

July 13, 1989

EVENING SITTING

COMMITTEE OF THE WHOLE

Bill No. 69 — An Act to provide for the Financial Stability of Agriculture (continued)

Clause 1 agreed to.

Clauses 2 to 18 inclusive agreed to.

Clause 19

Mr. Chairman: — Amendment to section 19 of the printed Bill by:

Amend section 19 of the printed Bill by striking out “loan guarantee” in subclause (e)(v) and substituting “guaranteed loan.”

Clause 19 as amended agreed to.

Clauses 20 to 30 inclusive agreed to.

Mr. Upshall: — Mr. Chairman, if it is okay with the Chair we can move right along right up to the last clause instead of doing them one at a time.

Mr. Chairman: — Is everyone agreed that we move right through the Bill?

An Hon. Member: — Agreed.

Mr. Chairman: — Other than, I just bring to the attention of the Assembly an amendment:

Amend section 45 of the printed Bill by striking out “customer” in clause (1)(b) and substituting “custom.”

Clause 45 as amended agreed to.

Mr. Chairman: — I’m informed we still have to go by page. Is that okay by the Assembly? No big problem.

Pages 16 to 39 inclusive agreed to.

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Mr. Upshall: — Mr. Chairman, I’d like to ask the minister one simple, straightforward question. Mr. Minister, why did you wait so long to bring forward this Bill? Why was this Bill not Bill no. 1 on your order paper?

Hon. Mr. Devine: — Mr. Chairman, I believe the Bill was introduced on June 14, which, given the timetable and given the fact that for a while the House wasn’t sitting, it was about the middle of June.

Mr. Upshall: — My question, Mr. Minister, is why did you wait till June 14 to introduce a Bill when this House began sitting on March 8?

Hon. Mr. Devine: — There are more than one Bills here, and I believe the ACS (Agricultural Credit Corporation of

Saskatchewan) Bill was in fact introduced earlier, in the latter part of May, the first part of June — I forget the exact date — then this one was introduced around June 14, so that they were staggered in, as I mentioned, some of the difficulties associated with the fact that we’ve had some difficulties in the legislature, as you’re aware.

Mr. Upshall: — Mr. Minister, why was this Bill not Bill no. 1 if your priority is agriculture?

Hon. Mr. Devine: — Mr. Chairman, we put the agriculture credit corporation amendments actually ahead of this one, which provides for the financing and refinancing of the home quarter and the refinancing of other property and the mortgage back guarantees. That package was in ahead of this which would, I think, address a lot of the questions that were raised today in terms of question period and some of the other things about refinancing and providing the kinds of provisions that we would like. The consolidation of this legislation allows for us to stabilize more and to guarantee more.

So they go hand in hand. You could . . . I suppose we could talk about which one would be . . . which one you’d rather have first. The ag credit corporation’s very important. This one is very important. Ag credit went first and it was followed by the safety net piece of legislation. So there’s . . . You could have reversed them if you like. But we’ve included three pieces of legislation; in fact, four have been introduced and they all weren’t in at the same time. But some were introduced ahead of others for logistical reasons, not really any other. I think the ag credit corporation legislation, however, would be, I think we’ll find the most helpful to people who are in some financial difficulty.

Mr. Upshall: — Well, Mr. Minister, I don’t quibble with whether . . . I said no. 1, but I’ll rephrase the question. There are four agricultural Bills before us, this being one of them. Last year Saskatchewan faced its worst drought since 1930s. Six and a half billion dollars of debt in Saskatchewan, a quarter, over a quarter of the entire farm debt in Canada. Mounting foreclosures, farmers under severe stress, needing debt restructuring and income stability. The Premier — you, sir — of this province, the Minister of Agriculture, telling the people that agriculture is your number one priority. And as I said, after coming through a year of the worst debt in many, many years, you open this House on March 8 and we do not see one of these four agricultural Bills on the Table until much later on.

But what we see is the privatization Bills. I ask you, Mr. Minister, again, why was this Bill, and the other ones, not the top four priorities of Bills in this legislature that should have been brought forward immediately after the opening of this legislature? And why did you bring your privatization agenda? Why did you put privatization agenda ahead of agriculture?

Hon. Mr. Devine: — Mr. Speaker, or Mr. Chairman, the legislation that is proposed in the Speech from the Throne is all together. And we said in the Speech from the Throne, as we have year after year after year in this province, here’s the Speech from the Throne and then

here's the budget. And we normally pass those; normally we'd be out of here — normal circumstances.

But this year, we're in a different circumstance where people would not vote and we . . . We've had agriculture legislation presented and then adjourned debate, so, Mr. Speaker . . . I can only say, Mr. Chairman, to all the members opposite, in any sort of year that I've been bringing Bills forward in Agriculture, we've had them passed in April, May, or June. And I can recall lots of times when the opposition didn't vote for it, didn't particularly like it, but at least they voted, and then we could get on with another piece and another piece.

But in this particular case, as you know, you won't vote so we can't pass the legislation. So it's introduced through the Speech from the Throne; it's budgeted for in the budget; we have estimates; we have legislation. Normally, it just passes, and we have our little debates and then we vote. And it should have been passed a long time ago. I agree with you. We both should have voted on this and passed it a long time ago, but we just haven't been voting, and as a result the Bills are adjourned and then we don't get it finished.

So it's good legislation, and I hope you vote for it; I believe that you will, and I would encourage all hon. members to support it and pass this and other pieces of legislation — there's ag credit that is before us this evening — so that in fact we can provide those kinds of assistance for farmers.

I agree with you 100 per cent. This should have been passed along with a lot of other legislation two months ago.

Mr. Upshall: — You're exactly right. We can agree on that. This Bill should have been passed even before two months — three months ago.

Mr. Chairman: — Order, order. I would just ask the members to show a little courtesy to the questioner and the Premier as they respond and the House will operate a lot smoother. So if you wouldn't mind, we'd appreciate it.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, you have full control of the agenda. You chose to ignore agriculture after it came through one of its worst years ever, and at the first opportunity after this House was introduced, you chose not to bring forward agricultural legislation. Your priority was privatization. You put before this House the order of business, and in your priority. You can say that we wouldn't vote. I think the people are the jury on that. I think the jury has made a decision on the issue. You had ample opportunity to get this Bill and others of agriculture in place. If it was your priority to get these Bills in place, they would have been in place. If it was your priority to have agriculture on the top part of the agenda in Saskatchewan, it would have been in place. If it was your priority to put privatization ahead of agriculture, it would be in place. And that's exactly what it was.

Mr. Chairman: — Order, order. I find the debate on privatization not totally in line with the Bill 69 before us, and I would just ask the member to make his . . . Order. I

would ask the member to just be more relevant to the Bill before the House tonight. Thank you.

Mr. Upshall: — Mr. Chairman, that is my precise question, but you have to sometimes explain what you're talking about. And my question is directly related to this Bill. And I'll ask the minister again: why, when you have control of the agenda; why, after we come through one of the worst years of drought in the history of this province; why was the agricultural Bill, this Bill and others, we have four now, why were they not the first four Bills in this legislature to help the farmers of this province — if that's possible, and I have my doubts because of your record — but why were they put on the Table far after your agenda of privatization?

(1915)

Hon. Mr. Devine: — Mr. Chairman, as you know from watching the legislature year after year, you can put several Bills before the House and they can be debated and voted on, and sometimes you adjourn the debate, and they come back in and they'll be passed within days. And you'll know, like in this session, most likely when you get towards the end of it that you pass a lot of them very quickly.

In this case, we put a Speech from the Throne together as normal, and we laid out our legislative plans. We put together our budget to finance them and we put them out there.

You know we could spend a lot of time saying, well I think you should have put this Bill ahead of this Bill, this ag Bill ahead of this agriculture Bill, and this potash Bill behind this health piece of legislation. I mean, what are you saying? Are you saying that this House is not working really well this year? I agree with you. That's what you're saying. We have not been able to pass much legislation. We haven't voted on much legislation. If we wanted to, we could have passed all the Bills in this legislature in 30 or 40 days altogether. And it wouldn't have mattered if one was ahead of the other, or one was behind the other.

I mean, if you want to talk about assistance to agriculture and about our record, I mean, 4 or \$500 million this year in drought payments, 4 or \$500 million that we requested from the federal government to provide agricultural income support to people who need it. Now if you think 4 or \$500 million is peanuts, fair enough. But I think it's a lot of money.

In a deficiency payment, another 4 or \$500 million. That's about a billion dollars to Saskatchewan farmers that they don't even have to pay back. That's not loans; that's not guarantees; that's not interest rate; that's just cash from the federal government — 4 to \$500 million in two cheques, one in drought and one in deficiency payments.

Clearly, government support isn't enough and you'd rather have it from the market and you'd rather have good crops at high prices. And from time to time we don't get that. This legislation is designed to help them, but in terms of agriculture being a priority, it's been a priority with me since I've grown up on the farm, since I've been to

university, since I was there as a professor, and certainly as Minister of Agriculture and a Premier of a province that has half the farm land in Canada. It is a priority.

I believe our representation shows that it is a priority and our natural gas programs, our irrigations programs, our interest rate protection programs . . . I mean, I can go on if you'd like, but this Bill is here. It should have been passed a long time ago. You might argue whether it should have been ahead or behind some other piece of legislation. They all should have been passed some time ago. We have our differences; we always do. But normal years we vote on them and then we get on with it.

So I just . . . I hope that we have enough co-operation in the House to pass this, because it's before us now. Because it is a good piece of legislation, along with the agricultural development . . . ag credit corporation amendments as well.

Mr. Chairman: — Order. One question I just have to get clear in my mind. I believe we did have an agreement, at least on page 40 of the Bill. And some of the debate we're entering into now would probably be more appropriate at the beginning in the all-ranging debate on a Bill. I think it would be quite feasible to enter into this type of debate on the next Bill before the House rather than . . . (inaudible interjection) . . . We had agreed on page 40 of the Bill here.

Well it's not just a matter of debating or agreeing to debate on page 40. But the debate that is taking place right now is not totally relevant to clause no. 85 or clause no. 86, which is on the Bill here. We've gone way past clause 1, which is an all-ranging debate on the Bill, and so I'd ask the member if any questions regarding . . . relevant to the clause. And I'll go back to clause 85 and clause 86.

For the sake of all members, the member from Humboldt did offer and ask that we just go through the Bill page by page, and that's how we've proceeded in the order of this House, rather than clause by clause. And that's how we arrived at page no. 40 and the appropriate time.

Order, order. I recognized the member from Humboldt stood, but the questions he is placing now should be relevant to clause 85 or clause 86. That's what I'm asking.

Mr. Upshall: — Mr. Chairman, just to be quite clear, we did not agree to . . . I think we agree on that up to page 40, and the questions I'm asking are under clause 86, coming into force. And the point that I was making, I was asking the minister why the timetable of this Act — and you may want to rule on whether I can ask questions on coming into force of this Act — but why it took so long for this Act, for this Bill to come forward; therefore the coming into Act section of this Bill, I think it's quite relevant to ask those questions.

Hon. Mr. Devine: — I've replied to the hon. member with respect to that question twice and I certainly can again, that in my view all the legislation was put forward in the Speech from the Throne and introduced. Now he would rather have it in a different order. I happened to write the Speech from the Throne and help put it together and design the legislation that comes out and the budget that

put together. And you may differ in terms of what priorities you would put on things in terms of order of ranking. Agriculture is very important to me. I will agree with you this should have been passed some time ago. I think we can agree to disagree. If you have further point to make with respect to when this comes into effect, it will come into effect pretty quickly if we can get on with co-operating this evening and passing the legislation that I believe can be really helpful to farmers.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, you can talk about whether one Bill should be ahead of the other. That wasn't the point. The point here is that you rhetorically . . .

Mr. Chairman: — Order, order. Clause 86 deals directly with the Act, when does the Act come into force. It doesn't deal with when the Act was introduced into the House. And coming into force is basically once debate — and we're through the debate — allows this Bill to go ahead. And so any questions should go directly to the point of how soon is this Act going to become into force.

Mr. Upshall: — Thank you, Mr. Chairman. I will be having a question that relates directly to clause 86 coming into force. But please, I have a few words to say first.

And I will start again by saying, Mr. Minister, we have heard in this province for a long time now what you are doing for agriculture. And the problem is that nobody believes you any more, because it took today's activities of us . . .

Mr. Chairman: — Order, order. Clause 86 really doesn't allow for all-ranging debate on the Bill. We have proceeded past that stage of the Bill. There are two other Bills before this House regarding agriculture, and this is . . . I believe that the orders and the rules of this Assembly state that when we reach clause 86, it's the coming into force of the Act. Had the member been on his feet, and I would have recognized him on clause 85, it would have given more opportunity to speak to clause and a little more range in debate . . . (inaudible interjection) . . .

State your point of order.

Mr. Upshall: — Mr. Chairman, I'm not sure what mental telepathy you use to know what question I was going to ask, and do I have the right to make a preamble to the question that I will be asking?

Mr. Chairman: — Order, order. For the member's knowledge, I'm going by the rules of this Assembly, and I believe many members are aware of the fact that once we're into clause 86, the Act coming into force does not allow for a large preamble. I believe there's preamble.

Mr. Shillington: — I wonder if I might, I wonder if speaking to the rule, if I might just suggest a bit of common sense prevail here. This whole affair has taken longer than the question would have. Why don't you ask the Premier if he has any objection to answering the question; if he doesn't, let the member ask his question, the Premier will answer it, and we'll get on to something else. We've wasted far more time than this thing's worth.

Mr. Chairman: — I believe under rules of the House, and we did agree to go through page by page, but the member can ask for leave of the House to back up and give a preamble. And if leave is granted, we will go . . . (inaudible interjection) . . . Not preamble, but . . . What's your point?

Mr. Hagel: — Mr. Chairman, there was an agreement, in fact, a suggestion made by the member from Humboldt to expedite consideration of the Bill, to proceed until the final page. You proceeded page by page, as a result of that; and when you got to page 40 there was not agreement given, the member from Humboldt stood on his feet, and so therefore I don't know how we can conclude that either section 85 or 86 have been carried, given the procedure that was following.

And I would simply ask, Mr. Chairman, that you would rule that questions under either section 85 or 86 are still in order before the consideration of the Bill is completed.

Mr. Chairman: — My understanding is it's not the line of debate; it's the fact that the questioning is not totally relevant to the clause 85 and clause 86 of the Bill.

Hon. Mr. Devine: — Mr. Chairman, I'm happy to answer the question. The hon. member has asked the same question twice; I've answered twice. If he wants to ask that question another time, I'm more than prepared to answer it. If he's got similar kinds of questions, Mr. Chairman, let her rip. I mean, let's . . .

Mr. Chairman: — Order, order. Under *Beauchesne's*, page 232, 768, item (2), it says:

. . . debate on Clause 1 . . . is normally wide ranging, covering all the principles and details of the bill.

But once you get into clause by clause, then the debate should proceed on the line of questioning regarding the clause. But we've also . . . Considering the fact that we asked for agreement on page 40, I'll allow the member to ask for leave. If leave's granted he can . . .

Mr. Upshall: — Mr. Chairman, I'm going to ask a specific question, and I will give the reasons for asking that question if that's okay with you. And the specific question I would ask is, the minister: when will this Bill be coming into force? When will this Bill be coming into force?

And I'll just give a few reasons why I asked that question. I ask the question why this Bill's coming into force because we have seen in this Assembly this session, the Minister of Agriculture spouting all the rhetoric about why . . . how he's supporting agriculture. And he gives reasons like, we're not voting, when we've had four months now to bring these Bills forward, when we have a crisis in agriculture whereby this and other agricultural Bills should have been the first four Bills on the order paper.

And it took until today when we came into possession of the numbers from the farm credit . . . from the foreclosure, notices foreclosures, over 10,000 notices of foreclosures on Saskatchewan farmers — figures that the minister had

in his possession.

(1930)

But it took until today, when we got these figures, to embarrass this minister and this government into proceeding quickly with the Bills in agriculture. So we have a situation where we have to have a commitment from the minister as to when this Act's going to come into force because we've seen delay after delay after delay for no reason other than the government's priorities. We have seen the agriculture industry continue to go down. We have seen the number of notices of foreclosure continue to go up . . .

Mr. Chairman: — Order, order. I believe the member has placed the question regarding the Act coming into force. I just want to read for the sake of the Assembly, and then I'll allow the Premier to respond; 766, page 231:

The clauses of a bill in committee must be considered in their proper order; that is, beginning with Clause 1 then taking up Clause 2 and so on, to the end of the bill . . . (And the end of the clause.) When a clause has been agreed to, it is irregular to discuss it again on the consideration of another clause.

And we read before in item 2 of 768 about the far-ranging debate takes place on the open debate of clause 1. We're on clause 86, and I believe the member has placed his question regarding when it's going to come into force, and I will allow the Premier to respond to it, or the Minister of Agriculture to respond to that question.

Hon. Mr. Devine: — Well Mr. Chairman, I can answer the question and I will address the preamble as well. The new Bill will be proclaimed section by section. The previous Acts will be maintained in place until the new regulations are passed for each section of the Bill. The regulations will not be passed for each section all at once.

So there's no immediate need to pass all the regs for the new Act because all the Acts remain in place until the new regs come into place. So frankly, when you're putting together these agriculture pieces of legislation with regulations, you will find that the ordering of them wouldn't matter that much.

With respect to other ordering, the major reason — and you can have your reason, I'll have my reason — why we're into agriculture legislation today is that we agreed that we would vote on it today. And we agreed in question period to do that. And we haven't had that kind of an agreement before — we would actually debate in the House and vote. So . . . (inaudible interjection) . . . Well . . . The hon. members . . . (inaudible interjection) . . . You can . . . We've had this Bill here before and it's been . . .

An Hon. Member: — Adjourned.

Hon. Mr. Devine: — . . . adjourned.

An Hon. Member: — Once.

Hon. Mr. Devine: — Well it was here.

An Hon. Member: — Once.

Mr. Chairman: — Order, order. I believe I have allowed a little more debate than what the rules actually called for on the basis of this, and I'd just ask the Premier just to . . . I believe he's . . . Or the Minister of Agriculture has given indication just to make a short, quick presentation to the question that was raised by the member from Humboldt rather than all-ranging debate.

Hon. Mr. Devine: — Mr. Chairman, the Bill is proclaimed section by section, and the faster we get it passed here the faster it can be brought into effect and that we can use it to help farmers.

The debate about what order it should be in and whether it should be behind or ahead of other pieces of legislation can go on and we could talk about that for literally days. So I would say that it will be proclaimed section by section, and I will do everything to proclaim it as fast as possible, so that, in fact, having passed it here we can deal with it and provide for the public to participate and use this kind of financial security.

Mr. Upshall: — Mr. Chairman, the reason I am so curious as to when the Act comes into force is because this Bill was introduced on July 6. That is . . .

An Hon. Member: — Seven days ago.

Mr. Upshall: — Yes, that's seven days ago. And the tardiness of this government in bringing these Bills forward is the reason it is very important to know when it's going to be passed. And the minister can give all his reasons, and I can give all mine, but the point is that we are here tonight because we embarrassed this government into bringing all the Bills forward today. And that's the only reason we're here.

So I can assure you that, Mr. Minister, that we will be watching very closely as to when this Bill comes into Act. Because with your record of dragging your feet on agricultural Bills and putting it below privatization as a priority, I think that, on behalf of the people of Saskatchewan, we will continue to monitor your movement on these Bills. And in that light I think that it's very important that the people know exactly why we are in this dilemma right now, not just agriculturally but in this House.

Some Hon. Members: Hear, hear!

Mr. Chairman: — Is the member from Regina Centre challenging the Chair?

Mr. Shillington: — No, I thought I was lending some constructive advice.

Mr. Chairman: — I appreciate his advice but I believe . . . I think that we have some Clerks here, too, who know the rules of the House, and I'm trying to follow the rules of the House as well.

Order, order. I believe we have to go back to Clause 85.

Agreed?

Clause 85 agreed to.

Clause 86 agreed to.

The committee agreed to report the Bill as amended.

Bill No. 55 — An Act to establish the Agriculture Development Fund

Clause 1

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, in the agriculture development fund there has been some spending of moneys that I think should be questioned.

And are you familiar with a project from the ADF (agriculture development fund) that placed several computer terminals in the city of Moose Jaw, by a couple of your friends, to the tune of \$254,000 or thereabouts, as an experimental project for disseminating information on agriculture? Are you familiar with that?

Hon. Mr. Devine: — Mr. Chairman, we can provide applications and contracts that have been let through ADF on this particular information system, that is the one that the hon. member is asking for. So if he would like that we can get it across to him. I don't have it with me but I can get it very quickly.

Mr. Upshall: — Mr. Minister, the question I was asking is, were you familiar with that project of placing computer terminals in the city of Moose Jaw?

Hon. Mr. Devine: — Mr. Chairman, we'll get the hon. member the locations and the cities. The pilot project had 10 different terminals, I'm advised, some in Saskatoon, some in Regina; two, I believe, in Moose Jaw; and some in some smaller rural centres, but I don't have those. But I'll be happy to provide them when we get them.

Mr. Upshall: — Well, Mr. Minister, the information that I have is that Cartel Electronics of Moose Jaw set up some computer terminals around Moose Jaw where people could walk up and request information about grain prices, farm size, and markets. The point I make is all that information is already available, and what you did through ADF was you spent \$254,000 of taxpayers' money on a project that lasted, I believe, about six months. The computer terminals were then removed. The people in question, one Doug Mintenko, and Arlen Avery, put forward a report to the ADF and in turn received \$254,000 of taxpayers' money.

Now as far as I'm concerned the ADF does serve a purpose, but it is not there to squander away money on projects like this that have absolutely no value, but simply are a pay-off to some people — absolutely not necessary. And I say that although the ADF serves a purpose, it is you, sir, and the administration of your government, that is squandering away money. And that's why we're in the debt situation, and that's why a lot of the problems are being created.

So I ask you, Mr. Minister, what type of monitoring system

do you have through ADF. What kind of screening system do you have to ensure that little projects like this \$250,000 are not squandered away by the people involved? What kind of a screening process do you have to ensure that the money is being well spent?

Hon. Mr. Devine: — Mr. Chairman, there's a panel of technical experts that work with the ADF and a board of directors, and they look at new technology and technology transfer. The rural service centres that we're establishing across Saskatchewan — I believe, there will be 52 of them — may be using information and technology and technology applications that have stemmed from this pilot project, because we've learned how to best transfer information to the public.

As the hon. member knows, and we were at the PAMI (Prairie Agricultural Machinery Institute) research demonstration last week, one of the biggest challenges we have is taking research that the Saskatchewan Research Council does, and PAMI does, and the university does, and get it into the hands of farmers and to the general public. That's one of the biggest challenges we have.

Projects like this, as the hon. member said, allow the public to come up, farmers to come up and use a computer terminal, punch it in and show on a screen information on crop insurance, information on weather, prices, forecasts, so that they have access to information that you might be able to get if you were in the Department of Agriculture or you were an ag rep or you work for the university.

(1945)

So our panel of experts that pick these kinds of legislation . . . or these kinds of technology as they did with the SRC (Saskatchewan Research Council) backing PAMI . . . It's research; it's long-term research. It's the kind of thing that, you know, you've encouraged me to do with PAMI. You said, defend PAMI, get the Saskatchewan Research Council, put the two together — this is long-run extension, education, scientific. This is exactly what we're looking at here.

I'm sure you support the rural service centres. We have 52 of them, and I think you've been at some of the openings. I believe I opened one in Watrous and you were there. They're very functional because they provide the transfer of information and technology from a broad range of areas to farmers.

Now these terminals are easy for people to use and from what we've learned in this pilot project, we may be extending it to the service centres right across the piece because it may give almost . . . access to information just at the fingertip, and certainly you don't have to be a professional to use it. You can be trained very, very quickly; in fact, it'll train you right on the spot.

Mr. Upshall: — Mr. Minister, can you confirm that \$254,430 was given to Cartel Electronics to set up computer terminals in the city of Moose Jaw and that Cartel is owned by Doug Mintenko and Arlen Avery.

Hon. Mr. Devine: — Mr. Chairman, I will confirm that we have a large number of projects, one of which has been the agriculture information systems that the hon. member talks about, and the money was \$254,430.

We have similar studies to ag development fund that has been involved with a western grain study, \$180,000; canola marketing review, the Farm Credit Corporation, farm input price surveys, farm computerization surveys, horticulture information retrieval systems, international wheat growers' export symposium.

And I'll add to the hon. member, just so that he is perfectly comfortable, the people on this technical committee that choose these are from a broad range of people in the co-operative and private sector. You have people like Glen McLaughlin, with the wheat pool, who is on this committee that selects these; John Murphy, from the Royal Bank; Hartley Furtan from the agriculture economics department, University of Saskatchewan, a former colleague of mine and head of the ag econ department; Jim Lowe; Doyle Wiebe; Bob Bens, a former ag graduate. The chairman is Doug Maley. He's been involved in agriculture before in the Department of Agriculture, before I was involved in politics; Sandy Lauder.

So it's a combination of technical people that look at this information system and say that these are worth research — generic research — to find out how best we can use anything, from information retrieval systems to ag information systems to other things.

And you're asking me whether I know Mr. Mintenko from Moose Jaw. Yes, I know Mr. Mintenko from Moose Jaw. I farm close to Moose Jaw so I know the family. I know a lot of other people that are involved in here. The wheat growers export symposium, Bill Duke. Did you ask me if I know Bill Duke? Yes, I know him. We've been involved in lots of conferences. The same would apply to Bill Cooper. Saskatchewan canola marketing growers received a grant. I know him.

Most of the people in agriculture that we've been involved with I've been associated with. They were students of mine or graduates of mine or neighbours of mine, and if you've lived and worked in agriculture in Saskatchewan, you'll meet and know a large number of them. So I'd just bring that to the hon. member's attention.

Mr. Upshall: — Mr. Minister, how long did the project last? Is it still going on, or what was the duration? How many terminals were set up? And lastly, Mr. Minister, was it approved or certified by your advisory committee?

Hon. Mr. Devine: — I'm advised that it lasted over a period of two years, two winters, when they did the research and the review; and approximately 10 terminals; and it was approved by the technical committee.

Mr. Upshall: — Well, Mr. Minister, we have a situation in Saskatchewan where information is very readily available, for the most part. The question I'd ask you is: what did you get out of this study; what did you learn from the study for \$254,000 to set up 10 computer terminals

over two winters to warrant that amount of an expense?

Hon. Mr. Devine: — Well, Mr. Chairman, the challenge, as I mentioned earlier — and I anticipated that question in my last response — the challenge is to provide access to farmers, give access to farmers the best information possible. We find one of the biggest challenges in the agriculture community in North America, and probably in the world — certainly we find that when we're dealing with various kinds of church groups that are providing information and money internationally, for people and food and agriculture — is education and information.

This is a sophisticated terminal that will allow people to have access to information right on the spot. If we can design information systems, as we have through individual line service, through computerized technology, through our fibre optics which your people helped to develop, all of those can be very helpful to the farmer. The Saskatchewan Research Council does this kind of work; the university does this kind of research; agriculture does it. If we can take the best technical information that we can provide in science and put it together so that farmers can have access to it, then we can better serve them.

One other example that I could give to the hon. member. We are now teaching first and second year university in the province of Saskatchewan outside the universities, in northern Saskatchewan, in central Saskatchewan, and we're doing it with new technology. We're doing it with distance education, we're doing it with satellites. We have had to test that; we've had to have pilot projects; we've had to deal with it. And it's a massive program so that in fact people can go to university, first and second year university, without going to Regina or without going to Saskatoon. And I'm sure you're aware . . . The hon. member's aware that at Muenster, for example, you can get first and second year university in Arts.

Now if we can provide that kind of technology across the piece in Saskatchewan in agriculture, then the information transfer to the farm and to the younger generation is very helpful. That's what this is, and anybody that has watched it . . . And we've had demonstrations at our openings. I think we've had one on the west side of the province, Leader, and people were very impressed with it. And we've had them in Watrous, we opened one in Strasbourg, and we're doing some others.

So in fact, we learn and the Saskatchewan Research Council learns, ag development fund learns, how best to provide information. And this technology is just part of that process.

Mr. Upshall: — Mr. Minister, I guess the point to be made here is that through the ADF there are many projects that I think are warranted. But what's happening in a case such as this . . . It's \$250,000 that I believe was thrown to Moose Jaw, to two Moose Jaw Tories, and I think the taxpayers of Saskatchewan deserve better than that. And I don't think the ADF should be used for those types of projects because they simply are not necessary. There are many other ways, through the universities and the department, to . . . You get that same information.

And you were talking about your rural service centres. I mean, that information . . . You didn't have to spend \$254,000 because the technology is available. That software can be put together by many, many people. But you chose to spend \$254,000, give it to two of your Tory friends in Moose Jaw, and that's an abuse of the agriculture development fund.

So I just think that, while the Bill is okay, and the idea of the ADF is okay, I mean, you cannot go on squandering taxpayers' money like this, and that's the problem that I have with this. You, while you talk about all your great diversification and everything else under the sun, are missing the point that you are unable to manage the ADF in such a manner that the taxpayers of this province get their money out of it, get good return for their investment. And that's the problem that we have, and that's the reason why your government gets into so much trouble. That's the reason why you have a huge deficit, because you're so involved in squandering money and not watching over the funds of the province that the taxpayers take it on the chin again.

So, Mr. Minister, I would just say to you that through the ADF you have a responsibility to the taxpayers of this province, responsibility to spend the money wisely, not on projects like this. And that's just one of the examples that can be cited, and I don't think that you are carrying out your duties as Minister of Agriculture by letting things like this go ahead.

Hon. Mr. Devine: — Mr. Chairman, I realize the hon. member doesn't like this kind of research. I will only say again, people like Hartley Furtan and Glen McLaughlin and John Murphy and Doug Maley, the technical committee passed it. And it was their decision, and I have a lot of time for these people, and I would think you would. They come from all walks of life and for all I know all political persuasions. They've made this decision. This committee and a board of directors that's independent of the agriculture development fund make these decisions.

So if you want to question their ability and professionalism, they're pretty good professionals. They all have agriculture degrees, economic degrees, Ph.Ds. And they've picked technology and research that is going on in information systems with people all over the place. And I'd rather have people locally in Saskatoon or Moose Jaw or Rosetown or some place else providing this research, than necessarily going down East for it or to the States for it. It's nice to have our local people involved, and certainly Moose Jaw people involved. Why not Moose Jaw?

I think people are entitled to have the water corporation in Moose Jaw, and people are entitled to wire and cable production, new park facilities, water facilities, all kinds of things, and I'll support that. I don't think we necessarily have to buy all of this stuff outside of Saskatchewan. We have a Buy Saskatchewan program and it sticks up for local people, and I defend that. I think that we should have local people and encourage them to do the research. I think in part the board of directors and other people would like to see that as well. I understand you don't like this kind of research, or you don't want it to go

to Moose Jaw, or you don't like these people. Well I understand that. But I think it's relevant research, and it's needed in agriculture for the extension information, educational transfers.

Mr. Hagel: — Mr. Minister, clearly if you're in charge of the department, you're the one who gives the directions and ultimately is responsible for the decisions.

I would like to ask you two questions, and I can ask them both at the same time. When you talk about your approval for this kind of, what you call research and the access to it, do you approve, Mr. Minister, of the period of time — it would run into the weeks — in which these terminals sat behind locked doors in the old Eaton's building on Main Street, and people could walk by on Main Street and look at them, but not have access to them? Do you approve of that location of these terminals? And secondly, while you're making reference to names, I would ask, Mr. Premier, if you're familiar with the name Rod McLean, and whether Rod McLean is a participant as well in Cartel Electronics of Moose Jaw, and if so, if he is a relative of yours.

Hon. Mr. Devine: — No, I really can't comment, but I'll get the information about where the terminals were stored in Moose Jaw and other locations if you like.

Rod McLean is not a relative of mine. You might think maybe Rod Smith is a relative of mine, or a cousin of mine. And you may have mistaken the names, but Rod McLean is not a relative of mine.

Mr. Hagel: — Maybe, Mr. Premier, if you'd like to comment though, then, as to whether Rod Smith was involved in the Cartel Electronics.

Hon. Mr. Devine: — We don't have that information here, but we can provide the information as to the breakdown of who was involved, like participants in the research project.

Mr. Hagel: — And Mr. Premier, when would you provide that information as to the participants, and also for the storage? And I would be specifically interested to know what period of time the instruments were stored in the Eaton's building when they were not accessible to the public. Will you make that available, and when, Mr. Premier?

(2000)

Hon. Mr. Devine: — Mr. Chairman, we'll table the information as best we can. I'm advised that where the terminals were being kept is where they did their research on them and where they reprogrammed them and worked on them. That's part and parcel of getting the right kind of program and the right kind of information in so people will like the use of it, so that you put in the right kinds of things. But we'll get that. That's really the company's decision as to where they store them. But we'll do the best we can to get that information to the hon. member . . . A couple of days, I mean, soon.

Mr. Lyons: — Thank you very much, Mr. Deputy Chairman. Mr. Minister, I've got a couple of questions to

you concerning the activities of the agriculture development fund and its relationship to the Agricultural Development Corporation of Saskatchewan. I noticed in the last *Public Accounts* that the agricultural development fund provided some tens of thousands of dollars to the agricultural development corporation, and the agricultural development corporation then turned around and entered into what in the annual report is called, under note no. 14 at the very last page on which there is print, that the company has made a commitment to invest approximately \$2.5 million into an agricultural corporation located in Saskatchewan.

I wonder if you'd be prepared to tell the Assembly tonight what precisely is the nature of that agricultural corporation; and how much of the Agdevco money which, I understand, was used . . . the agricultural development fund money, was used in that particular project.

Hon. Mr. Devine: — Mr. Chairman, I wonder if the hon. member could maybe elaborate a little bit more on his question. The agricultural development fund is completely separate from Agdevco. Agdevco can apply to the ag development fund or the wheat pool can apply to the ag development fund or other people, other corporations or people can apply to it. So they are not connected. They are no way linked in terms of their legislation or their mandate or other things.

The ag development . . . Agdevco can apply and get research funds, and they may have, in the past . . . I don't have that here, but if I had my Agdevco or the minister responsible for Agdevco had those kinds of information here, maybe he could further elaborate on what they might be doing with a research project. But the two are completely separate tracks.

Mr. Lyons: — Maybe I'll just walk you through it then, Mr. Premier. On page 60 of the **Public Accounts**, 1987-88, volume 3, there is an expenditure to the Agricultural Development Corporation of Saskatchewan, to the Agdevco from the agricultural development fund.

At the same time, Agdevco has made a \$2.5 million commitment . . . It says here in the Agdevco annual report — the very last page, note no. 14, Eric, so you should pay attention to this, 1988 annual report — the company has made a commitment to invest approximately 2.5 million into an agricultural corporation located in Saskatchewan.

My question was: could you elucidate for us the \$41,175 paid from the agricultural development fund to Agdevco, and was part of that \$41,175 part of the \$2.5 million commitment? And would you tell us what the commitment was?

Hon. Mr. Devine: — As far as we can find out right now, there was a pea protein research project, literature research, for approximately \$20,000 that Agdevco did, and was financed by the agriculture development fund. Now that may be what it is, but what my officials are telling me we need Agdevco's information to find out precisely what they're doing with the research. And I just don't have the Agdevco stuff here. I have the agriculture development fund. But there is, as far as we can tell, there

was a pea protein research project for approximately \$20,000 funded by ag development fund to Agdevco.

Mr. Chairman: — Order, order. I just bring to the member's attention, I believe the Bill before the House is an Act to establish the Agriculture Development Fund, which is Committee of the Whole. And it appears to me that some of the questioning is maybe getting into the area of the Committee of Finance. And so I would ask the member to, under item 81(2):

Speeches in Committees of the Whole Assembly must be strictly relevant to the item or clause under consideration.

Page 32, rule 81(2), and I would ask the member to make his questions relevant to the Bill before the House.

Mr. Lyons: — Thank you very much for your ruling, Mr. Chairman. It's good to see that kind of clarity and lucidity in these type of rulings. I might say that we are dealing with the expenditures from the agriculture development fund. My understanding in this is an Act to establish the Agriculture Development Fund, and given the activities of the government of the past, it seems totally appropriate, entirely appropriate to ask the minister regarding the activities of the fund in order for us to better judge whether or not we should support the activities in the present.

Now having said that, the information that the minister responsible for the agricultural development fund gives me doesn't jibe with what's in the *Public Accounts* on page 60. Here it says that not \$20,000, but \$41,175 were acquired from the agricultural development fund by Agdevco.

And again I ask you, sir, what part, if any, of that went to the \$2.5 million commitment made by Agdevco?

Hon. Mr. Devine: — My information is that none of it did, and I'll certainly have that confirmed. So that's the best of my ability; I can provide that answer that none of it did, and if it's any different, I'll certainly let the hon. member know.

Mr. Chairman: — Order. I believe the Bill before the House is just establishing a Bill, a development fund. We're not into finances or spending any money, and just bring that to the member's attention. The questioning should relate directly to the establishment of the Bill versus expenditure in the ag development fund.

Mr. Lyons: — Mr. Chairman, with all due respect, I think that what your ruling said has just flown in the face of precedent. Not more than five minutes ago, a colleague of mine requested information regarding the utilization of moneys from the agricultural development fund for the one Cartel corporation, which was granted 200-and-some thousand dollars, and it seems to me that those questions are entirely in order. I don't understand the nature of your ruling at all, sir.

But having said that, perhaps we'll leave this particular matter to another day and I'll turn the questioning back over to my friend and colleague, the member from

Humboldt.

Clause 1 agreed to.

Clauses 2 to 21 inclusive agreed to.

The committee agreed to report the Bill.

Bill No. 41 — An Act to amend The Agricultural Credit Corporation of Saskatchewan Act

Hon. Mr. Devine: — In addition to the deputy sitting beside me, we have Norm Ballagh, who's president of the agriculture credit corporation, and Morley Machin, who is vice-president.

Clause 1

Mr. Kowalsky: — Would the minister confirm, in the case of farm foreclosure by some mortgagee, that after the foreclosure and the land is put up for bid, that the farmer whose land has been foreclosed upon has the right of first refusal?

Hon. Mr. Devine: — Mr. Chairman, that is accurate, but it's not this Act. It's The Farm Security Act, which we have already passed, but the hon. member is correct. But one of the reasons for consolidating much of the information here is so that we could have it all in one place. But that's true; he's accurate. It's The Farm Security Act as opposed to the agricultural credit corporation Act.

Mr. Kowalsky: — Thank you very much. With your co-operation, Mr. Minister, I have two more questions I'd like to ask pertaining to the same topic. It's related to the agricultural affairs on hand. Would you confirm that the Provincial Mediation Board is granting authority to municipalities to acquire farm lands, conditional upon that they agree to sell the land back to the mortgagee for the amount of the tax arrears?

(2015)

Hon. Mr. Devine: — Mr. Chairman, it may be the case that some R.M.s will do this. It's not really linked to mediation although it sounds to me like a reasonable idea under some circumstances. But under The Tax Enforcement Act, R.M.s, municipal councillors, can take title if the individuals don't pay their taxes. And then if taxes are paid they can, you know, strike an arrangement whereby the land can go back to the participant or the farmer, the mortgagee.

So it's not really part of mediation, in terms of strategy, but it may be going on and it sounds like a reasonable thing to me in some circumstances. So if the R.M. takes title of it, the person maybe still farms it, or works, tries to pay back his past taxes and then has an opportunity to farm again. So there may be that kind of an arrangement, or similar kinds of arrangements as a result of the agriculture conditions today.

Mr. Kowalsky: — The one concern I would have with respect to that kind of an arrangement is that if this happens, if the municipality first claims the land and then sells the land to a mortgagee, to some bank, that they

would then under that circumstance avoid the obligation to offer the right of first refusal back to the farmer. Could that possibly be a case, a situation that might exist?

Hon. Mr. Devine: — Mr. Chairman, I'm advised that it could happen. I don't know if it has or not, and maybe the hon. member has some . . . a case where it has, or cases where it has. But where the R.M. has not had the taxes and they take over the title, and a bank or a credit union or somebody else held the mortgage on the property, if the credit union or the bank or financial institution paid the taxes, then they could assume the title, and therefore it bypasses the system.

I'm also advised that it's very unlikely to happen if there's any equity at all left in the farmer's hands in that property. I mean, where it's completely lost and there's no equity at all involved with the farmers, then in theory at least, that could happen; where the bank pays the taxes and the R.M., who has taken the property, turns it over to the bank. Banks are not normally in the position of farming, so if the hon. member has cases like that I'd be interested in exploring them with him.

It has really nothing to do with our mediation process. R.M.s could be doing this with . . .

An Hon. Member: — With or without it.

Hon. Mr. Devine: — . . . with or without it.

Mr. Kowalsky: — My understanding was, from my source, was that it was the Provincial Mediation Board who would deal with applications of that type. This would go to the Provincial Mediation Board, and then they would grant the conditional authority for the municipality to agree to sell the land once they acquire the title. And they sell the land for the cost of the taxes, and they sell the land to the mortgagee.

Hon. Mr. Devine: — Mr. Chairman, the Provincial Mediation Board is a long-standing board, and that's been there for some time, so this could have gone on for years and years. We haven't really changed that and we certainly didn't modify it with respect to the recent mediation initiatives that we've had. If the hon. member has some suggestions of what perhaps he'd like to see happen, you know, I would be more than happy to hear them now, or if he's got other suggestions some other time perhaps he could jot a few of them down, and we could certainly explore them.

Mr. Kowalsky: — The suggestion I would have, Mr. Minister, would be that if this is being done, in order to avoid this possibility, I think then perhaps it would be advisable to take a look at it in legislation or in regulation, wherever it is necessary to fix it up.

Now I ask you that, but at the same time, being quite . . . leaving open the possibility that, as you mentioned earlier, there may be times when that is desirable. I'm not certain of that, but I certainly wouldn't want it to happen under a circumstance where the farmer sort of just didn't realize what was happening and got locked out of that provision. Because you know property can be . . . In some cases the bid price that comes in, the lowest or the best

bid price that comes in may sometimes be half to two-thirds of what the original mortgage was for, and a farmer might be able to handle the farm under those circumstances. But if it slips away from him, is there some kind of commitment that you can give me that you'd look favourably upon investigating that? Perhaps I might even be able to grab . . . give you a case or two.

Hon. Mr. Devine: — I would be glad to make that commitment to the hon. member, and I will raise it with the SARM, Saskatchewan Association of Rural Municipalities, and seek their guidance as well. They have been involved with The Tax Enforcement Act for years and with the Provincial Mediation Board, and most of them are farmers, so it's a pretty healthy combination.

But I'll look into it with my officials, and I'll look into it with SARM and find out just exactly what's going on and how deep and whether it's a problem or whether it's an answer or whether it could be made fairer as the hon. member suggests. So I'd be happy to do that.

Mr. Kowalsky: — And under the assumption that this has happened in the past month or two, where the case has actually, it's gone through, is it likely that if a ruling like that might be made applicable, or at least be looked at to be made applicable retroactively? I'm not sure if that's possible, sometimes if another deal goes through, but is it something that at least you could put on and keep in mind at the time when you're looking at it?

Hon. Mr. Devine: — I'll just say to the hon. member, I'll look at it pretty closely, very closely as a matter of fact. I would not make any promises or indications that we could do it retroactively. Retroactive legislation, as the hon. member knows, is very sensitive. But we'll look at it, and see where that takes us, and perhaps some suggestions may bear fruit.

Mr. Upshall: — Thank you, Mr. Chairman. Mr. Minister, there are, as you know, many problems with foreclosures in Saskatchewan. And part of the problem is that the legislation and the policies of your government are not such that farmers can avoid foreclosure. We have seen in the past where your government has come forward at politically opportune times with programs that are supposed to help farmers, and then we see as that proceeds that the problems created by those programs sometimes outweigh the benefits received.

You will know that we are losing about 1,000 farm families off the land every year, and you will know, as I said, that out of Canada's \$22 billion agricultural debt that about 6 or 6.5 billion is in Saskatchewan. You will know that of that amount of money, you and your government and the federal government holds just over half of that or thereabouts. We see, in 1988, 1,245 notices of foreclosure filed with the Farm Land Security Board. We see to date over 10,000 notices of foreclosures filed against farmers of this province. We see that the bankruptcies going up, corporate farms increasing in size while family farms are decreasing.

Mr. Minister, the Agricultural Credit Corporation of Saskatchewan is supposed to be in place to help farmers, but the problem that I have is that during all the

proceedings that you go through to put in place your policies, the results are not found to be positive in the rural agricultural community, because as I say, we have the thousands and thousands of notices of foreclosure filed.

Mr. Minister, can you give me a breakdown of the notices of foreclosure filed by the agricultural credit corporation

Hon. Mr. Devine: — I have notices to the Farm Land Security Board for the past five years, and I'll just give you five numbers: this year to date, there have been 13; in '88 there was 46; '87 there was 42; 1986 there was 24; in 1985 there was 15. So the total notices to the Farm Land Security Board since 1985 to date has been 140.

Mr. Upshall: — Mr. Minister, how many of those notices were with regard to the production loan program?

Hon. Mr. Devine: — I am advised that none were.

Mr. Upshall: — Mr. Minister, it has been reported that this year we can expect about . . . or rather that you sent the end of last year about 2,000 files under the production loan program to your lawyers. Can you confirm that?

(2030)

Hon. Mr. Devine: — Yes, Mr. Chairman. From 1986 to March of this year there have been 2,175 accounts referred to solicitors.

Mr. Upshall: — Were those all production loan program files?

Hon. Mr. Devine: — Yes, that's production loan.

Mr. Upshall: — Mr. Minister, the problem that we have with the production loan program, of course, is that when the money was put out it was welcomed by farmers but they found themselves in a bind when it comes to repaying it. I know that you're going to go through the whole episode of telling people how you've adjusted the program. I don't want to get into that right now because it is a rhetorical speech that I will hear.

But under the agricultural credit corporation it has a responsibility and a role, and you do as the minister in charge of it, to ensure that farm families of this province are not put into a situation whereby their debt forces them into a foreclosure action, and a problem with some of the actions that you have taken with regards to putting Saskatchewan farmers into a greater debt situation and therefore having more pressure put on their ag credit accounts, therefore costing more money to run the ag credit corporation through foreclosures, and also all the stress involved in the whole situation.

Part of the problem, Mr. Minister, is that we see reported just the other day that farmers' incomes are expected to drop by about 32 per cent in Saskatchewan. And a large part of that was because of the input costs going up some 16 or 17 per cent.

Now, Mr. Minister, you will know that it is your responsibility to stand up to the government of Ottawa to

ensure that farmers of Saskatchewan are not put in a situation where their debt's going to get the best of them, and therefore putting pressure on departments like the agricultural credit corporation. Mr. Minister, in the federal budget of this year, you will know that an extra \$710 of new money is going to have to be put forward by farm families — all families, but farm families as well — because of the federal budget, because of the gas tax, the cigarette and alcohol tax, sales tax increases, unemployment increases, and surtax.

Now add to that the situation where the interest-free cash advances are taken away. You get about \$1,000 on an average \$30,000 loan, depending on how the grain is moved. Mr. Minister, can you tell me what representations you made to Ottawa to ensure farm families in Saskatchewan are not put in financial difficulty, what representations you made to Ottawa to oppose the removal of the interest-free cash advance?

Hon. Mr. Devine: — Mr. Chairman, the hon. member makes the point that farm families may have a bill of \$710 as a result of combination of the various kinds of taxes. In Saskatchewan he knows that we have reduced the tax load and the interest rate load and the utility load and gas prices and diesel fuel prices and chemicals by making and manufacturing them here, and helping.

The average farmer, because of the drought and because of deficiency problems and prices, will receive in the neighbourhood of \$50,000 in the last couple of years alone, let alone some of the other programs. Other programs amount to in total about \$100,000 in cash. But just take this year alone: \$25,000 on average, because if the drought payment is 450 to 500 million, that will be in the ballpark what they receive, and on top of that the previous payment.

If you receive 2,000 or 5,000 or 15,000 or \$25,000 that you don't have to pay back, that is a grant, that we asked for — and I certainly lobbied the federal Minister of Finance and the Prime Minister to provide that kind of money — that certainly can help pay expenses that are several hundred dollars. In other words, if you get a cheque this year for 15 to \$20,000, you could probably handle this modest tax increase of say 4 or 500, of which I believe is accurate, for the next 30, 40 years.

The cash that has come from government to farmers, particularly from the federal government, because we lobbied hard for it, has been enormous — and I agree with you, it isn't enough, particularly when they face drought and inventory declines. But cash in the hands of farmers that they did not have to pay back has on average run about \$100,000 per family farm when you add up all the programs that we've put together, from interest rate protection to cash and livestock drought payments and grain drought payments and deficiency payments.

So yes, I lobbied them, and I said, you be as kind as possible to farmers because they need your help. I want big drought payments and big deficiency payments and they've come through with them.

So I wish there was more. I wish we could lobby them for more money. And farmers are the backbone of our

economy, and I think it's fair to say they've never heard so much about agriculture in Ottawa in their entire history as they have in the last few years. Every time I go to a meeting there, whether it's a first ministers' meeting at the Premiers' level or an agriculture ministers' meeting or a meeting with the Prime Minister, I'm talking about agriculture, and I raise it over and over and over again to make sure that they know that it's important for our balance of payments, for our income, and for our way of life.

So yes, I lobbied them. The hon. member asked if we make representation. I certainly have on a regular basis to provide as much support and income to the farmers as possible.

Mr. Upshall: — I expected that type of a response but, Mr. Minister, you didn't answer my question. What representation did you make to Ottawa to let them know that they should not remove the interest-free cash advance program?

Hon. Mr. Devine: — Mr. Chairman, I just talked to them. I was in contact with federal ministers, several of them, certainly our own minister here, the Legislative Secretary to the Prime Minister, and others — and all of their agricultural programs, and it said, be as careful as you can.

The interest on the cash advances is not passed; it's not in effect. So if anybody's watching television tonight, I want them to know that nobody's paying interest on the cash advances, because it is not passed. And I think the House is recessed, so it may not even come into effect this year, and it might be for some time. So I don't want anybody to think that it's in place. It's been proposed but certainly has not been passed.

Mr. Upshall: — Mr. Minister, the point here is that the federal government has come forward with this proposal. And you can say all you want about your record in Ottawa. It sure didn't come shining through during the last federal budget or in the number of issues that have come subsequently.

And I would ask you then, Mr. Minister, would you table the documents that you have . . . correspondence or any documents that you have, where you did talk to the federal government and tell them that you were opposed to the interest-free cash advance programs.

Hon. Mr. Devine: — Mr. Chairman, I'll just tell the hon. member that I talked to the ministers about it. And I'll review whether I've had written correspondence or telegrams that I've sent to them, and if I have, I will certainly share them with the hon. member. But I will tell him that I talked to them about it. And when I meet with them I continually talk to them about cash advances and agriculture programs and taxes and the big numbers, the tens of thousands of dollars that go into the pockets of farmers, not the hundreds of dollars that you're talking about on this program that is not even in place yet. So if I have documents that are relevant to this, I will certainly share them with the hon. member.

Mr. Upshall: — Mr. Minister, did you tell Ottawa that you

were opposed to removing the interest-free cash advance, and did you tell Ottawa that you were opposed to the loss of the fuel rebate?

Hon. Mr. Devine: — Mr. Chairman, I've already indicated to the hon. member that when they were putting together their budget, they travelled across Canada and they were talking to people and some of it had to do with agriculture. I didn't know everything that they were about to do; they don't tell us. But I said to be as careful as you can in agriculture, and if you're going to start attacking some people, realize that there's no net farm income here so be as careful as possible.

Now they don't share their complete budget with me. So when I'm talking to them and visiting with them, prior to putting a budget together, my line to them is lay off agriculture as much as possible. They come back to me, as you can imagine, and say, well we've just put up another billion dollars and Saskatchewan's getting most of it. And I say, thank you very much.

Now you might not acknowledge that, and you might not want to acknowledge that, but there's an awful lot of farmers in Saskatchewan, when I travel around the province, that are very happy to receive their drought payments and are waiting to get their final drought payment. It's very important to them. All right? Waiting. It's very important that they get it. And that's a lot more than 5 or \$600. That's thousands and thousands of dollars. And I have lobbied for that, and as a result of the lobby, we have very large payments coming to Saskatchewan in the last couple or three years — very, very large payments, in fact, that's made up most of our farm income.

So if you ask me if I lobby them, I lobby them. I don't know everything that's in the budget prior to them coming out, but I said, be as careful as you can with respect to agriculture.

Mr. Chairman: — Order. I just bring to the member's attention once more that we are dealing with a Bill bringing into effect an Act, the agricultural credit corporation of Saskatchewan, and I believe most of the questioning has been more relevant to the Committee of Finance general discussion on the Department of Agriculture which will be coming up later in this session.

Mr. Shillington: — I would like to speak to that ruling if I could.

Mr. Chairman: — Does the member have a point of order?

Mr. Shillington: — Yes, I have a point of order.

Mr. Deputy Chairman, I've tried to be patient this evening. I've tried to stay out of this, but I really feel compelled to make some remarks about how the Committee of the Whole this evening has been conducted. The Premier is asking the members of this Assembly to vote on these Bills. We have a right to ask the Premier questions which would make us vote for or against it. That is why traditionally the discussion in this Committee of the Whole has been very broad. And

ministers who are competent and able to handle themselves in this committee rarely take objection to a question being out of order; they answer it.

That has been the tradition here. It's been a very broad, wide-ranging discussion. It is not as it is in the Assembly when you're talking about a Bill. It's a different process. This is not really the Assembly at all; this is a committee of the Assembly. For convenience sake, it's held in this room, but it's only for convenience — it's a committee.

Mr. Chairman, the Premier is asking us to vote for a Bill. We want to ask him some questions which would tend to make us vote for or against it, and that's why this discussion is far broader than it is in the Assembly itself.

So I suggest, Mr. Chairman, we'll get along a lot better if we don't mistake this place for the Assembly itself. It's not; it's a different process.

Mr. Chairman: — Well it is my understanding under the rules of this Assembly that speeches in Committees of the Whole must be strictly relevant to the item or clause under consideration. And the debate on clause 1 is normally wide-ranging, but it is covering the principles and details of the Bill, and that's basically . . . I'm asking the member to make his questions relevant to the Bill before the House versus getting into general discussion on Committee of Finance regarding the Department of Agriculture.

Order. I believe there are rules that we follow in this Assembly, and I ask the member to make his . . .

Mr. Shillington: — I have another point of order. Point of order is this Bill is the Bill dealing with finance. You cannot separate finances and legislation in this Bill because of the nature of this particular Bill. This is a Bill which sets up a revolving fund and deals with financing.

This corporation is, after all, a finance corporation. So for you to say that we're not going to deal with finances, that's for Committee of Finance, it mistakes the nature of this Bill. The nature of this Bill involves the way the agriculture credit corporation and the government handles its finances in the realm of agriculture. So finances are directly relevant to this particular Bill. It is different than most.

(2045)

Mr. Chairman: — I'm not saying that finances may not be; I'm just asking the member to tie his debate around the Bill before the Assembly on clause 1.

Mr. Upshall: — Well, Mr. Chairman, I thought I did that at the beginning of my remarks, point being that anything that happens, you know, through the ag credit corporation, anything that relates to farmers who are involved in ag credit corporation relates to the fact that their incomes are such that the ag credit corporation may have to give them notice of foreclosure. And I was making the point, Mr. Chairman, that all the moneys that the federal government took out of the pockets of Saskatchewan farmers will have a direct effect on them with regards to the agricultural credit corporation.

I would say to you, Mr. Minister, that if you add up all the programs that the federal government has put into place in the last little while, whether it be the interest on cash advances, fuel rebate loss, the increase in interest rates, the grain freight rate increase, and add onto that the decreased initial payments, that adds up to about \$20,000 for the average farmer, the average size farmer.

You add them up. I'll walk you through them if you like. Seven hundred and ten dollars on the budget, as I said, for taxes, sales tax, interest on cash advance, on a \$30,000 cash advance, which is the maximum. The average farmer in the brown soil zone of six quarters . . . The interest on that will be in the area of \$1,000, depending on how the grain moves — that's the potential. The loss of the fuel rebate for that average farmer will be about \$600. The increase on the interest rate on an average debt of \$100,000, which is not unreal for a farmer of six quarters, an increase of almost 4 per cent, gives you close to another \$4,000 of new money that farmer's going to have to find, because you and your good buddy in Ottawa will not look at interest rates in a realistic manner. The grain freight increase on about 24,000 bushels adds up to another \$1,000. Total those up, that's \$7,310 of new money that that farmer's going to have to bring forward in order to satisfy his loans.

And that's money that's going to be a factor involved in whether ag credit corporation has to foreclose on more farmers or not. And you didn't make any representation to Ottawa to ensure that that money wasn't there, and then you add to that the decrease in the initial payment. If this farmer, farming six quarters of land, is seeding about 600 acres — couple of hundred durum, couple hundred to wheat, couple hundred to barley — that comes out to about \$12,000. That's a potential loss for that farmer. And I can get into the reasons for that if you like, but it's all part of the old free trade agreement, your pet in the past.

And what I'm saying is that \$20,000, on that average farmer, is a potential of loss for him. And you multiply that by roughly 60,000 farmers, even take 40,000, and you're looking at close to \$1 billion of money that's coming out of this province of Saskatchewan.

Now, Mr. Minister, that is because you are not standing up to Ottawa. That is because you do not have the courage to talk to your friend, Brian Mulroney, in a harsh manner and say no, this is wrong. You should not take that amount of money out of Saskatchewan farmers' pockets. And therefore you're putting in jeopardy the livelihoods of many, many Saskatchewan farmers.

And all the while you say, I'm in constant contact with Ottawa. I'm surprised that through your rhetoric you say that you're in constant contact and you have a firm grip on things down there. Doesn't it seem a bit surprising that you're allowing this added increased cost to come on the backs of farmers? But you say it's okay because farmers are getting a whole bunch of money.

Well if you want to look at the western grain stabilization program, you will find that two-thirds of the money went to about one-third of the farmers. That means two-thirds of the farmers got one-third of the money, and that's the

problem. The way the production loan program was distributed is another problem because the farmers with the incomes of roughly \$55,000 got a payment in the area of \$50,000, but farmers with incomes in the 15 and \$14,000 area only got payments of about 10 to \$12,000, and that's the problem.

And you can continue to tell farmers how good they're doing and how well they're doing because of the programs, but the fact is that the statistics say that you're not telling the truth. The statistics are that the number of foreclosures are increasing, and that's because you're not putting forward the programs in such a manner that farmers will be provided a stable, predictable program, and that's the problem.

And I encourage you to get up and give your rhetorical speech to tell farmers again how well they're doing with all the money they're getting. And that's fine; you can do that. The problem is, they don't believe you any more because they see their neighbours going into foreclosure. They see their neighbours on the verge of foreclosure; maybe themselves on the verge of foreclosure.

So that's the problem that I have with the way you're running this government, this Department of Agriculture, and the representation you're making to Ottawa. It simply is not doing the job. You've had seven years now. We've heard seven years of rhetoric, and we have seen seven years of farmers continually reducing income, continued unstable programs, continued unpredictable programs, no restructuring of debt.

And I asked you in this Bill, Mr. Minister, can you specifically tell me how the debt is going to be . . . the six and a half billion dollar debt in Saskatchewan is going to be restructured through this Bill?

Hon. Mr. Devine: — Well, Mr. Chairman, the reason for this legislation is so that we can help farmers refinance the home quarter. If they've had . . . And that is restructuring; that's exactly what this Bill is about. Restructure the home quarter, the debt there; restructure the debt in associated quarters, wherever we can see it, where it is at all viable, helping farmers restructure their financial relationships with their family members or neighbours, between themselves, and we'll back it up. This is total restructuring. That's what it's about.

People have been . . . and farmers have brought this forward. They suggested that we do this. So this is exactly the restructuring that the farmers have been asking for, and that's why we're very happy, and I am, that we're prepared to pass it here tonight, so that in fact we can get on with the restructuring that farmers have asked for. This is precisely what farmers have been asking for.

Mr. Upshall: — Mr. Minister, does this Bill do anything toward restructuring of the debt, other than the home quarter?

Hon. Mr. Devine: — Yes, Mr. Chairman. I just finished saying that. It deals with the home quarter, it deals with other parcels of land, and it also deals with farmers and farm families who want to structure their financial relationships so they don't need banks at all, and all the

interest they pay goes and stays in the family. And it does all three of those.

So it's the home quarter, it's additional land, and it is new financing so that the interest rate stays in the family. It's all three of those.

Mr. Upshall: — But let's not confuse the issue. The vendor mortgage guarantee program I have no problem with. In fact, I've always believed in that type of . . . a vendor mortgage type of operation. I bought my land that way in 1974; not a new idea. I have no problem with it.

But what I'm saying to you is that if I am a farmer and I'm in financial difficulty and I have six or eight, ten quarters of land, the only provision that I see in here for me is that I can save my home quarter, and potentially the rest of the land could be gone. Is that . . . Do you agree with that analysis?

Hon. Mr. Devine: — Well I'll repeat to the hon. member. This deals with the home quarter, and it also deals with other parcels of land beyond the home quarter, so that farmers can use this piece of legislation for their home and their homestead. And particularly because as our committee of agriculture travelled around, the home quarter was particularly important, so the emphasis . . . you've probably heard more in the media about the home quarter.

But it also deals with other legislation, or other pieces of land that may be involved in legislation, where the farmer's had trouble with it, has to restructure it, has been through various financial institutions and has got difficulty. What this legislation will end up doing is helping people who can't get access to credit or restructuring in other places.

And just as you've said, much of it needs to be restructured. And where the individual has run his course and can't get it from the credit union or financial institutions or farm credit, which they normally do, this legislation is designed as the safety net to help them. So we don't plan to replace all the banks or the credit unions or farm credit, but we'll be there as a backstop so if people have need to be restructuring, that it's here.

The home quarter and other quarters as well, and the mortgage back guarantees, which are important. You may have bought land at that way years ago, but we are now going to back it up, which will give the confidence to families to do more of it, which I highly endorse. So you and I agree. The money stays in the family, and that's a lot easier right now rather than always paying the money to the banks.

I endorse that with you and along with you, and I think you'll find the legislation very helpful. That could be helpful for people in your constituency and right across the province. No other jurisdiction has done it yet; I believe that others will certainly look very closely at it when we pass it here this evening.

Mr. Upshall: — Mr. Minister, are you telling me that if I'm a farmer who has 10 quarters of land and I'm in financial difficulty, that this Bill will restructure my debt in order

that I can continue farming? Is that clear enough?

Hon. Mr. Devine: — What I am saying is this Bill can potentially touch you, I don't know what your, you know . . . (inaudible interjection) . . . Well it's the point, certainly. You would have to answer me the following question so we know. Can you still get access to financial institutions money in a line of credit? We don't want to replace the banks. I don't think you want the government to replace the banks. We're not going to be the number one banker in Saskatchewan. Right? Do you agree with that? We shouldn't replace all the credit unions, and all the banks, and we don't want to. But where people fall through the slats and they can't get help in restructuring and refinancing, this is there to protect them.

So if you have 10 quarters and you've got a problem, and you can't get help from the credit union or the bank or farm credit and others, and you've been through the hoops, this legislation is there to help you. Now I'm not going to walk in and say we're the first place you go to to get funding, because I don't want the Government of Saskatchewan to replace the credit union or the commercial banks that are out there.

But this is the safety net that farmers have asked for, saying, I've run through it all, I've got it all rearranged, and now I can't get operating money, and I can't get money for my home quarter and I can't refinance my hog operation, and I can't refinance some quarters that I've got out here, and I've first right of refusal under you other legislation, but I've got no line of credit to get at it. Do something for me there. That's what this is for.

Mr. Upshall: — Mr. Minister, if a farmer is in a foreclosure situation, he is not eligible, he obviously can not get access to any other credit. So this farmer with 10 quarters of land is in a foreclosure situation. Are you telling me that this Act will help him restructure so that he can continue farming?

Hon. Mr. Devine: — I will say this Act may help him. You know in any financial situation you look at the farmers and you look at the whole operation, what he's got going for him. I mean, maybe he left town, maybe he left the province. You know, there's lots of different situations.

The credit union . . . Let's go back to the credit union and the board of directors locally that deal with them. They are as good as we have in the province of Saskatchewan in restructuring loans — none of the financial institutions have been fair enough, but the credit union really tries, they're local people. They don't get it done with all of them. Now where they can't get it done and they said we've gone as far as we can, this is the best safety net that we've seen to make sure that we pick up all those farmers that do have a chance to be viable. Some may just not, and you know that, that's the circumstance. So I can't say in every case that this will save them, and I don't think you want me to. Now if you do, we'll just agree to disagree because you will not be the case. But in cases where they have run the gauntlet in terms of local financial institutions and they need that extra help, this is what it's for.

(2100)

Mr. Upshall: — Mr. Minister, the problem that I have is that you said this may help, and that's another reason why, you know, Bills like this are so unspecific that you say it may help, but there's nothing specific in the Bills so that we can debate. Why did you not put it in your Bill, your program, so that we could debate your program so the farmers of this province would know what it is.

You say it may help; that's great. That's not much assurance. That's not much assurance for a farmer who's sitting out there being foreclosed upon, with no equity, with more debt than equity — by double in some cases through no fault of his own — but a good restructuring program would save him. It wasn't his management or anything else; he bought at the wrong time.

But I see nothing in here that outlines what that program will be. I see a Bill that prescribes through regulations . . . a number of sections in the Bill prescribing in regulations what may or may not happen. The only one that is a little bit clear is the guarantee. And like I said, it's no problem. But that's the only aspect of the Bill that basically is not prescribed in regulations and we could debate.

It's the same thing with the farm finance, Bill 69, that we went through a few hours ago. The fact that it's prescribed in regulations does not give the opportunity for us to debate it in this House to specifically find out what the program is. It does not give the opportunity for debate from farmers and the farm community and farm organizations to look at the Bill before it's passed, to say yes or no, it's a good or bad Bill. So we have a situation where nobody knows what it's going be. You say it may be this or it may be that, but what guarantees do we have?

And that's the problem with this legislation, that's the problem with every piece of legislation that you have. You do not provide the predictable, long-term stable program, and that is what farmers have been asking for. Farmers didn't ask for a Bill that prescribes just about everything in regulations. Farmers didn't ask for a Bill that could not be debated before the floor of this legislature. Farmers did not ask for a Bill that has provisions for the programs to be named at any time, deletions or additions made at any time, prescribing the rates of interest, prescribing who can participate in the program. Farmers didn't ask for that, and you know darn well they didn't ask for that. They are asking and crying out for stable predictable income programs, stable predictable debt restructuring programs, which this is not. You say it is, Mr. Premier, Mr. Minister of Agriculture, you say it is, but how are we to know if it is or it isn't? That's the point I make.

Mr. Minister, I'd asked you a question: why did you not bring forward a Bill with some substantive portions in it so that we could debate it, the program, on the floor of this legislature; why did you not bring forward a Bill that farm groups and farmers would have a chance to look at and voice their opinion on before it is passed in this legislature? Why did you simply bring forward a Bill that for the most part prescribes everything in regulations?

Hon. Mr. Devine: — Mr. Chairman, I'm advised by my officials that this legislation is supported by the SARM (Saskatchewan Association of Rural Municipalities), it's

supported by the Saskatchewan Wheat Pool, and it's supported by individuals from across Saskatchewan from commodity groups and others who have said exactly what we have done is appropriate.

Now there's not a perfect consensus any time. Let me just say to the hon. member, the counselling and assistance program, the CAF program, helps a lot of people. And I said it would help; it doesn't help everybody.

An Hon. Member: — It's the worst program you have.

Hon. Mr. Devine: — Well, it's providing guarantees for people that didn't have guarantees before. Okay. Now this one, you said this "may"; this will help thousands of farmers. It will, as many programs will.

An Hon. Member: — Put it in the Bill.

Hon. Mr. Devine: — Put what in the Bill?

An Hon. Member: — The . . . (inaudible) . . . of your program.

Hon. Mr. Devine: — You don't . . . This Bill says it will help people finance the home quarter and refinance the home quarter. And you say, if I am a farmer that has 10 quarters will it help me? Well every one of them has to be examined. Every one of them, you know that.

Now you just said if it's no fault of the farmer and he is a good manager and it's been bad luck, I'd say he's helped under this program.

An Hon. Member: — . . . the majority of them.

Hon. Mr. Devine: — Okay, fair enough. That's what it's for. If it is the fault of the farmer, or if he took off, or if he doesn't pay his bills, or if he ended up in fraud or something, then you don't want this legislation backing him up, do you? Well of course not.

So we are saying, as in all kinds of legislation that we've brought forward in here, the agriculture credit corporation deals with 57,000, 60,000 farmers; we deal with them individually. If some individual has a difficult time in making a payment, we deal with them one at a time, and we've said that.

You've just been on my case because you don't like the production loan program because it's universal, right? You don't like that. Everybody got access to it. Now you're saying, well this one, this one isn't universal enough and it doesn't cover everybody. I'm saying, look I agree with you. Let's let the legislation work; it is a safety net for individuals; if it isn't their fault they'll get the benefit of the doubt, and this is the kind of legislation they're asking for.

If they have been at fault and they have bought too much and paid too much and spent too much and have significant management problems, then you've got to look at it more carefully, and you would agree with that. This is the taxpayers' money we're talking about here — taxpayers' money.

So we have got 60-some-thousand farmers, we are going to make sure that every one of them has equal opportunity to have access to this legislation for the home quarter, at interest rate protection, to finance and purchase, and construction and renovate buildings and improvements, including housing, to purchase and repurchase and restructure other land, and to diversify, and to refinance their farm in their own family. Now that combination sounds pretty reasonable to me. And you're saying . . . you want to know if your farmer will make it. Well you've got to bring the farmers one at a time. And that's reasonable. And that's what the agricultural credit corporation does all the time. That's what the credit unions do every day, every day they do. And, you know, there's really no choice.

Now if you say we just throw money around, well you didn't like the production loan program because everybody had access to it, and you didn't have to line up. Now we're saying we have it universal, but you come and talk to us; and you don't like that. Well I mean, obviously you're a critic, but I think, to be fair, you want to see this kind of legislation. You know it will help a lot of people. They've been asking for it, and they've been waiting for it. I will not stand here and guarantee that it helps every single solitary person that applies for it, and you wouldn't want me to.

So this legislation has been carefully designed. It will help them finance and refinance the home quarter, other land, renovations, livestock operations, as well as their own family operations. And we will let, as we have before, professionals and the board and other people judge them as they come forward.

Mr. Upshall: — So you say, but we don't know that. And I find it very amusing that the minister, the Premier of the province, is concerned about taxpayers' dollars when he just threw \$5 million to Guy Montpetit, and there it goes out the window and on the airplane rides. I mean, that's a little hypocritical, you got to admit that. You know, I mean, talking about watching over taxpayers' dollars and you throw 5 million to Guy Montpetit, throw \$290 million at Cargill corporation. I mean, come clean. I mean, you can fool some of the people some of the time, but I don't think very many are going to buy that one.

Anyway, where you said the SARM and the wheat pool and some other organizations supported your Bill, what other choice do they have? There's nothing in here that they can look at. All it is is prescribed, and they're just hoping that something comes out, the same reason that we have to support it, because possibly there's something in it. But what burns me is that you, as the Minister of Agriculture, should have the courage, if you're so confident in your program like you say you are, to put it in the Bill. Put your program in the Bill.

Tell people how they qualify, who qualifies, what the rules are. Then we can debate it. That's the reason that the people are . . . like the organizations have to support it. Same reason we do. You know, and I'm sure that if, as in the past with your other programs, as in the past with The Saskatchewan Farm Security Act, I mean, you were saying the same things. This is going to be a great Bill that helps Saskatchewan farmers. It really hasn't helped them

hardly at all, if any. You're talking about your CAF program that's helped Saskatchewan farmers. The CAF program is a very, very expensive program that guarantees that the banks are going to get their money. And as soon as they go in the CAF program, a little while later the bank can foreclose and get their money.

But the problem with this legislation is that you . . . because obviously you have not the confidence, or you are not willing to tell people what the substantive nature of the Bill will be, so you left it out and put everything in regulations. I mean, if you're so sure of yourself, why didn't you have the substantive portions of this program in the Bill. And that's why the people of this province, that's why the farmers of this province are saying more and more, and I'll give you credit.

From 1982 until 1985, '86, '87, you did have their ear, I give you credit for that. But now they know the hypocrisy of your task. And that's why they are now saying, they will take all the money they can get because they need it from Ottawa. But I'll tell you, programs like the drought program, when they're getting money in July of 1989 for a drought that the crop was harvested in September and October of 1988, they don't give you much credit for that. They'll take the money and they'll say, yes, we need it, that's good.

But I'll tell you, Mr. Premier, they will not vote for that, and you know that. And that is why I think that you did not put any portions in this Bill that were debatable because it's the same old story. It's the same old story. All the while, while you're telling farmers how great things are and how much you're doing for them, when it comes right down to the bare facts, nobody knows in the rural community where they stand. And that's the problem. And that's the message that I'll be putting out there.

Do you know where you stand with this government with regards to the agricultural credit corporation? And they'll say, well what's in the Bill. And of course there's regulations to be determined by the minister and the cabinet. It's the same old story they'll say. Why don't I know before the program is put in place what's in it? Why do I have to support, as the organizations have to support, why do I have to support a Bill on the off chance that there may be something in there to help us? And they know they cannot voice opinion against it because they don't know what's in it, and if there's something that's potentially good in it, then they'd be talking against themselves.

So, Mr. Minister, I think that Bills like this are a disgrace to the reputation of the Department of Agriculture of this province because they simply do not go . . . they're simply not clear enough; they simply do not provide a stable, predictable program. They do not provide farmers, farm organizations and others to engage in debate, to ask you questions about when the program will start, when the home quarter program will start; what are the rules; what are the qualifications; do I have to have equity to be in it; do I have to have a certain amount of land; do I know what the interest rate will be? They know nothing of that.

That's why it's a disgrace to the Department of Agriculture in this province, because their regulations

can be set by you at any time; they can be implemented at any time; they can be deleted at any time. You said it in your own words — line the farmers up and let them come in and we'll see if they qualify.

And that's what really scares me because of the patronage involved in your government. In the past we have seen that if you line up with a blue card, you get the nod; if you don't, you get the thumbs down sign. And that's the problem. That's the potential for this Bill.

Some Hon. Members: Hear, hear!

Mr. Upshall: — So, Mr. Minister, I would dearly love . . . I would have loved for you to put something in here that we could debate, but unfortunately we can't. And in that respect, we don't get an honest, up-front discussion, explanation, of what farmers have to look forward to.

And for the life of me, when they've been calling out for a number of years now saying, give me the facts; don't tinker with the programs; give me the programs. If I'm going to qualify, then tell me. If I'm not going to qualify, then tell me, but for God's sake just tell me.

And that's what they're asking for, and if you haven't heard that message, which obviously you haven't, because you haven't told them anything in this Bill, or very little, then you are more out of touch with this province than I thought you could have gotten.

But I think it's happened. And I know the farmers around this province that I've talked to are very disappointed with the record of your rhetoric as opposed to your action, disappointed with the instability when they're crying out for stability. You say there's debt restructuring. Well there may be, but there may not be.

(2115)

So, Mr. Minister, yes, we will support this Bill, but I'll tell you it's only on the off chance that there's something good in it. And what a sad way to run a legislature and run a government in this province, when you put a Bill forward that can not be debated in detail, when you're forcing organizations and oppositions and other people to support it because of the politics involved, and there's a very, very strong political overtone to this. You'd dearly love me to say, no, I don't support this because there's nothing in it. And I'd love to too, but I'm forced into supporting it just on the off chance that somebody's going to benefit from it.

And this is the bare truth, Mr. Minister, and you know the political implications involved in this. And that's the sad part of it all, when everyone's put in a position of having to support something that they don't know the substance of.

And that's the way you run your government. And if that's the way you want to run your government, then so be it. But I'll predict, Mr. Speaker, the consensus of the majority of the people, come election time, if you ever have the courage to call one, will not support your view.

Clause 1 agreed to.

Clauses 2 to 4 inclusive agreed to.

Clause 5

Mr. Lyons: — Thank you, Mr. Chairman. Mr. Minister, I have a number of questions that concern clause 5. Power to take equity position is the explanation given:

Subject to subsection (2), the corporation may for prescribed purposes acquire, by purchase or otherwise:

(a) shares;

(b) bonds;

(c) debentures; or

(d) securities other than those mentioned in clauses (a) to (c);

issued by any person or category of persons engaged in or associated with an agricultural enterprise.

Are you now saying, Mr. Minister, that what will become a common feature of agricultural financing in Saskatchewan will be for the agricultural credit corporation to take an equity position in farms throughout the province, or not just farms, what you also refer to as agricultural enterprises.

Hon. Mr. Devine: — Mr. Chairman, that feature in the Bill is to facilitate some help to a particular organization that perhaps we have lent money to, as SEDCO would. If SEDCO has financed a particular operation, sometimes they will take an equity position, or convert some of the debt to equity to help it through a pinch. It's not an uncommon practice. SEDCO has done it, oh, on several occasions; agricultural credit corporation can do it; financial institutions have done it.

So it's not common in the sense you're going to have equity in everything, but in certain circumstances you can convert some of the debt to equity to help that individual, or enterprise, through some difficult times.

Mr. Lyons: — Would it be fair, Mr. Minister, then in saying that . . . and I notice that it's listed as a new section: "Power to take equity position." Are you planning to promote those agricultural enterprises now, since the farm seems to be a *passé* term with your government, that these agricultural enterprises now issue shares, so that in fact the ACC can be a lender of medium resort, other than as a lender of last resort.

Hon. Mr. Devine: — Just to put it in another term, this is really a bail-out provision when they're in some difficulty — to convert debt to equity, to help them through a particular situation — and that's what it's designed for.

Mr. Lyons: — Well I understand that, that now it's the position of the Government of Saskatchewan that the agricultural credit corporation will become a shareholder in the farms, and I'm not necessarily disagreeing with that

method in terms of helping to finance farms throughout Saskatchewan, Mr. Premier. I'm not necessarily disagreeing with that particular solution.

But what I do disagree with is in section 2 . . . I have some concerns about, I should say, in subsection (2) the question of . . . excuse me, subsection (4) . . . (3) and (4), where individuals are appointed to attend, on behalf of the Agricultural Credit Corporation of Saskatchewan, to attend shareholders' meetings of these agricultural enterprises, and the power given to the agricultural credit corporation to appoint any person to act as a representative.

Now what guarantees is there, Mr. Premier, that the agricultural credit corporation won't appoint farmer B who is looking covetously at farmer A's land, and farmer A who has gotten himself in difficulty has had to issue shares which are now owned by the Agricultural Credit Corporation of Saskatchewan, that the ACC appoints farmer B, who may be a card carrying member of the Conservative Party or may not be, but none the less a farmer who may have an interest in picking up the land of the hypothetical farmer A — what is there in the regulations or in this Bill that protects those farmers who, upon issuing shares or bonds or debentures or whatever, won't have those people who wish to acquire their land come to act as representatives of the ACC at their board of directors' meetings?

Hon. Mr. Devine: — Well, Mr. Chairman, I think that the agriculture corporation would have to be diligent in how it appoints members on the boards of directors of various institutions and organizations so that in fact the fairness is there. And I'm sure that they will take your suggestion seriously to make sure that everything is fair and you have very professional and arm's length members on the board.

Mr. Lyons: — So I take it then from what you say, Mr. Premier, that there's nothing in writing which guarantees or protects those farmers who've issued shares or debentures or bonds or whatever to have them protected from somebody who may have a material interest in their farm.

If you look again at section (4):

The person appointed pursuant to subsection 3 is entitled to exercise on behalf of the corporation all the powers that the corporation could exercise if it were an individual shareholder, bondholder, debenture holder or other security holder.

Now I take it that the corporation would be in the habit of appointing people at the local level. I presume that that's the situation that there's going to be. It may be a wrong presumption to make, given that I don't see anything in writing which would guarantee the farmers that there is going to be somebody impartial representing the ACC at their board of director meetings.

Hon. Mr. Devine: — I think it's important to remember that ACC, agriculture credit corporation, would not want to appoint anybody to a board that would jeopardize the equity or the money that ACS has lent out. So they're

not going to appoint somebody that could hurt the operation. I mean, they're going to look for the best professional people they can because they're dealing with the taxpayers' money and their reputation. So there's absolutely no incentive at all for them to get caught up in the stuff that you're talking about. They want to protect the position of the agriculture credit corporation.

Now, I'm sure that they will take their precautions, and it makes eminent sense that the people here that are dealing with that on a day-to-day professional basis would be in their best interests to have the most professional people possible on the boards of directors and so not to jeopardize the operation of the particular agri-business or farm feeding operation or whatever it might be. I'm sure that they will watch that very carefully because it is in their best interests to protect themselves, as you point out.

Mr. Lyons: — Well I wonder, Minister, if you could perhaps relieve our anxiety a little bit by telling us that when you say that they're going to be professional people who would be involved, precisely what type of people are you contemplating appointing to act as representatives of ACC (agriculture credit corporation) at these shareholders' meetings?

Hon. Mr. Devine: — Well in most cases it will be, I would suggest, it'll be staff members of the agriculture credit corporation, who are people who are involved in professionally managing all of these operations. And you see it from time to time, you know, in government, that that's the case. And they are professional. These are highly trained men and women with, certainly, very strong academic backgrounds and have proven themselves professionally and academically over the years, and that's why they have this position of responsibility.

So in most cases it will be professionals, and certainly they would guard against the kinds of things that you're talking about because they want to protect the corporation — the reputation of that corporation — because it is a large agricultural lender and is extremely important.

Clause 5 agreed to.

Clauses 6 to 14 inclusive agreed to.

The committee agreed to report the Bill.

THIRD READINGS

Bill No. 74 — An Act to amend The Saskatchewan Farm Security Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read the first and second time.

Motion agreed to.

The Deputy Speaker: — When will the Bill be read a third time?

Hon. Mr. Hodgins: — With leave, now, Mr. Speaker.

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

(2130)

Bill No. 69 — An Act to provide for the Financial Stability of Agriculture

Hon. Mr. Hodgins: — Mr. Speaker, I move that the amendments be now read the first and second time.

Motion agreed to.

Hon. Mr. Hodgins: — Mr. Speaker, by leave of the Assembly I move that Bill No. 69 be now read the third time and passed under its title.

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

Bill No. 55 — An Act to establish the Agriculture Development Fund

Hon. Mr. Hodgins: — Mr. Speaker, I move this Bill be now read the third time and passed under its title.

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

Bill No. 41 — An Act to amend The Agriculture Credit Corporation of Saskatchewan Act

Hon. Mr. Hodgins: — Mr. Speaker, I move that this Bill be now read the third time and passed under its title.

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

SECOND READINGS

Bill No. 79 — An Act to amend the Medical Profession Act, 1981

Hon. Mr. McLeod: — Thank you very much, Mr. Deputy Speaker. Mr. Deputy Speaker, I'm pleased to explain these amendments to The Medical Profession Act, which deal with the authority of the College of Physicians and Surgeons and its disciplinary processes.

I think it is particularly important that we understand these amendments, given the debate that some of the college's earlier proposals raised in certain quarters of the medical community. In recent years, Mr. Deputy Speaker, the college's . . .

The Deputy Speaker: — Order, order. We cannot carry on with second reading; the Bill is not printed.

Hon. Mr. McLeod: — Thank you very much. I recall that the Bill was distributed earlier today, Mr. Speaker.

Mr. Speaker, in recent years the college's authority to act on public complaints of misconduct or incompetence has proven to be unsatisfactory. The existing Act is outdated in terms of outlining the college's authority to make by-laws and in detailing the college's disciplinary

processes.

Mr. Deputy Speaker, the present Act is outdated in terms of protecting the public, as well as giving physicians a clear understanding of their rights and role in the discipline process. The amendments presented here are not at all unusual in terms of other health profession legislation in this province or physician legislation in place elsewhere in Canada.

Extensive consultation has taken place with the College of Physicians and Surgeons and the SMA (Saskatchewan Medical Association) representatives on these changes, and I am pleased to say, Mr. Deputy Speaker, that the two medical associations are in general agreement on these final amendments as they're presented here.

The College of Physicians and Surgeons recognized that some of their earlier proposals were somewhat controversial and have since reached agreement with the SMA to introduce change more gradually to allow for more consultation with individual physicians.

Mr. Deputy Speaker, the college's by-law-making authority will now be clearly spelled out in this Act. As is consistent with other health care profession legislation in this province, by-laws are divided into administrative and policy by-laws. Policy by-laws can potentially impact the public, health care costs, services, and manpower.

As is consistent with other medical legislation in Canada and health profession legislation in this province, policy by-laws will require the approval of the Minister of Health prior to coming into effect. This will also give the minister the opportunity to discuss new by-laws or by-law amendments with other health care representatives.

Under the existing Act, there is a lack of clear authority for the college's executive committee to act on matters between council meetings. As is the case with other professional associations, they must be able to act on matters of public urgency as they arise.

The amendments proposed will allow the college's council to delegate specific duties to the executive committee in the by-laws. This flexibility is necessary, and is consistent with other professions to ensure the protection of the public.

Mr. Deputy Speaker, two amendments are proposed to the existing registration requirements of the college. The college will now be able to place restrictions on a physician's practice when the physician might not be fully competent in a specific task, or where some supervision or guidance is required. The physician will have the right to appeal any restriction to the courts.

The college will also be able to identify additional registration requirements in the by-laws for full provisional or special licences as well as locum tenens permits. Any additional registration requirements will require the Minister of Health's approval.

Clarification is to be provided to the disciplinary provisions of the Act. Under the existing Act, there is no specific requirement for the college to respond to public

complaints alleging professional misconduct or incompetence. The amendment will now require the college to act on all complaints and to inform the complainant of the outcome of their complaint. The size and composition of the preliminary inquiry and competency committees, that is, the investigatory committees for misconduct and incompetence, will now be clarified in this Act.

Mr. Deputy Speaker, the right of a professional association to suspend a member when the facts of a complaint warrant such drastic action to protect the public is an essential element of professional legislation. The proposed amendments retain this feature of the current Act. However, they will allow the physician an immediate opportunity to make representation to council prior to any temporary suspension taking effect. I believe this strikes a fair balance between the rights of the physician and the protection of the public.

The amendments recognize a different approach is needed to address issues of conduct and incompetence. The penalties established recognize these differences. For example, in matters of competence additional training can be ordered. In the investigation of such matters, access to relevant records is essential. The amendments clarify that such records can be accessed by college representatives after obtaining a court order. Mr. Deputy Speaker, several of the amendments clarify the specific procedures to be followed by the various investigatory and hearing committees and the rights of the physician to a fair hearing. Without going into undue detail, the amendments provide for fines for misconduct to be increased from \$5,000 to \$15,000, suspension for non-payment of costs, for collection of fines, and for the establishment of special committees as may be required to examine various issues.

Mr. Deputy Speaker, the amendments are neither unusual nor should they be seen as controversial by anyone. Both the college of physicians and surgeons and the Saskatchewan Medical Association are in general agreement with these amendments, Mr. Deputy Speaker.

So with that, Mr. Deputy Speaker, I move second reading of Bill no. 79, an Act to amend The Medical Profession Act, 1981. Thank you.

Some Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. I did not receive the printed Bill until this morning; however, Mr. Speaker, I had received an advance copy from the minister, so I have had an opportunity to look at it. I have sent copies of the Bill out, Mr. Speaker, and I'm still waiting a reply from some individuals with respect to the legislation.

I have spoken to the SMA, and basically the SMA is in agreement with the legislation. They do have some concerns which they have passed on to me, and I will be putting them on record in this House at a later date.

There are sections in the Bill that deal with disciplining doctors, Mr. Speaker. There are sections in the Bill that give expanded regulation-making powers to the College of Physicians and Surgeons. There are sections in the Bill

which allow the council to set limitations and restrictions with respect to the licensing of doctors, and other sections pertaining to those general areas, Mr. Speaker.

We must keep in mind that when we're looking at a medical professions Act we're not simply looking at whether or not the profession is in agreement with this legislation. The medical profession serves the public; in fact, those are the objects of the legislation. One of the sections in the Bill specifically says that the object of the council of the College of Physicians and Surgeons is to safeguard the public interest. The public interest is very important, and safeguarding the public interest is built into this legislation, Mr. Speaker.

The public has an interest in The Medical Profession Act legislation. The public funds and pays doctors through the tax base, so the profession is being funded from the public purse, Mr. Speaker, and it's imperative therefore that it's actions be in the interest of the public, and it's therefore imperative for members outside the profession to have input into this legislation. And so we have gone beyond the profession to seek some advice or opinions with respect to the legislation.

We want to make sure that when we do amendments to The Medical Profession Act, or when the council enacts regulations pursuant to the new amendments in The Medical Profession Act, that they are done for the purpose of improving the health care in rural and urban Saskatchewan. And I must say that some regulations I have recently had access to, which I assume will be passed pursuant to this new Act, may not necessarily be justified on the grounds that they provide for higher quality health care. And so we will have some questions of the minister with respect to that.

I also believe that any amendments to The Medical Profession Act should not discourage the establishment of community clinics in the province, because I believe that it is a well established fact, according to a study that the minister has so far refused to release, that community clinics provide safe, high quality health care at a cheaper cost to the Saskatchewan taxpayer. And therefore any regulations that are passed pursuant to the new Medical Profession Act should not take powers or services away from the community clinic, should not reduce the services, rather, Mr. Speaker, that a community clinic, for example, could perform. And I understand that that may be the case with respect to some of the regulations that are being proposed pursuant to this Act, and I'll be talking to the minister about that in more detail.

As I have indicated, Mr. Speaker, I am still waiting to hear from some people with respect to the legislation. I want to peruse the comments of the minister, and in the very near future we should be in a position to complete second reading on this Bill, and therefore I would ask to adjourn it.

Debate adjourned.

Bill No. 89 — An Act to amend The Department of Energy and Mines Act

Hon. Mr. Hepworth: — Mr. Speaker, on behalf of the

Minister of Energy and Mines, I rise today on second reading of Bill No. 89, An Act to amend The Department of Energy and Mines Act.

Mr. Speaker, this amendment is of an administrative and housekeeping nature. The Act changes two of the current limits on the authority of the minister to make grants and to enter into agreements with other governments, persons, or organizations. Firstly, the amendment to section 8, Mr. Deputy Speaker, removes the requirement to obtain order in council for agreements entered into by the Minister of Energy and Mines. Secondly, the amendment to section 9(2) removes the requirement to obtain orders in council for grants in excess of \$10,000 in those cases where the grants were being made in accordance with the regulations made by the Lieutenant Governor in Council.

Mr. Speaker, these amendments provide Energy and Mines with the same authority to make grants and to enter into agreements as is provided to other departments by other government legislation. The amendments will facilitate the efficient implementation of the new Saskatchewan fossil fuels technology development program, and will ensure that project applicants are not unnecessarily inconvenienced by red tape which would delay the approval of desirable projects.

Mr. Speaker, for the past several years Saskatchewan Energy and Mines entered into numerous funding agreements under the terms of a federal-provincial program which was funded under the Heritage Fund. The terms of The Heritage Fund (Saskatchewan) Act did not require Energy and Mines to obtain order in council for projects approved under the terms of this agreement. This permitted the department to deal with a large number of project applications in a prompt efficient manner, and contributed significantly to the success of this federal-provincial program.

(2145)

When the new Saskatchewan fossil fuels technology development program was initiated in 1988-89, the program was funded out of the economic diversification and investment fund, and the provisions of The Heritage Fund (Saskatchewan) Act were no longer applicable.

Mr. Speaker, the amendments will revise those provisions in The Department of Energy and Mines Act which now hamper the efficient administration of the Saskatchewan fossil fuels technology development program, restoring to the department the flexibility employed in the past to support fossil fuel research and development.

Mr. Speaker, on behalf of the Minister of Energy and Mines, I urge the support and approval of this amendment by members of the Assembly to maintain the effectiveness and efficiency of this important government program.

With those comments, Mr. Speaker, I move second reading of Bill No. 89 — An Act to amend The Department of Energy and Mines Act.

Some Hon. Members: Hear, hear!

Mr. Solomon: — Thank you, Mr. Chairman. The Bill has just been printed and I received a copy of it yesterday, and I haven't had an occasion to fully review the implications on the Act with some of the people in the industry.

One of the preliminary concerns I do have is that this kind of amendment really shows less accountability to the minister and to the department. And the questions I'll be asking later in committee will be in relation to the accountability, and why they need less accountability, and why they need more control in one ministerial position.

We're also very concerned, Mr. Speaker, about whether it's just the Saskatchewan fossil fuels technology development program that it will be affecting, or whether it will be an authority the minister will have in other wide ranging programs that we may be concerned about.

So at this point, Mr. Speaker, I beg leave to adjourn the debate.

Debate adjourned.

Bill No. 87 — An Act to amend The Urban Municipality Act, 1984

Hon. Mr. Klein: — Mr. Speaker, I'm pleased to move second reading of this Bill, The Urban Municipality Act, 1984. It's the major piece of legislation setting out the powers and duties of over 500 urban communities in Saskatchewan. These include cities, towns, villages, resort villages.

In almost every session this Act requires some amendments to update the legislation and to respond to new needs of the municipalities or groups and individuals that live within their boundaries. This session is no exception. But the amendments are not extensive because we passed quite a number of amendments to the Act last year.

The major amendment of the Bill deals with independent schools, Mr. Speaker. Independent schools are private, non-profit schools that operate outside of the traditional public and separate school systems. They're often run by religious denominations. They include schools like Athol Murray College in Wilcox, and Luther high school in Regina.

And a number of these independent schools are currently exempt from local property tax under the terms of private Acts of the legislature. Others are exempted on a year-to-year basis by individual municipalities, and still others shoulder the full load of property tax. Therefore, a lack of equity exists between independent schools on the one hand, and public and separate schools on the other, because none of the later pay local property tax.

Our government concluded that if independent schools provide Saskatchewan children with a satisfactory standard of instruction, they should not carry an unequal tax burden. And this amendment will provide an exemption from property tax for those independent schools which meet criteria to be developed by the Department of Education.

Mr. Speaker, my colleague, the Minister of Education, will be introducing amendments to The Education Act which will lead to a list of registered independent schools which meet satisfactory educational standards, and for this reason I will not go into details of the registration system at this time. I might just add that local tax exemptions for independent schools that meet standards required by the Department of Education are a feature of legislation in British Columbia, Alberta, Manitoba, as well as Ontario.

And while I'm on the topic of taxation, Mr. Speaker, I will mention another amendment in this area. The Canadian National Institute for the Blind has two facilities in Saskatchewan, one in Regina, a second in Saskatoon. Currently, both cities have by-laws in force on a year-to-year basis which exempt these properties from local taxes. Therefore this Bill contains an amendment granting the CNIB a similar tax exemption to that which the Act presently provides, for instance, to the YMCA, the (Royal Canadian) Legion, and similar non-profit, charitable groups. This will remove the requirement for a year-by-year by-law.

The third and final significant amendment to this Bill, Mr. Speaker, is the new section that provides for regulations to be written which will place a ceiling on tax discounts. The tax discount procedure is the traditional method municipalities use to reward taxpayers for prompt payment or pre-payment of their taxes and thereby reduces the need for municipalities to borrow money.

In the past year or two, though, a few smaller municipalities have discovered an unorthodox method of using the existing tax discount provision to deny school divisions their share of local tax revenue, and therefore it shifts this burden to other municipalities.

In simple terms, what a few councils did, Mr. Speaker, was this: they raised the municipal mill rate to a very high level; then they offered an abnormal discount, as high as 38 per cent in one case, for prompt payment of taxes. And this had the effect of reducing an individual municipal tax bill to the normal level, even though the mill rate was very high.

The taxpayer therefore paid the usual amount of municipal tax and the municipality collected a normal amount of municipal tax revenue. However, the school division, which had not raised its mill rate, suffered a significant revenue loss due to the unusually high discount.

Mr. Speaker, SARM and the SSTA (Saskatchewan School Trustees Association) complain that this practice, as I mentioned, has two harmful effects. First, it denies the school division their normal share of tax revenue when the municipality uses this discount scheme. And secondly, it thereby shifts the school tax burden over to other municipalities in the school division when that school board is forced to raise its mill rate the following year to make up for that shortfall.

Mr. Speaker, we intend to be as flexible as possible in setting the discount ceiling in regulations, to permit

municipalities to continue to use this provision as it was intended, but not being able to abuse it. We will be working with SUMA (Saskatchewan Urban Municipalities Association) to set the ceiling on tax discounts over the next few months, and the provisions will take effect in the 1990 local tax year. There are also a few other amendments of a housekeeping nature in the Bill, Mr. Speaker, but I need not comment on them at this time.

In recent months our government has announced major initiatives to assist municipalities and local people in the area of business tax assistance, capital grants, as well as the capital program for recreational facilities, and this Bill compliments those initiatives, Mr. Speaker, by correcting some of the anomalies and inequities on the tax side. It removes several irritants to a number of groups and urban communities and therefore will provide a fairer local tax system. I urge all members to support this Bill, and I move second reading.

Mr. Van Mulligen: — Thank you, Mr. Speaker. Let me deal with the minister's comments in reverse order and say that I think that the Bill before us, in as far as it deals with the question of discounts on prepayment of taxes, that the amendments are, in the main, good amendments and deal with a situation that, frankly, is one of abuse by certain villages, resort villages, in trying to get around the question of those taxpayers having to pay their fair taxes to local school boards.

I think that if this matter is to be dealt with, it has to be dealt with on a provincial basis, it has to be dealt with head-on by the provincial government, and should not be dealt with on an **ad hoc** basis — on an individual basis — by various resort villages throughout the province. And so, therefore, I think that those amendments are supportable and are good amendments and are there designed to deal with a situation in an appropriate fashion.

However, the question of exempting private schools, independent schools from local taxation is a fundamental principle that we oppose. We oppose it strongly. It's very much a matter of eroding the tax base to support private and independent schools, a measure that will, in the long run, begin to implicate societal funding of our public school systems and is therefore something to guard against.

In this particular case, I might also mention that there is strong opposition — and I want to emphasize the word strong opposition — to this proposed change from the Saskatchewan Urban Municipalities Association. They make the comment and have made the comment, and we'll get into this in detail at some future time, to the minister that they strongly oppose the erosion of the local tax base. They point out that, in their opinion, this particular measure will cost municipalities in the neighbourhood of \$200,000 on an annual basis. This is money that ultimately will have to be made up by local taxpayers. It's an erosion of the local tax base.

Now one might say, what is the problem, what is the problem with giving a tax break to private schools? I mean, why are municipalities concerned? And one has to

understand, Mr. Deputy Speaker, is that the local tax base, that the broader the tax base, the greater is the potential for local municipalities to be able to support services such as traffic services and road maintenance, police protection and fire protection, all services provided by a local municipality which go to also assist these private schools and all properties in the municipalities.

And if some properties in the municipalities are no longer to be assessed for purposes of taxation, that is to say exempted from paying these taxes, then what we're saying is that other property taxpayers in the municipalities must pick up the load and pay a higher share of taxes to provide services free of charge to those properties, such as, in this case, private schools. We cannot support this, municipalities cannot support this, and therefore I want to voice my objections and the objections of my caucus in the strongest possible terms.

Mr. Chairman, I want to have the opportunity to further review the minister's remarks and to prepare a more substantive response, and to also read into the record the very strong opposition of groups in Saskatchewan to these particular amendments, or this particular amendment, with respect to private schools, and therefore at this time I beg leave to adjourn debate.

Debate adjourned.

(2200)

Bill No. 60 — An Act to amend The Northern Municipalities Act

Hon. Mr. Klein: — Thank you, Mr. Speaker. Some five and one-half years ago this Assembly enacted The Northern Municipalities Act, a major piece of legislation that provides most of our northern communities with an autonomous local municipal government structure which, prior to that time, had not been available to them.

The legislation went on to provide the smallest of our northern communities with a high level of participation and involvement in the way their communities are administered and in the provision of municipal services to their residents.

The Northern Municipalities Act also provides the base by which the province has been able to substantially increase operating grants to the northern municipalities to assist them in providing services rapidly approaching a level comparable to what you would find in most communities in the southern part of the province.

The Act also serves as a basis for the creation of a \$6.4 million northern capital grant program, which over the initial five-year term of the program provided capital funding to northern municipalities. That funding has allowed northern municipalities to greatly enhance and expand their municipal infrastructures, making additional services and facilities available for the use and enjoyment of their residents. By combining the capital grants program with other programs, such as the employment development program, approximately 100 person-years of employment has been generated in

northern Saskatchewan by these capital projects.

Last year this government announced that the initial five-year program was being extended by a new five-year program running to December 31, 1992 — another indication of this government's commitment to enhancing and improving the living and employment conditions in northern Saskatchewan.

As a government, we are proud of this legislation, and also proud indeed of the elected and appointed officials of our northern municipalities who have taken on the challenges and responsibilities offered to them by the Act. For the most part they have done a splendid job of moving their communities into the mainstream of Saskatchewan's urban municipal government activities.

The majority of northern municipalities are members of SUMA, the urban municipal association, and participate in the activities of that organization. On behalf of this Assembly, I wish to congratulate our northern officials for their achievements and extend to them best wishes for continued success and advancement.

The provisions for The Northern Municipalities Act, Mr. Speaker, extensively mirrors or parallels provisions of The Urban Municipality Act so that over time, and perhaps that time is rapidly approaching, northern municipalities can be brought under the provisions of the urban Act.

In 1984 a new urban municipality Act was passed by this Assembly and has been amended since then in other sittings of this House. This has resulted in the northern Act losing some of its desired similarities with the urban Act. The amending Bill now before you contains provisions which in the main are required to restore the similarity between the two Acts.

Many of the provisions of the amendment Bill are self-explanatory. However, Mr. Speaker, I wish to briefly comment on some of the more significant provisions contained in the Bill, to assist the members in their consideration of it.

Section 7 amends section 49 of the northern Act to require any northern municipality with a population of 500 or more to engage as clerk a person who possesses a certificate or membership and qualifications under The Urban Municipal Administrators Act. This change is in response to a resolution passed by SUMA (Saskatchewan Urban Municipalities Association) at its convention, and it was supported by those northern municipalities in attendance.

Section 8 of the Bill provides security for persons without those qualifications who may presently be in the position of clerk, by allowing them to continue in that capacity in that northern municipality.

In various sections throughout the Bill, the hon. members will note that changes are made to dates. During the initial period when northern municipalities had to adjust to operating under such a major piece of legislation, it was desirable to give the northern municipalities slightly longer period of time in which to perform certain duties and activities.

The initial pressure brought on by the implementation of the Act no longer exists, therefore these compliance dates are now being altered to coincide with the urban Act.

Again for purposes of consistency between the northern and urban Acts, the same provisions for store hours and dangerous dogs that exist in the urban Act are included in these amendments.

There's no doubt that the dangerous dog provisions are of much importance to our northern municipalities. Fortunately it has been many years now since the northern community has experienced a death as a result of a person being attacked by a dog. We hear how packs or individual dogs running at large are a cause for community concern, therefore it is likely only a matter of time before there may be another unfortunate attack.

Now these new powers relating to dog control won't by themselves eliminate that possibility, but they will give northern councils the ability that they need and want and have asked for to take actions that will ensure any risk to their residents is dramatically reduced.

Mr. Speaker, I want to mention features in this northern Bill which parallel two amendments which are being made during this session to the urban Act. Now these amendments are in the tax area. I won't go into much detail on them because they are much more pertinent to municipalities in the south. The first of these tax provisions concerns independent schools. This Bill, too, provides a local tax exemption to those independent schools that meet the criteria developed by the Department of Education.

And this reflects a principle that I think we should all agree upon: namely, those independent schools which provide Saskatchewan children with a satisfactory standard of instruction should not carry an unequal tax burden. Therefore independent schools up to grade 12, which meet appropriate educational standards, will receive a local tax exemption similar to that enjoyed now by public and separate schools.

A second tax equity feature of this Bill, Mr. Speaker, is the new provision which permits the government to place a ceiling on tax discounts. Again this amendment, as it appears in the urban Bill, is intended primarily for urban municipalities in the South. However, this amendment to the northern Bill will also allow us to draft regulations to prevent northern municipalities from discounting school taxes at a very high level. An excessively high discount would deny the school division expected revenue. It would also shift the school tax burden unfairly to other northern municipalities in that school division.

Mr. Speaker, there is one other section of this Bill I wish to draw to the members' attention. Section 20 empowers northern municipalities to establish or participate in the establishment of economic development corporations. In the southern part of the province, urban and rural municipalities are empowered through The Rural Development Act to jointly participate in this type of corporation. Widely separated communities in northern Saskatchewan, in the absence of a rural municipal

structure, make the southern model inappropriate for the North.

Up until now, northern municipalities have been resourceful and innovative in fostering economic activities in their communities, but have been restricted by the existing legislation from turning their ideas into ongoing activities with long-term benefits. The proposed amendments will offer a vehicle whereby individual, jointly with other northern municipalities or with other persons or entitled northern municipalities, will be able to undertake long-term economic activities with the promise of lasting benefits to the community and its residents.

Recently SaskPower announced the formation of SaskPower Northern Enterprise (Fund Inc.). That corporation will provide economic development funding of approximately \$1 million per year over the next 10 years to Northerners for purposes for diversifying and expanding economic development. Current high levels of unemployment and the need to create economic opportunities in the North are of paramount importance, Mr. Speaker.

This amendment, coupled with availability of financial resources, appropriately comes at a time that will enable both the private and public sectors to undertake activities which have the potential of achieving meaningful results.

Mr. Speaker, I'm excited and encouraged by the prospects and opportunities these amendments will provide to our northern municipalities. I'm confident, too, that all members of this House recognize the significant progress that has been achieved by our northern municipalities and will welcome the opportunity to promote even greater achievements by them, through whole-heartedly supporting this Bill, and therefore I move second reading. Thank you very much, Mr. Speaker.

Mr. Van Mulligen: — Thank you, Mr. Speaker. Our system of local government in Saskatchewan is a very strong system. It's one that's envied throughout the world because we have a history of good laws and strong people at the local level who have developed a system that works well — works exceptionally well. And we could take pride in that.

I think we can also now take pride in local government in northern Saskatchewan in the fact that its development is meaning that people are able to govern themselves well. I think the amendments before us are, in the main, good amendments, Mr. Speaker, amendments dealing with fiscal responsibility and obligations, the wording of petitions, the control of dangerous animals, the ability to control drainage outside municipal boundaries, the collection of local improvement assessments, the setting up of development corporations. These are amendments that are supported not only by northern municipalities, but I think can be supported by those who look at them and study them, and I think can be supported by this side of the House.

There are, however, two amendments which make the Bill totally objectionable, and the one is an extension of a

provision in The Urban Municipality Act which leaves it up to municipalities how to decide shopping hours. This is a provision that this side of the House fought when The Urban Municipality Act amendments were before us last year. The government said, well this is something that will provide freedom of choice to municipalities. And it did provide a choice of sorts, a choice between unregulated shopping hours or ongoing legal battles in our court systems.

It was a choice between a rock and a hard place, Mr. Speaker. That's not the choice that municipalities wanted. It's not something that they asked for. This is an area where there clearly needs to be provincial leadership and provincial law, and this is something that the province is trying to get away from.

The other aspect of the Bill, of course, that we cannot support is again the exemption of private schools from taxes, something that will, in the long run, erode the local tax base, mean that local taxpayers will have to pick up a greater burden in so far as supporting properties in private schools in their communities when we already have a public school system.

Therefore this Bill is likely to find strong objection. My colleagues from northern Saskatchewan will also want to make comments on this Bill in second reading, Mr. Speaker, after we've all had a further opportunity to review this Bill.

And at this point, I beg leave to adjourn debate.

Debate adjourned.

The Speaker: — Being past 10 o'clock, this House stands adjourned until 10 a.m. tomorrow morning.

The Assembly adjourned at 10:14 p.m.