55 and 76 so we have to go through it clause by clause.

Clause 50 agreed to.

Clauses 51 to 54 inclusive agreed to.

Clause 55

Mr. Chairman: — House amendment to clause 55. Will you take the amendment as read? Is the amendment agreed?

Clause 55 as amended agreed to.

Clauses 56 to 67 inclusive agreed to.

Clause 68

Mr. Shillington: — Thank you. Once again I'll ask one of the pages to assist me by giving one copy to the Clerk and the rest to the government, if I might.

I'm going to do something a little unusual. I'm going to welcome to the Assembly a group of senior citizens, a bus tour, I think, who have come to the Legislative Assembly. It is a little unusual for us to be sitting Friday afternoon; we're usually gone by this time. We are struggling with one of Saskatchewan's more difficult problems, the whole problem of farm debt. We're dealing with a Bill called The (Saskatchewan) Farm Security Act.

So we welcome you here. We thank you for the contribution that — assuming you're Saskatchewan people — we thank you for the contribution that you have made to this province, and hope you find these proceedings enjoyable.

Hon. Members: — Hear, hear!

Mr. Shillington: — With that, Mr. Chairman, at the conclusion of my remarks I will move the amendment, a copy of which has been provided to you. I don't intend to repeat at length all of the comments I made. I just make the same comment. If it is to apply to the credit union system, which is locally owned and there's local money involved, I do not see any shadow of a reason why the Government of Canada should be exempt.

Here we have a pair of . . . some legislation which is onerous with respect to the credit union system, and yet we're exempting the Government of Canada. Mr. Minister, and while I'm . . . the member from Morse is making a contribution. He'll no doubt want to stand up and assist me, because I frankly don't understand why the Government of Canada should be treated differently than the credit union system.

So I ask you, Mr. Minister, to accept this amendment, delete the subsection, and show that you have some shadow of compassion for the farmers who are struggling

with this problem. Before I take my seat, Mr. Chairman, I'll formally move the amendment of which you've been provided.

Hon. Mr. Andrew: — Well this is taken out of the legislation as we found it when we took government and there was a reason for this when the hon. member was in government, to bring in this type of legislation, and advise on two things, that these are guaranteed loans. And what we did when we dealt with this section is we attempted not to change the existing law. And this would be what we would see as a change, a substantive change in the law, and we have opted not to do that.

Mr. Chairman: — The question before the committee . . . Order. The question before the committee is the House amendment moved by the member for Regina Centre. Will the members take it as read?

Amendment negatived.

Clause 68 agreed to.

Clauses 69 to 75 inclusive agreed to.

Clause 76

Mr. Chairman: — House amendment moved by Minister of Justice to clause 76. Will you take the amendment as read?

Amendment agreed to.

Mr. Upshall: — Mr. Chairman, I find this whole part, Part VI, very disturbing because we have had in Saskatchewan up till now a situation where non-residents could only own 10 acres of land with few exceptions. And any move, I suggest, any move to increase that as this has, as parts of the section have increased the ownership, the non-resident ownership to 320 acres, I think is a move in the wrong direction.

We have seen the system as it's worked up till now work very well with complete control of Saskatchewan farm land in the hands of the people of the province, and moving away from that is moving away from the control that we've had up till now.

And not only that, Mr. Chairman, but I believe that it opens the door to . . . this is just the first bit of the foot in the door to even further erode that . . . the rights of ownership by the people of Saskatchewan.

So, Mr. Chairman, with that I would like to move an amendment: —

That sections 76 to 100 and section 111(2) be deleted.

I'll give a copy to the government and one to the . . .

Hon. Mr. Andrew: — Well I think your amendment is . . . basically what you're talking about is the whole of that section. We believe that this section can be used in the following situations where there are people that . . . it's restricted to 320 acres to start with and that's still a

significant restriction and it's restricted to Canadians.

And it's covered the situation where, in some situations — I think the member from Elphinstone referred to it — maybe somebody from out of province that is a relative or something can come back in here and preserve the home quarter and continue on with that. I mean, it's not designed for speculators to come in and it's only 320 acres.

Now we can, I suppose, sit and argue this all day, but I think there's a differing of opinions on that and . . .

(1330)

Mr. Chairman: — Order. I find the amendment out of order. The minister responded while the Clerk and myself were looking at the amendment. The amendment is not in order because you cannot move to delete. The member can vote against to delete, but cannot move to delete sections of the Bill.

Clause 76 as amended agreed to on division.

Clause 77

Mr. Upshall: — Yes, Mr. Chairman, the reason that we put the amendment in — and it's unfortunate it was ruled out of order — is the significance of the change. As I said before, we have now seen the opening of the door, and the minister says, for Canadian residents. We don't know what it's going to do when the Mulroney government, pushed by this government, pushes free trade through. What's that going to do to our ownership of Saskatchewan farm land, regardless of this Act?

I think this is just an easing into that type of a situation. And I also think that if this trend continues, then we're going to be seeing an erosion of the control of Saskatchewan farm land by Saskatchewan people. And I think that's a very, very important point that we have to be making in this House, because the people of this province were very happy, and where there was no complaints about the Act as it stood up till now.

And if we continue to see this erosion of ownership, we are going to eventually see ourselves working for somebody else. We've seen in Canada the foreign ownership in other respects draining a tremendous amount of money out of this country. And if we allow this type of thing to continue, whether it be 320 acres or bumped up to many other . . . whatever number the government might choose, and then we're going to see a further erosion of moneys out of this country because the control won't be here so that we in this province can control the cash that comes out of that.

So, Mr. Chairman, I think that this whole section 6 should be deleted, and I can tell you that we'll be voting against every section in this thing because it is not what the people of this province have asked for, and it's not what they want. And I think, as again I say, it leads to free trade and just an easing into that situation.

Hon. Mr. Andrew: — Two observations, Mr. Chairman. One, it is 320 acres; it sets it out clearly in the Act. It's not

something else, as you say. And number two, there is a clause in the trade agreement that protects us, and we do not have to respond on the trade agreement to this type of legislation. We do that on ourselves.

Mr. Koskie: — I just want to make a comment in respect to this whole part also, and indicate that if farm ownership Bill had any relevance during the '70s when Saskatchewan farmers were thriving and doing well, it seems to me that to open it up for foreign investment at a time . . . (inaudible interjection) . . . that's right, outside of Saskatchewan investment, outside of Saskatchewan, right at a time when the farmers are on their knees trying to survive, is really opening the door here to equity financing corporation, which your government have been attempting to put in place against the wishes of the farmers.

If ever there was a time that the farmers of Saskatchewan need protection to own their land, it's now. And exactly what you're doing is opening the door to outside investors to pluck off land that is going to be available as the individual farmers are driven off their land by your failure to give them adequate assistance.

If ever you needed a time to protect farmers and their right to own land, it's now, when they're on their knees with heavy debt and low price commodities. But you're going the opposite way, and what you're trying to do is indicate that, oh, they're going to be helped; some relative can come in. That's not your purpose, because your group went running around this province advocating outside investment in Saskatchewan farms as a solution to the debt, rather than addressing debt, and you can't deny it.

And you were rejected by the credit union movement. It was rejected by the farmers of Saskatchewan. And in spite of that, what you have done here now is to open the floodgates for further buy-up of Saskatchewan farm land at a time when the farmers are least defensible to outside intrusion and purchase of farm land.

Some Hon. Members: — Hear, hear!

Hon. Mr. Andrew: — Well I make the following observation. I don't class other Canadians as foreigners because I don't believe they are foreigners. Foreigners come from other countries, so a foreigner is not somebody in Alberta or somebody in Manitoba. So I would suggest to the hon. member that this is hardly a guise by which to put equity financing in. If you're going to have equity financing restricted to 320 acres, I don't think that's a big hunk.

Mr. Upshall: — Mr. Chairman, the minister made a comment previously. The feeble excuse that was offered for this, the change in the Act, was that — and I've heard him say it a number of times — was that if a farmer has a son or daughter in Toronto or somewhere other than Saskatchewan, they could now come along and buy the 320 acres and help that person out of difficulty if he is in difficulty.

Well, Mr. Chairman, and Mr. Minister, that provision is already in there in a roundabout way because they can give their land to their children out of province, and in

turn that child could just make a donation to that family. I mean, that provision is already there, and the feebleness of the excuse given by the minister shows us that there is much more to this than what he is letting on.

And in this Act, Mr. Chairman, the minister says that he's going to be helping Saskatchewan farmers. But what does he do? If this Act, and as we say will not help the farmer to any great extent, if he loses his land, he's going to let himself to somebody out of Saskatchewan. And that is the direction this government is going, and I don't think that's the right direction.

So I say again, the feebleness of this minister's excuse leads me and others to believe that there is much more behind this 320-acre increase than there is on the face value.

Hon. Mr. Andrew: — Well there's clearly a difference of opinion on this one, and I will not say more than that.

Clause 77 agreed to.

Clause 78 agreed to on division.

Clause 79

Mr. Chairman: — Clause 79, House amendment moved by the Minister of Justice. Will the members take the amendment as read?

Clause 79 as amended agreed to on division.

Clause 80

Mr. Chairman: — Clause 80 has a House amendment moved by the Minister of Justice. Will you take it as read?

Mr. Shillington: — I don't rise specifically to speak to the amendment. I just rise to make the point that we are going to vote against this section on amendment. We're going to vote against this section; we're going to do it on division. And we take that to be . . . and we will treat that as voting against the entire part. This is going to be a long, drawn-out process if we have to vote on each one of these sections separately.

So without speaking specifically to the amendment, if we have the consent and the leave of the other side, we'll treat the next vote as being a vote against them all, and the records would then record a vote on division against them all.

Hon. Mr. Andrew: — Mr. Chairman, I take it from the members opposite that they have stated their position that they are against this entire section, and I think they have made that clear, and I would interpret their vote accordingly.

Clause 80 as amended agreed to on division.

Clause 81

Mr. Chairman: — House amendment to clause 81, moved by the Minister of Justice. Will the members take the amendment as read?

Clause 81 as amended agreed to.

Clause 82

Mr. Chairman: — Clause 82 has a House amendment moved by the Minister of Justice. Will the members take it as read?

Clause 82 as amended agreed to.

Clause 83 agreed to.

Clause 84

Mr. Chairman: — Clause 84, House amendment moved by the Minister of Justice. Will you take the amendment as read?

Clause 84 as amended agreed to.

Clauses 85 and 86 agreed to.

Clause 87

Mr. Chairman: — House amendment to clause 87, moved by the Minister of Justice. Will you take the amendment as read?

Clause 87 as amended agreed to.

Clauses 88 to 93 inclusive agreed to.

Clause 94

Mr. Chairman: — House amendment to clause 94 of the printed Bill, moved by the Minister of Justice. Will you take the amendment as read?

Clause 94 as amended agreed to.

Clauses 95 to 99 inclusive agreed to.

Clause 100

Mr. Chairman: — House amendment, moved by the Minister of Justice to clause 100. Will you take the amendment as read?

Clause 100 as amended agreed to.

Clause 101

Mr. Chairman: — House amendment to clause 101. Do the members take the amendment as read?

Clause 101 as amended agreed to.

Clause 102 agreed to.

Clause 103

Mr. Chairman: — House amendment to clause 103, moved by the Minister of Justice. Will you take the amendment as read?

Clause 103 as amended agreed to.

be now read a third time and passed under its title.

Clause 104

Motion agreed to, Bill read a third time and passed under its title.

Mr. Chairman: — Clause 104, amendment moved by the Minister of Justice. Will you take the amendment as read?

MOTIONS

Clause 104 as amended agreed to.

Additional Hours of Sitting

Clause 105

Hon. Mr. Andrew: — Mr. Speaker, I would like to move the following motion, seconded by the member from Indian Head-Wolseley. The motion reads as follows:

Mr. Chairman: — House amendment to clause 105, moved by the Minister of Justice. Do you take the amendment as read?

That notwithstanding rule 3, this Assembly shall from Tuesday, June 21, 1988 to Thursday, June 23, 1988, both inclusive, meet from 10 o'clock a.m. until 10 o'clock p.m. with recesses for two hours from 12 o'clock noon until 2 o'clock p.m., and a further recess of two hours from 5 o'clock p.m. till 7 o'clock p.m., and oral question period of 25 minutes under rules 35(2) shall be held at 2 o'clock p.m. each day.

Clause 105 as amended agreed to.

Clauses 106 to 110 inclusive agreed to.

I so move, Mr. Deputy Speaker.

Clause 111 agreed to on division.

Motion agreed to.

Clause 112

Mr. Shillington: — I've got to stand on holy ground on this one. I'm just wondering when the minister plans on proclaiming this Act?

The Assembly adjourned at 1:48 p.m.

Hon. Mr. Andrew: — Very soon.

An Hon. Member: — What's your timetable?

Hon. Mr. Andrew: — Our timetable for proclaiming this Act would be, if we can get it approved, get the Royal Assent, then we can have into cabinet as quickly as possible and have it proclaimed.

Clause 112 agreed to.

The committee agreed to report the Bill as amended.

(1345)

Mr. Upshall: — Mr. Chairman, I'd just simply like to thank the minister and his officials for their effort in debate.

Hon. Mr. Andrew: — I appreciate that, and the officials appreciate that.

THIRD READINGS

Bill No. 54 — An Act to amend The Land Titles Act

Hon. Mr. Andrew: — I move the Bill be now read a third time and passed under its title.

Motion agreed to, Bill read a third time and passed under its title.

Bill No. 37 — An Act to provide for Security for Saskatchewan Family Farms

Hon. Mr. Andrew: — With leave, Mr. Speaker, I move the amendments be now read a first and second time.

Motion agreed to.

Hon. Mr. Andrew: — With leave, Mr. Speaker, I move the Bill