

The Assembly met at 2 p.m.

Prayers

ROUTINE PROCEEDINGS

NOTICES OF MOTIONS AND QUESTIONS

Mr. Pringle: — Thank you very much, Mr. Speaker. Mr. Speaker, I give notice that on Friday next I shall move first reading of a Bill to provide access by the public to government information.

Some Hon. Members: Hear, hear!

INTRODUCTION OF GUESTS

Hon. Mr. Devine: — Thank you, Mr. Speaker. It is my pleasure to again introduce to you and to members of the House a team of Saskatchewan championship curlers. They're seated in your gallery today and they are the Canadian Firefighter champions.

With us today are the following: another Ford, Mr. Speaker, Rob Ford, skip of the rink; Rick Day, third; and the most sportsmanlike player of the championship, Clint Flavel, all-star second; and Willie Bamer, lead. And if these gentlemen would rise so that we could see who they are.

Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, these gentlemen captured the Canadian title at the beginning of April in Summerside, Prince Edward Island. Our province, as you know, has a world-wide reputation and tradition for curling excellence. In keeping with this tradition, these four gentlemen have graced Saskatchewan with yet, yes sir, another reason to boast about our curling excellence.

I've had the opportunity to meet these gentlemen in Toronto earlier, and I will be meeting with them again following this question period. So I want everybody to congratulate them again and welcome them to the Legislative Assembly.

Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Speaker, I too, on behalf of the members on this side, would like to extend a very warm welcome to the championship curlers. There's not a small town or a city in Saskatchewan that doesn't know the game of curling. We look and we all aspire to what you have accomplished. So nice to see you here.

Hon. Members: Hear, hear!

Mr. Shillington: — Thank you very much. I want to welcome to the Assembly five students from SIAST (Saskatchewan Institute of Applied Science and Technology), accompanied by their teacher, Roberta Kullman. I look forward to meeting with these students afterwards and discussing with them what they've seen here today. I invite all members to join me in welcoming them.

Hon. Members: Hear, hear!

Hon. Mr. Petersen: — Thank you, Mr. Speaker. I'd like to introduce to you, and through you, four people seated in your gallery. They are Jamie Lindsay and Justin Coulter. They're accompanied by their father, Bill Coulter. They're here today to watch some of the proceedings; they've taken a tour of the Assembly.

I trust they'll find our proceedings here informative and possibly even entertaining. They'll be travelling from here through to my home town of Rose Valley where they'll be visiting with Bill's mother and father and the children's grandparents.

I'd ask all members to welcome them here today.

Hon. Members: Hear, hear!

Mr. Saxinger: — Thank you, Mr. Speaker. Mr. Speaker, I'd like to introduce to you, and through you to the members of this Assembly, 11 Boy Scouts from Cudworth. They are accompanied by their leaders, Gerald Beauregard and Donald Loeffelholz. I met with them earlier and I had some interesting discussions with them. I was quite surprised how them young fellows are interested in politics. I look forward meeting again with them after the session, and I would ask you to help welcome them to Regina.

Hon. Members: Hear, hear!

Mr. Koskie: — Thank you very much, Mr. Speaker. It's a great deal of pleasure to introduce, through you and to the House, a business man from Wynyard, Saskatchewan, Mr. Randy Martin, accompanied by two Japanese investors. They have put together a very enterprising undertaking of Quill Waters and are in the process of developing a plastic plant in the community of Wynyard.

Also with them is Mr. Harvey Smith, the comptroller of the company. And I want to ask all members to join with them, and certainly I appreciate the effort that has been put forward by Mr. Martin and others in bringing such an enterprise to the good constituency of Quill Lakes, which really leads all diversification throughout this province.

Hon. Members: Hear, hear!

Hon. Mr. Swenson: — Thank you, Mr. Speaker. I also want to extend greetings, through you to the rest of the House, to some of our guests in your gallery. I'd like to introduce two distinguished gentlemen from Japan who are part of the business that the member from Quill Lakes talked about, and I'd ask them to stand when they're introduced. Mr. Miyagi and Mr. Okamura, and would you please rise.

Hon. Members: Hear, hear!

Hon. Mr. Swenson: — These two gentlemen are accompanied by Mr. Martin and Mr. Smith from Quill Lakes, plus some of my officials. They belong to the Pacific Green System Co. (of Japan) Ltd. which is the majority shareholder in Vis-A-Vis, which will be doing a

lot of the marketing of the Quill Water which Mr. Martin established some years ago.

We like to think, Mr. Speaker, that this is a fine example of business men from around the world coming to our province, diversifying our economy, and opening up opportunities — not only in Saskatchewan and Canada, but also United States and North America. And it was a great pleasure for me to have lunch with them this afternoon and talk about some of their plans for the future. I'm just very pleased to introduce these Japanese guests to the legislature.

Hon. Members: Hear, hear!

Mr. Solomon: — Thank you Mr. Speaker. I wish to introduce to you, and through you to members of the Assembly this afternoon, two guests from my constituency, seated in your gallery, John and Lorna Adamack. I'd like to ask all members to join with me in welcoming these special guests to the Assembly today. Thank you.

Hon. Members: Hear, hear!

Mr. Johnson: — Thank you Mr. Speaker. It's of interest today that I ran into a lady that I knew many years ago, went to school with her, as a matter of fact. They're sitting in the gallery, her and her husband, Mabel and Walter Nikula. They're from Regina, but interestingly they got — didn't count them — three or four grandchildren, maybe five with them today, and they're from Outlook. And I'd just like to welcome them to witness the proceedings this afternoon, and I'll visit with them a bit after question period.

But I was going to say something about Mabel, but I won't. We went to school just a few years ago, and I'd like to welcome them here and have all the members welcome them to Regina.

Hon. Members: Hear, hear!

Hon. Mr. Martens: — Thank you, Mr. Speaker. I want to extend a greeting today to two gentlemen who are in your gallery here. They represent the Hutterian Brethren from Vanguard, Saskatchewan. And when I went knocking at their door to ask them for their support, they said they would pray for me, and obviously their prayers have been answered.

I want to acknowledge them, Mr. Speaker. And also behind me, seated behind me, is Mr. Lorne Cornelson and his family. They're neighbours of mine. I want the Assembly to join me in welcoming them here today.

Hon. Members: Hear, hear!

ORAL QUESTIONS

Physiotherapist Shortage in Saskatchewan

Ms. Simard: — Thank you, Mr. Speaker. My question is to the Minister of Health, Mr. Speaker, and it concerns a problem I have raised with him time and time again and that he hasn't dealt with yet. It concerns the chronic

shortage of physiotherapists in this province.

Mr. Minister, this problem exists across this province. For example, in Yorkton the hospital has a waiting list of some 170 patients for physio(therapy). In The Battlefords the waiting list is also 70, and in Swift Current the list is about 65. And despite this we only have 30 students that were . . . approximately 30 that were admitted to the College of Physiotherapy in the past year. And I understand, Mr. Minister, that many of these students leave the province after they graduate.

So when, Mr. Minister, are you going to take this problem seriously and make Saskatchewan more attractive for physiotherapists?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, the issue the member raises, as we have spoken about in this House before and as she said in her preamble, is an issue of concern to this province, is of concern to health care providers across the province.

She says that there are only 30, and I note the word "only" 30 students in the program in our province this year. That was increased about a year and a half ago from 20 to 30 by this government, under the jurisdiction of this government, and now the member will say, well no, that's not enough. It's not enough to increase the number by 10.

One of the problems that we have, and it's also . . . I also acknowledge that the member has it right on this occasion, that there is a problem with a shortage of physiotherapists. But it goes far beyond, far beyond the borders of our province. The shortage of physiotherapists is a national, indeed an international problem. There are not enough physiotherapists to fill the positions, as our population ages, anywhere in this country.

And, Mr. Speaker, we have done some things to make physiotherapy more attractive here in terms of the facilities that people have to work in and so on. I point at the Wascana Rehabilitation Centre over here. They have problems with staffing of their physiotherapists, but there is no question that those are the kinds of facilities that physiotherapists are telling us that we must have in order to attract them to our province.

Some Hon. Members: Hear, hear!

Ms. Simard: — Thank you, Mr. Speaker. Mr. Minister, in Alberta, right next door to us, there are 800 physiotherapists working. In Saskatchewan there are only 180. In Alberta there are 100 physiotherapists in pediatric services, and in Saskatchewan there's only a shocking 15, Mr. Minister.

And how do you deal with it? You attempt to privatize physiotherapy services in the province by sending out a contract to physiotherapists employed at our hospitals to enter private clinics and to form private clinics. There's the PC mind-set, Mr. Speaker. Don't deal with the problem; simply privatize it. Mr. Minister, why don't you meet the legitimate needs of our hospitals instead of

trying to privatize more health care services?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, so now we come to the crux of the member's question, an accusation of privatization. You know, they use the word privatization. There's no privatization of physiotherapy.

Mr. Speaker, what we have said to physiotherapists across this province, because of the shortage that the member identified in her first question, which was a legitimate question — what we have said in regional hospital centres where private physiotherapy clinics do not now exist; they do exist in Regina, they do exist in Saskatoon, and in Moose law, and have for many years. It's not something that's new or was brought in by this government. They've existed there and they worked in conjunction with the hospital sector and with other health care providers.

What we have said to physiotherapists in the regional hospital centres, because physiotherapy clinics can very much complement those regional centres — and I speak here of Swift Current, of Yorkton, of North Battleford, and Prince Albert, those four regional centres — there will be physiotherapy clinics to identify and to address the issue, the very issue that the member raised in her first question.

Some Hon. Members: Hear, hear!

Ms. Simard: — Mr. Speaker, the offering of the contract to foreign private clinics does not increase the number of physiotherapists in the province. In fact, it makes . . .

Some Hon. Members: Hear, hear!

Ms. Simard: — . . . it makes it more difficult for the hospitals to meet their needs. Mr. Minister, the regional hospitals think this problem is solvable, and all that is missing is the will on the part of you and your government. They would like you to take steps to make it more attractive for physiotherapists to stay in the province.

The case-loads they are facing today are shameful, and as a result we have adults and children who are in effect being denied services because of the shortage of physiotherapists. Mr. Minister, if you listen to the people, you would have the solutions.

Now when are you going to start listening, get off your privatization kick, and try some real solutions to this very serious problem?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — At no time have we advocated that these clinics in the regional hospital centres are the only solution. But there is no question that our offering of them has been very much a result of listening to what physiotherapists in the province have been saying, and that's exactly true. Physiotherapists have been saying, set up these clinics like they have in Saskatoon at Smithwick's and others. I could name others off. They said, give us an opportunity to do this; we need both kinds

of clinics; we need services for people.

The member raises numbers and says there are so many . . . I forget the number she used for Alberta — 800 or something like that. Many of those are working in the kind of atmosphere that she condemns for here, but when it suited her purpose in the first answer, she said that physiotherapists are working in Alberta. Well many of them are working in just the circumstance that she's condemning for Prince Albert and Swift Current and Yorkton and North Battleford.

Some Hon. Members: Hear, hear!

Early Childhood Intervention Program and Physiotherapy

Mr. Prebble: — Mr. Speaker, my question is to the Minister of Health. Mr. Minister, last week in question period we raised the plight of children with physical and mental handicaps who were on waiting lists for services from the early childhood intervention program.

Many of these children are also unable to access the physiotherapy services in the province, Mr. Minister. And we have, for instance, a case on the west side of northern Saskatchewan where there is no physiotherapist on the whole west side of the North, so that a child with Down's syndrome or cerebral palsy and their family have to travel 700 kilometres to Saskatoon to access the services of a physiotherapist.

Now, Mr. Minister, my question to you is this: what action do you intend to take to guarantee that these children have access to physiotherapy services in their home community? Surely you must agree that they have a right to these services, Mr. Minister. Will you provide those services for them?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, I agree with the member that more people in this province need physiotherapy services closer to where they live. There's no question that that's true. I've said that before. You know that that's the case.

The member also has taken the position, as he often does, of saying: what are you doing about it? Why aren't you providing services? Why are you not out there providing the service yourself?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — I have outlined for the House, Mr. Speaker, I have outlined for the House the difficulty that there is in recruiting the physiotherapists, not just in more remote communities in northern Saskatchewan, in the case that the member cites, not just in those kind of cases; there is difficulty in recruiting physiotherapists, trained people, to every location in this country including our largest cities that we have in this country. There is a shortage of physiotherapists in every location in Canada. So for the member here to say, why don't you have a physiotherapist in a remote community — I wish we had physiotherapists in some of our larger communities

and as well as in some of the smaller, more physiotherapists all of our citizens would. than we have.

But, Mr. Speaker, one last point. One last point, Mr. Speaker. The members will chirp over there. Those members will chirp away at me over there, or at whoever's responsible at the given time. But, Mr. Speaker, there are more physiotherapists working in Saskatchewan today — today — than there ever were under their jurisdiction, ever. There are more now. And there are more being trained in this province now than there ever were under their jurisdiction. And, Mr. Speaker, we are working as best we can to increase that number.

Some Hon. Members: Hear, hear!

Mr. Prebble: — Mr. Speaker, a new question to the minister. Mr. Minister, you will know that in the province of Alberta, right next door, there are more than a hundred physiotherapists who have specific training in child pediatrics. Here, in the province of Saskatchewan, in rural Saskatchewan, there are less than 10, Mr. Minister. And families are having to travel hundreds of kilometres from rural communities into Saskatoon or Regina to get the specialized child pediatric physiotherapy services that they require.

Now, Mr. Minister, you have had eight years to deal with this problem and you've done nothing about it. And we want a commitment that those parents of handicapped children are going to get access to those physiotherapists who have expertise in child pediatrics, and we want those services in place within the next few months. Now what are you going to do about it, Mr. Minister?

Some Hon. Members: Hear, hear!

Hon. Mr. McLeod: — Mr. Speaker, during the eight years the member talks about, there's no question . . . and as I said in my earlier answer to this member and to his colleague, there is a need for more physiotherapists in this province as there is everywhere in this country.

It's always interesting to hear members on the opposite side — NDP opposition, I should point out — the NDP opposition pointing to our neighbouring province of Alberta. They do it in economic development, they talk about it in health care and other areas, and they say, Alberta — imagine, Alberta has more of certain services than we have here.

Did they ever stop to think, did they ever stop to think about why? Why is that? Why are they able to afford this and afford that and afford that? Could it be because of the infrastructure that was developed over there? Could it be? Could it be that Alberta was able to afford some of this in terms of the facilities that they built in some of the halcyon days, we could say?

Mr. Speaker, I outlined in my earlier answer, physiotherapy is services of individuals, and it's facilities within which they can operate. We have been working hard to provide those facilities and we have increased the number of physiotherapists, albeit that there are not enough and I would like to see more, as you would and as

all of our citizens would.

Some Hon. Members: Hear, hear!

Economics of Privatization

Mr. Lingenfelter: — Mr. Speaker, my question is to the Premier of the province, and it deals with an edition of *Personal Finance* magazine, a recent edition, that deals with investment stories, and one of them being on Canadian investment opportunities. And I want to quote from the article written on Canadian investments. But it says:

An investment rule of thumb states that whenever a government privatizes or sells shares in a company it owns, investors almost always eventually reap windfall profit.

Now, Mr. Premier, the people of the province realize that you're the chief privatization guru in the province, and I know that you and your colleagues are anxiously awaiting the privatization conference in Saskatoon next month. But can you confirm this investment in advice that privatizations are a good buy because the governments tend to sell its shares too cheaply? Can you confirm that?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker . . .

The Speaker: — Order, order. I believe it's the Premier who was answering the question, not his colleagues.

Hon. Mr. Devine: — Well, Mr. Speaker, what the market will do is put the price and set the price where people think it should be in terms of their investment confidence. As we saw today in potash, the market price was set at 18 to start with, and then it dropped to 13 or 14, and certainly people there are expecting it to improve. Saskoil has done the same. You'll watch the markets move as the flax market does and as the beef market does or anything else that's traded openly and freely.

So the hon. member says, well if you just keep it in the government and hide it, you know what the value is; well if you put it on the market, then you will know what the real value is, and we're finding that in the Soviet Union, in Czechoslovakia, in Hungary, all governments, and I have a list of them here, Mr. Speaker, that are moving towards privatization and offering people the chance to invest in their companies. And they're doing it across the world, Mr. Speaker, except for, I think, Cuba and China, the rest of the countries world-wide, particularly in Eastern Europe, are going to privatization allowing people to invest.

So, Mr. Speaker, I'm only happy to say to the hon. member sometimes the price goes up and sometimes it goes down.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Well, Mr. Premier, one thing is clear in the province of Saskatchewan, under your management, is that the debt has gone up to \$4.3 billion

as a result of your management.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Mr. Premier, the story goes on to make it clear that the privatization . . .

The Speaker: — Order, order.

Mr. Lingenfelter: — Mr. Speaker, a new question to the Premier. The story goes on to make it clear that the privatization it thinks is the number one investment opportunity in Canada is the sell-off of the Potash Corporation of Saskatchewan. It goes on to note that PCS (Potash Corporation of Saskatchewan, Inc.) is the largest potash producer in North America. It has 32 per cent of the continent's production, potash reserves of a hundred years or more, and a market for potash which is rising steadily around the world.

And the article goes on to say, and I quote:

So in addition to your break-the-bank profit potential, you will have little risk because of rising world-wide demand.

Now, Mr. Premier, I want to ask you: why does this American investment advisor think PCS is such a good buy for investors when you are telling Saskatchewan people this company was an albatross around its neck? Which do we believe?

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, the classic socialist argument is if the price goes up and people benefit, it was for our friends; if it goes down, then we hurt the little guy. I mean, it doesn't matter if the price goes up or goes down. It's like free trade — if a company comes into the province, they're frightened; if people leave the province, it's no good. I mean, they should make up their mind whether they want to breathe in or breathe out, or if they want prices to go up or prices to go down. It doesn't matter, Mr. Speaker. It doesn't matter at all.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — They don't like markets, and they don't like investment. They don't like other people coming in here and investing in joint ventures.

Mr. Speaker, with respect to potash, we put it on the market and the market fell, which just pointed out to me that why should the people of Saskatchewan as taxpayers risk themselves in the market when in fact you can have equity participants doing it? We left \$240 million on the table that Saskatchewan people wanted that we couldn't even give them.

Mr. Speaker, what that tells me, if 75,000 people are prepared to invest in potash, Saskatchewan people, as their own share analysis and the NDP pointed out, should have the opportunity to invest. Now, frankly and finally, they do in the potash industry in Saskatchewan because it is a good industry for us, but it doesn't necessarily mean that the government should try and own it by borrowing

money.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — Well, Mr. Speaker, a new question to the Premier. There's an old saying that if you throw a rock in the dark and the dog yelps, you know you hit him. And I just say, the Premier's doing a lot of yelping today on privatization.

Some Hon. Members: Hear, hear!

Mr. Lingenfelter: — I want to say, Mr. Premier, the article concludes by saying this:

This is an extremely rare opportunity to profit richly from bureaucratic incompetence, and we urge you to move with great speed on this one.

This is your privatization of the potash corporation. This is what they're saying in the United States.

Now even this American investment magazine is telling you there's no logical economic argument for your sell-off of the potash corporation. Mr. Premier, you've proven you couldn't manage the potash corporation. You've proven you couldn't run the potash corporation. And now you've proven you couldn't even sell it off at a reasonable price.

Mr. Premier, why don't you come clean with the people of the province and tell them that you've messed it up in this province to the tune of \$4.3 billion in order to benefit your friends and colleagues by selling off the assets of the province.

Some Hon. Members: Hear, hear!

Hon. Mr. Devine: — Mr. Speaker, I'm sure the media, well, they are laughing at this, but you know if we put it on the market at 18 and it moved to 21, they'd have hollered and said, you sold it too cheap. We put it at 18 and it drops to 14 or 13 and they say, oh my gosh, you made the wrong decision, you shouldn't have done it at all, Mr. Speaker.

I mean, clearly to them they want to own it in government, and obviously the people want to invest in . . . 75,000 Saskatchewan people took as much as they could. In fact, they offered 240 more million dollars than we had available to them, Mr. Speaker.

They bought SaskPower bonds and converted them to Saskoil shares and done very, very well. Saskoil, Mr. Speaker, has moved from a \$240 million company — they don't want to hear this, mostly debt — to a \$1.4 billion company, largely equity, Mr. Speaker, as a result of people investing in the province of Saskatchewan.

Only the socialists in Saskatchewan are against allowing the people to invest. Not in the Soviet Union. Not in Warsaw Pact countries. All over the world they're allowing people to invest, except those people over there, Mr. Speaker. Well I'll tell you, Saskatchewan people want the freedom to invest. They want the opportunity to trade with the rest of the world. That's what we tell them, Mr.

Speaker. They're embarrassed about them borrowing money from New York bankers, buying holes in the ground and losing it, Mr. Speaker, that's why they raise it today.

Some Hon. Members: Hear, hear!

Environmental Concerns Over Proposed Edmonton Landfill Site

Mr. Kowalsky: — Mr. Speaker, I have a question to the Minister of (the) Environment, and it has to do with the proposed dump site that the city of Edmonton wishes to build on the banks of the North Saskatchewan River, and which poses a threat to those of us who live downstream on the North Saskatchewan River because of its long-term possible effects.

Now, Mr. Minister, you will remember when this issue was raised by the residents of Prince Albert, North Battleford and Nipawin, that you indicated that the people need not concern themselves. I think you got a little mixed up and you said that it offered no environmental threat.

Now since then, Mr. Minister, the Alberta Court of Queen's Bench has disagreed totally with you and it quashed a city by-law to establish a dump, because in the court's opinion environmental considerations were given short shift.

Mr. Minister, will you reverse your position today and will you take a stand against this project and for the residents of Saskatchewan whose water supply is threatened along the North Saskatchewan River?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. Mr. Speaker, the hon. member will well recall that when this issue was first raised I was very new to the . . .

The Speaker: — Order, order. There seem to be two question periods in progress at the same time. The Minister of the Environment, allow him to answer.

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. You will recall, Mr. Speaker, that when this issue was originally raised, I took it upon myself to invite the mayors of North Battleford, the mayors of Prince Albert, the mayors of Lloydminster, and the mayor from the town of Nipawin. We all travelled to the province of Alberta. We met not only with the Hon. Ralph Klein, Minister of the Environment, but as well with city officials from the city of Edmonton.

And I think it was abundantly clear as we returned home from that meeting that there indeed was a consensus among that group, there was indeed a unified position that we all took and we expressed that position, I think, rather well, rather articulately to the people in Alberta. And we all took the position, Mr. Speaker, that we felt that there was a better place for that landfill to be located.

But, Mr. Speaker, what we also recognized was that in the province of Alberta, as well as in the province of

Saskatchewan, there are reasonable processes, reasonable rules, reasonable regulations, and we felt that there would be due justice done by following that procedure. Mr. Speaker, I feel that that was a reasonable position, a position that would be in agreement with all of those mayors that I have announced, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Kowalsky: — Mr. Speaker, new question. I note with great interest that the minister has now completely reversed his position because immediately following the flight, the headlines that he was quoted on was that he was opposed to it.

But in view of your answer, Mr. Minister, in view of the fact that you are now opposed to the site of that dump, will you travel with my colleagues and I to Edmonton on or after May 30 and make representation to the hearings that the city will be holding, and ask them loudly and clearly on behalf of the Government of Saskatchewan, on behalf of the people living along the North Saskatchewan River, to move that dump site?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, I once again say that if I had to do this over again I don't think I would do anything different. I think that our mayors and myself and our officials took a common approach and made our Saskatchewan position well-known to those in Alberta.

Secondly, Mr. Speaker, if the hon. member is correct and there are future public hearings or future representations that should be made from a Saskatchewan point of view, the hon. member may rest assured here today that Saskatchewan's voice once again will be heard in the province of Alberta.

Some Hon. Members: Near, hear!

Mr. Kowalsky: — One more question, Mr. Speaker, to the same minister. Mr. Minister, the Prairie Provinces Water Board now monitors the quality and quantity of water that flows interprovincially from Saskatchewan to Manitoba and from Alberta.

Would you agree, Mr. Minister, that the mandate of that water board should be changed so that they would be mandated to make recommendations as to what should be done with respect to things and developments along the river, rather than just monitoring the quality and quantity of the river?

Some Hon. Members: Hear, hear!

Hon. Mr. Hodgins: — Mr. Speaker, as time progresses I think we all want to pay more attention to the environment. I think we all want to look very closely at our regulations, at our regulatory bodies and just what functions they perform. The hon. member has made some suggestions that the prairie provinces' Water Appeal Board has a changed mandate in the future. I frankly, sir, today would be in agreement with that, that I think we do have to examine not only that body but many bodies' functions as to what they monitor and what they do.

And, Mr. Speaker, I can say that as Minister of the Environment for the province of Saskatchewan, that is a subject that I will take up with my counterparts across western Canada.

Some Hon. Members: Hear, hear!

INTRODUCTION OF BILLS

Bill No. 12 — An Act to amend The Municipal Hail Insurance Act

Hon. Mr. Klein: — Thank you, Mr. Speaker. I move first reading of a Bill to amend . . .

The Speaker: — Order, order. We can't hear the Minister of Consumer and Commercial Affairs who is attempting to introduce a Bill. Let us listen to the Minister of Consumer and Commercial Affairs.

Hon. Mr. Klein: — Thank you, Mr. Speaker. I move first reading of a Bill to amend The Municipal Hail Insurance Act.

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

Hon. Mr. Hodgins: — Mr. Speaker, prior to orders of the day, I would seek leave of the Assembly to make some changes to a few members on some committees including the Rules and Procedures Committee, Private Members' Committee, and the Standing Committee on Estimates. These changes, Mr. Speaker, deal only with government members.

Leave granted.

MOTIONS

Addition of Member to Special Committee on Rules and Procedures

Hon. Mr. Hodgins: — Mr. Speaker, I would like to move, seconded by the Deputy House Leader, the member for Rosthern:

That the name of Mr. Rick Swenson be added to the list of members on the Special Committee on Rules and Procedures.

Motion agreed to.

Addition of Member to Standing Committee on Private Members' Bills

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. I would also like to move as well, seconded by the Deputy House Leader, the member for Rosthern, that the name of Mr. Don Toth be added to list of members on the Standing Committee on Private Members' Bills.

Motion agreed to.

Addition of Member to Standing Committee on Estimates

Hon. Mr. Hodgins: — Thank you, Mr. Speaker. I would also like to move, seconded by the Deputy House Leader, the member for Rosthern, that the name of Mr. Jack Wolfe be added to the list of members of the Standing Committee on Estimates.

Motion agreed to.

ORDERS OF THE DAY

GOVERNMENT ORDERS

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure Consumer and Commercial Affairs Ordinary Expenditure — Vote 4

Item 1 (continued)

Mr. Calvert: — Mr. Minister, when we last were involved in your estimates we concluded by talking about some of the issues that face seniors, particularly in regard to direct sellers. And I was pointing out some of the concerns that I have that continue to exist in the province that generate the kind of headlines we see in the papers, "Fraud artists prey on elderly", "Salesman ordered to repay seniors", and a problem continues to exist in our province in this regard. I had asked in our last sitting if you were considering some changes to the 10-day cooling-off period, and you said you were monitoring that.

I asked if you were considering perhaps a cooling-off period in terms of the beginning of work, particularly when the direct sale is for home renovations, and you said you would consider that.

Sir, I recommend to my constituents and to people who contact me, if they're approached by a direct seller, that they be in contact, one, with their local municipality, and also, sir, with your department to check whether in fact the direct sellers have been licensed by your department, sir. I think you would agree that that's appropriate advice.

Sir, in estimates last year with the former minister, I asked if there would be consideration given to providing a toll-free line into your department so that people who may wish to check the credentials of a direct seller, or for any other purpose, could make contact with your department toll-free. Mr. Minister, have you considered that; in fact have you put into place a toll-free line for consumers?

Hon. Mr. Klein: — Mr. Chairman, at the present time we don't have a toll-free number, and it doesn't appear that there are an awful lot of consumers out there that are demanding that. We haven't had too many inquiries for it at all. It's fair to say that you brought it up and we monitored it, but there's not anybody that seems to be asking for it.

Mr. Calvert: — Would you suggest, Mr. Minister, that your department may receive more inquiries from consumers across the province if there was a toll-free number?

Hon. Mr. Klein: — Well, Mr. Chairman, it's difficult to say. I don't think so. Certainly every consumer in the province knows that if nothing else they have the right to call the minister collect.

(1445)

Mr. Calvert: — Well, sir, I'm not sure that every consumer across the province knows that — that they have the right to call the minister collect. In fact I wasn't sure that that was the case myself.

That may be good news to many consumers, but I point out, sir, that in many of your other government programs and departments there are toll-free lines. Correct me if I'm wrong, sir, but I believe there is a toll-free line to ask questions about Consensus Saskatchewan.

Do you not, sir, believe that the consumers of this province, who should be, and I believe should be contacting the department to check licenses and so on, should have access to a toll-free line to your department when obviously other departments of government and other programs have such a toll-free privilege?

Hon. Mr. Klein: — Well again, Mr. Chairman, I think that if the demand would be there that we would have a look at it.

It's fair to say that my critic's comments are reasonable, and it would add some expense to our budget and I think you understand that. But we can monitor the situation again over the next year, if you like. We have no intention of putting it in now. And certainly if the consumers would appreciate to have that . . . I suppose the biggest problem would be, as well, where you would even begin to advertise that kind of a number, or how, or how much you would spend on advertising it.

Mr. Calvert: — Well, Mr. Minister, I think the answer to that question is very simple. Your department does a great deal of educational material, and I have in past and do again compliment your department on much of the educational material that you are producing. It would be a very simple matter to include in all of that material the toll-free listing. I can't imagine it would cost a great deal to the government of Saskatchewan or the department to put that number in telephone directories across the province.

I take that, from what you said today, that you're not about to do it now. I encourage you still to continue to look at that. I believe it would be a valuable service to the consumers and the people of Saskatchewan.

Mr. Minister, in some other areas that I would like to touch on today, in the . . . You will be aware of this publication *Sask Watch*. It's produced by the Consumers Association of Canada Saskatchewan Branch. In their March 1990 news-letter, they very appropriately raised the question of the tax discounters who will be taking commissions from those who want to get a tax discount on their income tax, sir.

And if I might just quote from this most recent news-letter,

which you no doubt have read, referring to the tax discounters:

They take a 15 per cent commission on the first \$300 and 5 per cent on everything higher. Discounters must complete and forward documents of all transactions. Discounters must be licensed by the province.

Mr. Minister, could you tell the committee today how many of the tax discounters have been licensed by your department this year, last year, and the year before that, sir?

Hon. Mr. Klein: — Mr. Chairman, I have been informed that that is presently under the federal jurisdiction and we don't have any control over it any more. It's a federal responsibility now.

Mr. Calvert: — Sir, just to be clear then. You are saying that your department does not currently license the tax discounters who are in business in the province? Is that correct?

Hon. Mr. Klein: — Yes, that's right. We no longer license them.

Mr. Calvert: — When you say "no longer," does that mean that there has been a change in this regard, that they were previously licensed by your department but are no longer licensed here?

Hon. Mr. Klein: — It was transferred back to the federal government in 1985 or '86.

Mr. Calvert: — Perhaps, Mr. Minister, you could explain the rationale for that decision, and obviously that decision is not widely known when the Consumers Association of Canada Saskatchewan Branch, in their own news-letter as recent as the month of March, indicate that in fact these discounters are being licensed by the province.

Mr. Minister, what was the rationale for transferring that back to the federal government?

Hon. Mr. Klein: — Mr. Chairman, I've been advised that about that time it was a problem right across the country and more than several provinces, because of the duplication that existed between the provinces and the federal government, returned that part of it back to the federal government. And all but two provinces now have given it back to the federal area of responsibility.

Mr. Calvert: — So, Mr. Minister, are you unable then to tell the House today how many tax discounting firms are providing that service here in the province? You do not have that information now?

Hon. Mr. Klein: — That's right, Mr. Chairman. I can't provide you that information because it's a federal responsibility.

Mr. Calvert: — Mr. Minister, could you endeavour to get that information from your federal counterparts and provide it to the committee?

Hon. Mr. Klein: — Sure, we'll try to get whatever information we can and supply it to you, whatever we receive.

Mr. Calvert: — Well, Mr. Minister, even though your department has shifted this responsibility to the federal government, the Consumers Association of Canada, Saskatchewan Branch has some concern about the tax discounters in the province. And again I quote from their news-letter — and I share their position here — and again, I quote:

CAC (Consumers' Association of Canada) feels (this is still referring to the commissions of 15 per cent on the first 300 and 5 per cent on everything higher) that this is still an exorbitant amount of payment considering the amount of work involved in filling out the tax forms and the zero risk involved in obtaining money from Revenue Canada.

Mr. Minister, do you share that view, that the commissions being charged by the tax discounters are in fact exorbitant as does the consumers association of the province?

Hon. Mr. Klein: — Mr. Chairman, I've been told that rather than shift responsibility, as my critic mentioned, in order to control the abuse that seemed to be prevalent in a lot of tax discounters, all the provinces but two went with the federal government responsibility on it. And as a result, they were able to curtail quite a bit of the abuse that went on as a result of their Act.

I would say that if the consumers association still has a problem, the beauty of it now is that they can go to the federal government who controls the legislation for the eight provinces . . . or 10 provinces and two territories.

Mr. Calvert: — Mr. Minister, that wasn't my question, and I'm sure the consumers association provincially know that they can approach the federal department, the federal government.

My question was to you, sir: do you share the view held by the Consumers Association of Canada, Saskatchewan Branch, that in fact the commissions being charged for the tax discounters in Saskatchewan are inordinately high, given the no-risk of receiving the money by the tax discounters, and given the desperate situation that will often lead individuals or families to go to the tax discounter?

Their position is that the commissions are too high. I'm asking, sir, if you share that position as the Minister of Consumer Affairs in this province?

Hon. Mr. Klein: — Well certainly for anybody that has a minimum payment of \$300 and a rate of 15 per cent, for a charge of \$45, which is what it amounts to, you get your money back immediately and have your tax return done. I suppose that a consumer would just have to be aware up front and determine whether it indeed is worth a \$45 value to them or not.

Mr. Calvert: — Sir, then I take it from your answer that you feel that these, in fact, these commission rates are not too high. Is that what you're saying?

Hon. Mr. Klein: — Well again I think it would depend, Mr. Chairman, on an individual household. Certainly, if they didn't want to pay the \$45, they could do the tax return themselves.

Mr. Calvert: — Thank you, Mr. Minister. There is, according to the consumers association news-letter, also the concern, and again I quote from the news-letter, "There is the very real possibility of discounters falsifying records."

Now, sir, I am aware that you no longer have an involvement in the licensing or monitoring of the tax discounters in the province. Are you aware of any concerns that have been brought to the attention of the federal department about any of the tax discounters in Saskatchewan?

Hon. Mr. Klein: — Mr. Chairman, again when we turned the responsibility over to the federal government our complaints went to zero. The federal government, or indeed our department prior to the federal government regulating that, we would turn any of those complaints over to the RCMP who would then investigate it and do with it what they had to.

Mr. Calvert: — Sir, well, I understand some of the rationale in involving the federal government because we are talking here income tax, and so on. I am surprised, sir, that you have not maintained at least an ongoing record of what's happening in our own province with these tax discounters. Obviously the more that our economy suffers and the more that Saskatchewan people find themselves in difficult economic straits, the more that they will want to turn to people like the tax discounters. And the more that there is a demand for that kind of service, I would argue the more wide open is the market for the unscrupulous tax discounter.

And I'm somewhat disappointed that you, sir, as the Minister of Consumer Affairs for Saskatchewan, on behalf of Saskatchewan people, would not have some further concern about this and would not have perhaps more specific information about what's going on in our own province. I'll appreciate getting from you, sir, any information that you can gain from your federal counterparts.

Mr. Minister, in another area, in recent months and years we're aware that some consumers in Saskatchewan have suffered when some of the health clubs, gyms, and spas, tanning salons, and so on have folded up and left them having purchased some long-term contracts and commitments. Mr. Minister, currently under The Sale of Training Courses Act are such facilities as health clubs, tanning salons, those kinds of things — are they included under that Act or are they included under any other Act which your department is responsible for?

Hon. Mr. Klein: — Mr. Chairman, they're included under The Sale of Training Courses Act. They require licensing and bonding.

And just to close off on the topic of the tax, I will assure my critic that we will try to get him all the comfort that he requires, that indeed the federal responsibility is the right one, and what they, the federal government, is able to do and accomplish regarding the concerns that you brought up for the consumers. I think that to avoid a duplication of services, it only stands to reason that one agency takes care of it. I'll try to get all the comfort you need for that.

Mr. Calvert: — Mr. Minister, can you provide for the committee today information about how many contacts your department may have received, concerns, problems with the health clubs, the tanning salons in the course of the past 12 months?

(1500)

Hon. Mr. Klein: — Mr. Chairman, I can't give you the exact numbers regarding that one specific grouping. Our statistics are kept under the entire Act, so I'll give you those numbers, and it'll give you some idea of what happens with regard to all of The Sale of Training Courses Act.

The department did do 41 investigations last year, and three licences as a result were rescinded. There was one bond that was called in and there were six convictions made. To protect the area that you're referring to, the fitness salons, the bonding requirements were increased from \$10,000 to as high as \$30,000. Most cases, however, are \$20,000 bonds.

Mr. Calvert: — Mr. Minister, in another area could you indicate, and maybe you have the statistics here, if there were any . . . or how many Saskatchewan people may have been left stranded by some of the charter air carriers who may have gone bankrupt and left Saskatchewan people stranded? Do you have information in that regard?

Hon. Mr. Klein: — Mr. Chairman, my critic, the member from Moose Jaw South, brings up a very interesting part of my portfolio that I too have some concerns in and with. And there is no legislation right now to protect the consumer with regard to that type of a contract.

We are presently undertaking discussions in that area to see if there's something that we might be able to do in that regard, and I share your concerns in that area. I can tell you that the most recent one occurred a few months ago, Ports of Call, and a personal friend of mine was involved in that one. Out of 250-or-so people that were involved in that one flight, there were 17 people that had no insurance.

Mr. Calvert: — Mr. Minister, you may have anticipated my next question because I was prepared to ask if you were developing some legislative protections, and so on. Have you looked at the possibility of a travel assurance fund? I understand some provinces have travel assurance funds. Have you looked at that possibility at all?

Hon. Mr. Klein: — Mr. Chairman, we're examining as much information as is available on that subject and certainly what the other provinces are doing. If you had any observations that you'd care to share with me and

drop me a note on, certainly yours would be taken into consideration as well.

Mr. Rolfes: — Mr. Chairman, Mr. Minister, I have just one area that I would like to ask a few questions on and it relates specifically to one particular ongoing problem in my constituency. I know that Mr. MacGillivray is very familiar with it when I mention the name of Mrs. Ogilvie.

I need to ask a few questions on this as she has now gone through, I think, about a half a dozen ministers. And my first question to you, Mr. Minister, is have you been informed about the problem that has been ongoing for about, I think, eight years? The former MLA, Mr. Bob Myers, very kindly dropped off the whole package by my house, which was, I think, about 6 inches thick.

I've gone through the package, but I've also gone through it with a number of ministers since '86. I'm wondering, Mr. Minister, could you tell me today, where is the situation at with Mrs. Ogilvie? Can anything be done so that that problem can be resolved, and can we give a final answer to the claimant? If not, I would like to know, why not?

Hon. Mr. Klein: — Mr. Chairman, I'd like to inform the member from Saskatoon South that I am aware of that ongoing problem. And it's my understanding that several ministers before me, including the Premier, have written her and have told her that her only recourse is a court action, if she chooses to take it. There is presently a letter on my desk that I will be responding to in the next short while and I will be giving her similar advice. There's just nothing that we as a government or as a department can do for the situation that she finds herself in. A court action is her only possibility that's left open to her.

Mr. Rolfes: — Mr. Minister, let me ask, could you tell me what are the rights of an individual if they have a grievance with an insurance company? I know you're saying that a court action is the only thing available to her, but what protection does she have under your department if she feels she has a legitimate grievance against an insurance company and she feels she simply hasn't got the financial wherewith to take this company to court? What are you prepared to do to protect the rights of such an individual?

Hon. Mr. Klein: — Mr. Chairman, the member from Saskatoon South is bringing up some interesting questions. And I think he's probably aware of the fact that an insurance policy is indeed a contract between the insurer and the insured person. And as a result, they're sitting there with a legal contract.

Therefore, the Act, short of dictating what insurance companies should do or must do or could do or couldn't do, is a very difficult area to get into because I don't believe that it's the government's responsibility to tell anybody how they should indeed operate in regard to that contract.

However, the Act does give some two measures of protection to consumers. The first one — indeed although it is a legal contract — if a dispute arises after a claim occurs, the Act would provide that an umpire be called in

to try to mediate that dispute, and then the results would be taken from there.

If it eventually wound up in a court of law, then the Act would further protect the consumer by the fact that the Act includes that any judgement against an insurance company must be complied with, or they would lose their licence.

Mr. Rolfes: — Mr. Minister, do I understand you correctly in saying that even before court action is taken, that you could set up an umpire to look into this dispute and arbitrate in this dispute? Am I clear on that?

Hon. Mr. Klein: — Yes, that's right, it can be done before. And if you're alluding to your constituent, Mrs. Ogilvie, that has already gone through that process as well.

Mr. Rolfes: — Mr. Minister, could you tell me who the umpire was in this particular case?

Hon. Mr. Klein: — It occurred, as the member knows, about seven years ago and my officials can't recall it offhand. If you'd like, they could search through the file and find out the name of that umpire and supply that name to you.

It appears that Mrs. Ogilvie, short of going to court, just insists that she is right, in spite of the fact that she has used all of the protection that's available to her to this point, short of a court action. And she just refuses to accept that as an answer, while we find ourselves in a position of our hands being tied.

Mr. Rolfes: — Mr. Minister, it's not that Mrs. Ogilvie hasn't sought legal advice, as I think you are well aware. In fact, I think she spent about 4 or \$5,000 so far in legal advice. The problem is that she simply can't afford to spend any more than that.

The total claim, I think, that she has been making is around \$24,000. And she continues to use legal advice, you know, the whole claim will be — if she should win — her whole claim will go for legal advice. And what she is saying, that look, there ought to be more protection for an individual if they run into some difficulties with an insurance company.

And you are saying that an umpire could be set up. I, by the way, have had . . . the name of the individual has escaped me, so I would appreciate if your officials could make that name available to me.

Secondly, Mr. Minister, if there is nothing else that can be done, if that is it, would you indicate that please in your letter to Mrs. Ogilvie? I think you're answering my letter that I wrote a few days ago. Would you please indicate that to Mrs. Ogilvie: here are the steps that you have already taken; you've exhausted everything; there's only one thing left to do and that is to take the insurance company to court.

The last thing I want to ask, Mr. Minister, is: does the individual have a right to look at all the files of the adjuster and of the insurance company? Does she have a right to demand those files to see exactly what are in those files,

what the adjuster recommended, and what the final decision was? And if she doesn't have a right to see those files, do you have a right to see those files? And the last question is: did the umpire have a right to see those files? And if he did, did he examine those files?

Hon. Mr. Klein: — Well, Mr. Chairman, my understanding of the situation, first of all, I will be very clear and very concise in my response to her. She will know in no uncertain terms what avenues, if any, are left to her other than the court order. But I have been informed that more than several adjusters have been involved in it. The insurance company certainly tried to co-operate as much as they could under the circumstances.

But all in all, the adjusters, including the umpire, did not feel that she had a legal and legitimate claim under the terms and conditions of the policy, and as such she was denied the liability for that claim. So she obviously has a very strong feeling otherwise.

I don't know what kind of legal advice she has sought or what she has paid for or indeed what type of legal advice she has received. So that, you know, she is the only one that can determine whether she's getting advice satisfactory to her or not. And one day, I guess, she's just going to have to accept the fact from everybody involved as to whether or not she has any sense of going further with her claim or not. But certainly my response to her will be very, very clear.

(1515)

Mr. Rolfes: — Mr. Minister, you didn't answer the questions. I asked about three questions. I didn't get an answer to any of them. I want to know if she has a right to have a look at the files — the adjuster's files, the insurance files. And if she doesn't, do you have that right, and/or does the umpire have that right? And if either one of you have that right will you look at those files and clearly indicate to Mrs. Ogilvie what the recommendations were in those files.

Hon. Mr. Klein: — I have been informed that I don't have access to it. I believe the umpire at the time that he's looking at it would have access to it. Again it's a legal contract between the insured and the insurer, and I suppose they keep their file to themselves, just as she keeps her legal advice to herself, so that in the event the matter would go to court, the court then would certainly have access to all of the files.

An Hon. Member: — Does she have a right to the adjuster's files?

Hon. Mr. Klein: — No, she wouldn't have a right to the files either; only through the courts; that would be her only recourse. The courts would certainly have a right to open up all of the files, yes, but she wouldn't, no.

Mr. Rolfes: — So, Mr. Minister, what you're saying to me is that the only option left to Mrs. Ogilvie is to take this to the courts and get a decision from the courts; is that correct?

Hon. Mr. Klein: — If under the advice that she would receive from her lawyer to proceed that far, yes, because the court is the only option that I can say is open to her. And her lawyer would have to decide whether indeed that option or not would provide an opportunity for her to win her case or not. She'd have to make that decision.

Mr. Calvert: — Mr. Minister, another issue that I'd like us just to touch on very briefly. In the spring of 1988 you will likely recall that a former employee of Turbo, Mr. Mark Gibson, made some allegations about the matter of the pricing of gasoline for consumers in the province. He made some allegations regarding price-fixing. Another employee who was not identified at that time made some similar allegations and then . . . That's two years ago now, sir, and at that time your predecessor in office indicated that your department would be looking into those allegations, and at that time, sir, the federal government announced that they would be conducting a full investigation into the allegations.

Sir, because scepticism in the market-place still exists about the pricing of gas in the province, I wonder today if you would report on the results of your own department's investigation into those allegations in 1988-1989, and if you, sir, have received from the federal government a report of their investigation into those allegations at that time about the matter of price-fixing on the price of gas.

Hon. Mr. Klein: — Mr. Chairman, I've been advised that the only way that we can act on this is through the federal Competition Act, which we did do. And once it is turned over there, they are not obligated to provide us with any information or material or a result of their investigation or anything. They thoroughly investigate it, do what they do. If there are any charges to be laid they will do that. And if not, just how they close their file with Mr. Gibson, I don't know. Ours is closed once we turn it over to the Competition Act. So that I'm not in a position to give you any more information on it than that. It was turned over there and they've dealt with it.

Mr. Calvert: — Mr. Minister, is there no way that you can receive from the federal department . . . I assume they did an investigation into the allegations. And we've not heard a thing since the promise that the investigation would be done.

So, Mr. Minister, can you provide to the committee and, therefore, through this committee to the consumers of Saskatchewan, the findings of the federal government investigation?

Hon. Mr. Klein: — Mr. Chairman, this area that we're into is relatively interesting and relatively strict. But the competition bureau investigation and what they do is not even available to their federal minister. So as a result, I just can't supply you with anything, because if the federal minister doesn't have access to their investigation files, neither do I.

Mr. Calvert: — Minister, just one further question regarding the gas at the pump for consumers in the province. It's my understanding, sir, that in the United States the

octane level of the gasoline is clearly posted on the pump. I observe that's not the case in Saskatchewan. Is there a reason why that is not the case in Saskatchewan, and do you feel that that would be of some assistance to the Saskatchewan consumer, to have the octane posted on the pumps?

Hon. Mr. Klein: — Well I don't think that it would assist the consumers, in my opinion. You know, we've got our regular unleaded and then we've got the supreme, or whatever the oil companies choose to call their top-graded gasoline, and everybody knows that there's the two available. I don't believe that the octane reading would mean much to the average consumer at all, no.

Mr. Calvert: — Well, I beg to differ a little there, Minister, that in fact I've talked to a fair number of motorists who note that octane levels are provided in the U.S., and feel that that would be information they would like to see as an assurance that the octane level doesn't fall below a certain amount, sir. I'll leave that aside.

And perhaps if we would move, as we move closer now to a line by line, sir, I understand that the auditor some time ago, the Provincial Auditor, indicated that in the estimates he would like to see a separate line appropriation for the costs of administering The Agricultural Implements Act. That was his recommendation last year. I do not see that separate line in these estimates, Mr. Minister. Do you have an explanation for that?

Hon. Mr. Klein: — I've been told that we have to amend the Act before we can do that, and we are presently looking into that amendment. As you can appreciate, it involves a lot of players; it involves manufacturers, large and small; and it involves dealers; it involves distributors; and it certainly involves the farmers. We have been working to . . . once we open up the Act to get that in place, there are a lot of other areas, and we are working very hard to get a proper amendment drawn up to present to the Assembly.

Mr. Calvert: — Mr. Minister, we expected legislation in the last session, last year, around the agricultural implement dealers and didn't see it, sir. I assume we will see it therefore this session?

Hon. Mr. Klein: — It's my hope that we can bring it forward this session, if I can get all of my consultations done with the various interest groups. There has been a host of consultations undertaken to date so far. It appears as though we have a basic agreement from all of the players involved as to the amendments that should go through. And I would like to just share with all of the players one more time what we propose to do, and see if I can get approval from everybody.

Having said that, once I get that approval from all those players, I would like to talk to you about that because it's a very unique Act, as you know; and I believe that if we can get consensus from everybody involved, I would like to see that legislation, after all of our discussions, go through non-controversial.

Mr. Calvert: — Mr. Minister, I know that the implement

dealers in the province and indeed on this side of the House were anxious to see your draft legislation or a first reading on the Bill. So we'll at that time certainly have a look at it, sir.

Mr. Minister, one other question before we start moving line by line. Sir, I understand that your department rents computer equipment through SPMC (Saskatchewan Property Management Corporation) and has mail delivery through SPMC. Again these were questions raised by the auditor. Do you have this time the appropriate order in council to make those payments?

Hon. Mr. Klein — I understand that the Department of Finance is working on all of those contracts at this time, for not only this department but the others as well.

Item 1 agreed to.

Item 2

Mr. Calvert — Mr. Chairman, on line two, sir, there's an increase here in the personnel services from \$150,000 to \$175,000, a \$25,000 increase, and yet there is no increase in the amount of staff. Sir, can you explain the \$25,000 increase when there's no increase in the number of staff?

Hon. Mr. Klein — I've been advised that that relates to the settlements arrived with the union regarding increases, as well as the out-of-scope increases that would apply to the personnel of the department.

Mr. Calvert — Sir, could you for the committee provide the percentage figure of increase for the out-of-scope employees; the percentage increase figure for the in-scope employees.

Hon. Mr. Klein — I've been advised that both out-of-scope and union personnel received the same 3.5 per cent.

Item 2 agreed to.

Items 3 to 6 inclusive agreed to.

Item 7

Mr. Calvert — Your payments in this budget to the property management corporation are down \$100,000 — \$100,000 less payment to the property management corporation. Mr. Minister, can you explain that decrease? Are you using less property through the property management corporation? Are you receiving fewer services? Why is there a \$100,000 decrease here?

Hon. Mr. Klein — I've been advised that the prime reason for that decrease is due to increased efficiencies in the corporation's operations.

Mr. Calvert — Mr. Minister, could you explain that with a little more clarity? There's increased efficiencies in ... Are you saying increased efficiencies in property management corporation and so they've reduced your rent by \$100,000?

Hon. Mr. Klein — Yes, you'll have to talk to them about it. They've increased their efficiencies and were able to pass on a significant saving to this department.

Mr. Calvert — Well we'll certainly raise those questions then with property management, Mr. Minister.

Yes I think, Mr. Minister, though, it would be helpful in terms of the estimates of your department if you will detail for me and provide for me precisely which properties and which services you get from property management corporation for the \$575,000 now.

Hon. Mr. Klein — Mr. Chairman, that covers the rent for the building that we occupy at 1871 Smith Street, as well as space that we occupy in the Sturdy Stone Building in Saskatoon. It includes mail services as well as storage of documents, and retrieval of them as well.

Mr. Calvert — Mr. Minister, is there any significant change in what you've just said from the year previous?

Hon. Mr. Klein — No, no significant changes.

Mr. Calvert — Would you provide for the committee, and if you don't have the information now, at a later date, the square footage that's being rented through property management, and what your department is paying per square foot for the property.

(1530)

Hon. Mr. Klein — Because of the competitive factors that are involved in the leasing of space, we will supply you with as much detail as we can, yes.

Mr. Calvert — Mr. Minister, are you getting any computer services from property management?

Hon. Mr. Klein — I've been told that we own our own computers now and we only have a contract for the maintenance of them.

Mr. Calvert — Finally, Mr. Minister, then from property management, how much of the \$575,400 is budgeted for mail delivery from property management?

Hon. Mr. Klein — I'll include that with the other information that I can send you.

Item 7 agreed to.

Items 8 and 9 agreed to.

Item 10 — Statutory

Mr. Calvert — Mr. Speaker, last year there was no listing under 1988-89 for this item. This year we have a \$36,600 figure in the budget. Could you explain that to the committee?

Hon. Mr. Klein — Mr. Chairman, that is the portion that's allowed to the cabinet minister's salary.

Mr. Calvert — Thank you, Mr. Minister. Mr. Minister, I submitted a list of typed questions to you last day. Have

you brought the answers to those questions with you today, sir?

Hon. Mr. Klein: — I was just going to deal with that, Mr. Chairman, in response to the member from Moose Jaw South. And just so that there is no misinterpretation, there was a list of six items that he had asked. The first one related to the minister's personal staff, and I have that, that I will give to the page to take to him.

The second question related to travel by the minister. And I don't have anything in writing; I will give that to you orally at this time. There were two ministerial meetings that the minister attended. One was in Vancouver and one was in Moncton. The cost of the trips were \$2,334.26.

The third question related to the amount budgeted for out-of-province minister's trips for this year. I can tell you that the budget includes \$7,400 for the minister's travel this year, but that is for both in and out of province.

The fourth question related to advertising. And I can tell you that last year the department spent \$138,608.46, and we are budgeting \$92,500 for this year.

The fifth question related to the amount spent by the department on polling and market research. I have that paper prepared to send over to you.

And the final question related to use of chartered aircraft. I have that in written form that I will present to you now.

Mr. Calvert: — Mr. Minister, thank you for the information. Sir, will we be moving to the estimates for the Gaming Commission this day? No, we will not.

Item 10 — Statutory.

Vote 4 agreed to.

**Supplementary Estimates 1990
Consolidated Fund Budgetary Expenditure
Consumer and Commercial Affairs
Ordinary Expenditure — Vote 4**

Items 1 to 7 inclusive agreed to.

Vote 4 agreed to.

Mr. Chairman: — Order. I would like to thank the minister and his officials.

Mr. Calvert: — Mr. Chairman, I want to join with you particularly in thanking the officials that have been with the minister throughout these estimates in several hours in this House. I want to thank them for their assistance to the minister, and through them I would like to thank all of the employees of the Department of Consumer and Commercial Affairs who are doing good work for the people of Saskatchewan.

Some Hon. Members: Hear, hear!

Hon. Mr. Klein: — Thank you, Mr. Chairman. I, too, would like to thank my officials for attending with me

throughout these proceedings as well as for the good job that they do throughout the year. I'm delighted to hear my critic from Moose Jaw South indicate that. I appreciate the questions that he afforded as well as those of his colleagues, and we will provide the other information that was requested at an early date. Thank you.

**Consolidated Fund Budgetary Expenditure
Rural Development
Ordinary Expenditure — Vote 43**

Mr. Chairman: — Would the minister introduce his officials.

Hon. Mr. Hardy: — Mr. Chairman, I'd like to introduce on my left here, Bill Reader, deputy minister of Rural Development; directly behind me here, Dennis Webster, assistant deputy minister of Rural Development; next to Dennis, there is Larry Chaykowski, executive director of management services; off to my farther left here is Ernie Anderson, executive director of transportation services; and at the back I have Doug McNair, executive director rural services; John Babcock, director of lands branch; Terry Crowe, regional program manager of planning and development; Walter Antonio, director of transportation and planning and Sandy Lauder, director of extension services.

Item 1

Mr. Koskie: — Thank you, Mr. Chairman. I want to, Mr. Minister, throw you a soft one, and what I'd like you to do, Mr. Minister, if you would, is to outline to the House here sort of all the positive things that are happening in rural Saskatchewan, and in particular with emphasis on rural development, your department.

Hon. Mr. Hardy: — Well I'm not sure how far the member'd like me to go with this. I can spend a long time or I can spend abbreviated time. We did a great deal under rural development. We have, as you know, back about four or five years ago we started making many changes under the Department of Rural Development.

We brought in such things as . . . we brought in a rationalization of the road services which we looked at all the different roads that need to be built and the services to different areas. We did the wheat pool, with the wheat pool, and all the other major service industries. We worked with all the RMs and we looked at seeing where our roads would need to be built for the future.

We have done all that. We did that in consultation with the RMs and with a lot of the major players, the service industries, in our province. We also looked at where they would meet the highway system and where the highways would need to be upgraded to take the extra heavy traffic that comes in because of the type of transportation systems that are out there now.

We also decided at that time, or made a decision that we needed to have a way of getting communities working together. How could you get communities to work together to better their area, to bring development to their area, to bring opportunities for jobs and opportunities for young people, to keep the young farmer or the young

person in the town or village or city within the area so they would come back and be part of our community in the future.

Through that process we set up what we call the rural development corporations. They are . . . the idea of the Rural Development Corporation is partly funded by the Government of Saskatchewan: \$25,000 the first year, 50,000 the second year, and 33,000 the third year, and then graduated down for the next two years.

The idea was to get RMs and towns working together, and villages working together, to look at their whole community, see how we can structure our community to make it better for themselves, and how could you do it from the grass roots up instead of government coming out there and making all the decisions for you.

We did our first Rural Development Corporation down at Wood Mountain about two years ago, I guess, close to three years ago now. We did it, and that was the very first one that we put into place. Since then we have . . . they have been working on a Kalium mine down there, which we done a pilot project out here at . . . just to the west of Regina here, at the plant. They've also discovered silica sand down there which they've been working on.

Besides that, they had set up . . . the RMs got together and they set up a ready-mix plant, a crushing plant, where all the RMs and the towns and communities could use it. They brought that type of service to that area that didn't have that before.

They've been looking at health care services such as where the hospital is close to a senior citizen home, and they're looking at that area at Rockglen where they're looking at putting that together as a unit. They've also been looking at two different industries in the area: one, a tanning processing one; the other one they have brought into that area is a snail . . . manufacture or growing of snails in the area, which they're shipping around the province and . . . (inaudible interjection) . . . Okay.

I just want to . . . That was the first one. Two days ago, on Monday morning, I signed the 23rd one at Tisdale, called the Kelsey RDC (Rural Development Corporation). With that Kelsey RDC was the first time that an Indian band had ever become involved in a broader community concept, and it's the Kinistino Indian Band came into that. I believe it's 91 is the number of their band. They came in there as a participant, in looking at the area, developing the area, and part of it. I was very proud to have that group come in because it's the first time we've been able to get beyond, and with the native folks involved, in that rural development concept.

They are now in the process of setting up a small tannery just on the edge of Tisdale, looking at expansion in that and using their own folks and the local people. So it's come a long ways, all the way from the Wood Mountain to the radar base, the Dana radar base where everybody knows they made the first fire trucks in Saskatchewan. That was done under RDC, set up under that.

They're now . . . focus on inputs, as you know, has been looking at that as one of their major places to go in to

bring in a generic Roundup into the area, which will certainly help all our farmers. And certainly the member from Humboldt knows how important that could be to all of us, to bring that kind of a cost factor. And it's very, very important, and he agrees.

So that's what we've done under the RDC. I could go on a lot about the rural service centres we've set up today. I opened the . . . again the 23rd one. Again that happens to be today at Davidson. I was out with the member from Quill Lakes at a couple of openings, one at Watson and one at Wynyard a week ago.

(1545)

I believe it's fair to say that they're there to service the community. And many things have come from them, and I could get into more and more about that but that's the vision of how we can . . . and I could name at least 25 industries that have started because of either the Rural Development Corporation concept and now under the municipal economic grant that we have out there. So between them, there's been a lot going on. A lot more can happen because it's communities working for themselves.

So, Mr. Chairman, I'll stop at that, but if you want me to go on further I'd certainly be very pleased to do so.

Mr. Koskie: — What I also would like, after having an analysis of your positive impact, I'd like the minister who's close to rural Saskatchewan — supposedly at least — I wonder then if you would give your synopsis of what are the basic problems and challenges facing rural Saskatchewan today. What do you see out there as the major problems confronting rural Saskatchewan?

Hon. Mr. Hardy: — Well, Mr. Chairman, there's a lot of challenges out there in rural Saskatchewan, a lot of challenges in Canada and Saskatchewan, in fact a lot of challenges around the world. But in rural Saskatchewan, in rural Saskatchewan, the major challenges as I see it, and I'm out there a great deal, I see it is three things.

One, certainly our farm economy has suffered greatly from a lot of reasons — from drought, from poor prices, certainly from poor prices on the export, especially on the export markets, challenges from the other European countries with prices. Certainly much greater than was being paid, that can be got by the Canadian Wheat Board or by other grain marketing agents around or across Canada.

As you know, the Canadian Wheat Board is very limited. They represent the three western provinces. They compete against the Ontario marketing board, the Quebec marketing board, the Maritimes, and also against the U.S.A. and Europeans. And so there's lots of problems out there, price being one. Certainly the drought hasn't helped us any at all in this province. So those two things have really, really hurt our farming industry.

Interest rates, I think everybody in this province and in this country knows that when it's above 10 per cent, the interest rate hurts business, any kind of business, whether it's farming, retail, wholesale, manufacturing. Interest

rates in excess of 10 per cent hurts us greatly. And it's just important that the federal government look at how we bring our interest rates down.

Just to touch on that before I go on to some of the other things. The interest rates, and I think we all know it, that every 1 per cent that interest rate goes up, it costs our farmers about 47 millions of dollars a year, and that's what it costs. And if it goes up 1 per cent to the Government of Saskatchewan, it's \$37 million a year. Those are substantive amount of moneys.

And the other thing that a lot of people don't realize is that for every cent that our dollar goes up on the U.S. exchange, between Canadian and U.S. dollars, it's almost 50 millions of dollars to us. That is a substantive amount of money on a year-over-year basis. And those are important factors, very important factors in what's happening out there in our whole rural economy.

The other part that I see is very, very stressful for all of us. One is that we need diversification and jobs out there in rural Saskatchewan. We can have all we want, and we've done much in the city of Regina and much in the city of Saskatoon and much in the city of Prince Albert, and certainly that . . . but we need it out there. In the towns of Humboldt, we do need it there. We need it. I know a lot has been done. And I agree with the member from Quill Lakes — there is a lot of diversification in the area there. That is absolutely great. We need much more of that. The rest of the province needs a lot of that.

So diversification, job opportunities for our young people, education availability within our towns and our communities — important, terribly important. If you stay at home, it's a fact. If you stay and take your first year or two of university in your community, or stay the first year or two after you graduate in your community, the chance of you coming back becomes much, much greater than if you leave immediately after grade 12 to go to one of the major centres for education.

Those are important issues — natural gas to our farmers and natural gas to our communities and into our small towns — important because we can't have diversification without having cheap energy, need cheap energy and individual line service to all our farmers, access to information.

There's many, many more things, but those are the things that I see out there that is stressful to our farmers, to our small communities, and to Saskatchewan, rural Saskatchewan in general.

Mr. Koskie: — Mr. Minister, those are some of the concerns. You mentioned interest rates. That is a concern. And yesterday in this House, I believe it was yesterday, we moved an emergency motion requesting that the federal government under Farm Credit Corporation, that they would in fact reduce the interest rate. You and your government would not give us leave in order to move that motion.

We take a look at the interest rates that are happening in the Farm Credit Corporation, and they have been spiralling upward and upward. And shared risk mortgage

now is fourteen and three-quarters; the farm syndicate loans is fourteen and one-eighth; the five-year fixed term is fourteen and one-eighth; 10-year is thirteen and five-eighths; the 15-year or more fixed term is thirteen and a quarter.

That is a problem, and that has been brought to your attention by the SARM (Saskatchewan Association of Rural Municipalities) through their resolutions, and you get up here and you speak on it. And I guess what we want to know is why you wouldn't join forces with us when we wanted to request a reduction in the interest rate in respect to the loans to farmers under the very depressed conditions.

I also wonder, you know, you talk about the farm economy — and I share your concern in respect to what's happening. But I think I share a deeper concern of what's happening, and that is that there is a real disintegration of rural Saskatchewan as we knew it, and that the very basic concept, the family farm, is being threatened.

And you stood in this House and you supported the programs in respect to addressing that farm crisis. And as I said yesterday, Mr. Minister, the most that the provincial government could possibly come up with, and you do an analysis of it, is that twelve and a half dollars at ten at three-quarters per cent per cultivated acres. And when you do a calculation of that, Mr. Minister, I think that you will agree that that doesn't even touch the problem.

There is a problem and you outlined it when you marched around this province. And you were the editor of *Farm Finance for the Future*, and a glowing pictures of yourself is in this here *M.L.A. Committee on Farm Finance*, the chairman of rural development minister, And you outlined back in 1987 that the farm economy was in great stress. And you outlined the magnitude of the problems. And today you come into this House and you have the audacity to come forward and say the problem is the agriculture economy.

At a great cost to the taxpayers you went around the province and you set out and you analysed the crisis in agriculture. You had an opportunity again to bring in a budget last year and a budget this year to address that problem. And I want to say that you didn't address it, and you don't intend to, because thousands of farmers are going under. I don't think you can deny it. Based on possibility of the spring seeding program, the ones that are worst off will not, in fact, qualify, and you know it because it's within the criteria.

And the meagreness of the support. Did a calculation on a thousand acre farm, the average size farm. And you know what the government's contribution is per acre on that, on the subsidization of 5 per cent - it comes to 32 cents an acre. Now that is really going to resolve the economic crisis.

And what I want to ask the minister is how can he sit there and say he's concerned about the crisis in agriculture at the same time that the government finds millions of dollars to put into Cargill or into Pocklington or the exorbitant salaries that you pay to the head of the potash corporation? How can you have the hypocrisy to come

here and say you're concerned with rural Saskatchewan when your actions indicate that what you're prepared to do, that there be no mistake, that on the basis of the programs that are being presented here to this legislature under the provincial budget, that you will not save the farmers. Those that are in serious trouble won't qualify and those . . . and moreover, one of the largest problem is the debt that is carried by agriculture today.

And there's a massive amount of that debt is being carried today by ACS (Agricultural Credit Corporation of Saskatchewan), which is supposedly the farmer's bank, as the Premier alludes to, and also by the Farm Credit Corporation. And don't tell me that the two institutions couldn't, in fact, take a leadership role in restructuring debt. And you know what you have said to the farmers, and the Premier said it himself: we're going to study restructuring of debt.

Mr. Minister, are you aware that at least 10,000 farms are going to be wiped out of existence. The Premier alludes to 20,000 that are facing financial ruin.

I want to ask you, if you really are concerned with the crisis of agriculture, then why haven't you supported programs which will help to alleviate that crisis that exists? The heavy debt, instead of just studying it, that has to be addressed, because most of the farmers that are in crisis are younger farmers. A recent University of Saskatchewan study clearly indicated and classified the division of farmers, and indicated that those at the bottom of the line, those from 18 to 30, there's practically no chance of them surviving.

That's not just a basic problem. What we have is a basic crisis in agriculture, a crisis that we haven't faced before since the 1930s, and I alluded to yesterday. That's when we had a Tory government here in the province, a Tory government in Ottawa, and today we have the repeat some 50-some years later.

And I predict and I tell any farmer that is watching, no matter whether we get the seed program which is of basic no . . . is of some assistance, but many that need it can't get it, won't qualify. And the second thing is, even if we get a payment from the federal government and it's paid on a universal basis, it doesn't address that unique problem of those farmers that are handling . . . and as your report indicates, about one-third of the farmers have over a half of the debt.

Now you've got to make a decision, Mr. Minister, and you're representing rural Saskatchewan. You've got to make a decision and the decision can't wait. But I can see that, at the actions of the government, that a decision has been made.

What I was going to say, if we're going to decide to save those 10 to 20,000 farmers, and particularly the young ones, then action would have to be taken, and taken this year.

I'm going to ask you, Mr. Minister, do you believe that under the proposals of agricultural policies that has come forward from this budget, that it's going to address the challenge and the crisis that exists in respect to

agriculture? And I'm going to ask you, Mr. Minister, how do you expect to save thousands of farmers who can't even qualify for your spring seeding loan? How are you going to save those young farmers that carry the majority of the debt? Or is it in fact the policy of this government that those farmers are expendable?

Those are the questions that have to be addressed, Mr. Minister, and they'll be asked of the Minister of Agriculture as well. But you also represent rural Saskatchewan and are in contact with all of the RMs, and they have made certain resolutions which I'll allude to, and I'm going to ask you what action you've taken in respect to them.

But there is a massive disintegration. There's interest rates, as you indicated. There's other items which we'll be discussing in detail, the massive closure of rural hospitals across this province, and you sit idly by. There are farm bankruptcies.

There's a huge tract of land that is now being held by financial institutions, about a million acres of land held by financial institutions. I did a calculation of 48 million acres of cultivated acres in Saskatchewan — that's the approximate number. And you realize that the amount of land that is held by the financial institutions on average, if you take the 299 rural municipalities and divide into 48 million, that the amount of land that is held by financial institutions today would take upon average all of the land in five RMs across this province. That's the magnitude of the foreclosures that have taken place in this here province.

(1600)

And we sit by and we say, we got a problem. We got a problem — the farm economy. And we blame it on to someone off in the other countries.

We say interest rate is a problem. And you have contact with the federal government. They're your Tory cousins. Why can't you get a change in the policy?

And you talk about diversification. And diversification is not new to this province, because during the previous governments of Saskatchewan, not only did we have a strong rural agricultural economy, we had a considerable amount of diversification, and I can go through the list of diversification that was in my riding prior to you birds coming on the scene.

So I say to you, Mr. Minister, it's a crisis out there. There's interest rates. There's the closure of post offices in rural Saskatchewan, and you're not doing anything about it. There's the farm bankruptcies. There's the massive closure of small business in community after community. There's the huge debt, as I alluded to, in agriculture. There's the massive depopulation that is going on in rural Saskatchewan. And if this continues, what Saskatchewan is going to look like is like North Dakota, with 5 or 600,000 people.

I'll tell you that it takes imagination. It takes government planning in conjunction with the people of this province. And you guys came in and you said, well let's win her,

let's diversify by the huge megaprojects. And you poured the money into the Cargills and into the upgraders and into the Pocklingtons of the world, and what we've had is the rural depopulation. And small business, by the way, went virtually unaided. This is the crisis that we're facing, and I would have thought that you would have come in here and indicated that this government is prepared to tackle it.

In view of what I've set out before, and I can read it from your report, if it helps, and I think maybe I should just for the purposes of the record, because, just to let the world know that you . . . we're on this here farm finance; you were chairman of it. And this was in 1987 — didn't happen today or yesterday, it happened several years ago. And your government and the federal government continued with *ad hoc* programs. And in the introduction you say, and this is in the *Farm Finance for the Future*, MLA committee:

Many of the farmers leaving the industry will be forced out. (This is in 1987.) The Farm Credit Corporation estimates that 11 per cent of Saskatchewan farmers are insolvent while an additional 28 per cent are having considerable cash flow difficulty.

Those are your words. You go on:

However, the one-third of the farmers currently holding three-quarters of the debt may not have the resources to continue farming.

One-third, 20,000 farmers. That's what you said in 1987, your report.

New mechanisms (it says) to cope with the debt must be developed and debt must be brought down to levels the industry can afford.

That was in 1987, Mr. Minister, and today your analysis is going to come true. One-third of the farmers are going to be driven off the land by Tory policies or inaction. That's the plan. That's the purpose of it. You never intended to save them.

And I want to ask you why. Why have you deserted one-third of the farmers of Saskatchewan when you analysed the problem in your own report? Why, why? What callousness. What is the object of your programs? Is it indeed to do that? To destroy the lives of 20,000 people and then have the hypocrisy to come forward with a program that won't even apply to one-third of the programs?

I'd like some of your comments in respect to the views of the crisis as I see it.

Hon. Mr. Hardy: — Mr. Chairman, he ranged a long ways here, and I'll try to cover the areas that he asked questions on.

One statement he made — it's not true — was that there's massive closing of hospitals in the province. And that's not true . . . (inaudible interjection) . . . of hospitals, you said. Then later you said, closing; you might have meant

. . . well but it's not true if he did; he might be correct. And that's one thing.

The second thing he mentions, the closing of post offices. And as you know, or maybe you do not know, I did write a letter to the minister responsible for post offices here a while ago in regards to the closing of the office at Dubuc. They wrote back and they said that they would wait a while, take another look at that one.

The same time, they have offered to come, the post office, Canada Post has offered to come and take a look at talking with us. If there's ways that we could save many more of these post offices instead of just closing them out, so we're going to be working with them to try to keep as many as possible of post offices open.

Some of the communities, in fairness to them, really have . . . there's nothing, not even a store left in town. It's really, really hard to keep a post office open because most people are going to other places for their mail. And in fairness to the post office . . . some in reality, I suppose, as they have in the past, they have over the years.

I grew up in a small . . . in an area called Etomami, which is the Cree word for the meetings of three rivers. But I grew up in that small community and we had three post offices within about 4 or 5 miles apart, little store with them. They went a long, long time ago, back in the '50s they went. Then in the '70s the little towns, like the towns of Erwood, the towns of Veillardville, the towns of Clemenceau, in my area, right around where I lived — all had post offices. They are now gone. They went in the '70s.

And so they've happened over a period of time because people just don't get there, don't trade there. Things change. And that's fair enough. And I'm concerned about the closing of post office, particularly in the areas where there is a need. A community uses those. The services are there. We need all those services — very, very important.

I want to go to some of the other comments he made about, one, when I did the tour on farm financing around the province. He's right. There's no doubt about what we said in those statements that there was a third of the farmers have problems. There's still a third of the farmers out there have financial problems due to a lot of reasons. And I said them earlier, one certainly being the drought and second being world prices. When those two things hit our farmers, they have no way of recovering at all.

The third one is the interest rates controlled totally by the federal government, totally by the federal government. And certainly that is of deep concern to us, to the Premier, to everybody in this province.

So it's important that, I believe, that the federal government makes some changes to that. Provincially we can't do it, although I am going to read off a series of things that we have done provincially since 1985 to help our farmers in interest rate subsidies or in other ways of other cash injections.

And I think I did this when I was speaking a while ago, but I think it's important that we go through it maybe more

one time just to refresh the memories of everyone here. Since 1985 to 1989 inclusive, we have, as the Government of Saskatchewan, put \$823 million, the Government of Saskatchewan, into our farmers one way, either through interest subsidies or cash injections or other ways that we've done it, not including crop insurance.

Through crop insurance we have put \$1.244 billion into . . . through insurance back into the farming economy plus there was another, additional about \$60 million in multi-year disasters that went out. And that's what went out in the last five years.

Now I'm going to read off some of the other subsidies that we have done: interest subsidies, assistance for water, the other things we've done as a province to help the farmers out there. So we just haven't sat back and said, we can't do anything. We've done a great deal. We've done everything this treasury and the people of Saskatchewan really has money to do. And it's a substantive amount of money.

Under the Saskatchewan Water Corporation supply program . . . Remember when the drought was out and we did dug-outs . . . (inaudible) . . . assist in deep wells for our farming community, for our towns and villages as well? There was \$34 million spent on that.

Our farm purchase program rebates, and certainly those who were buying land, the 8 per cent money, the 10 per cent money that's been made available when you buy your own . . . buy land that you're leasing from the government. It's 10 percent interest. Certainly that's fixed for 10 years. Important to have that kind of interest rate set in place. There has been \$95 million in subsidy to our farmers.

Under the counsel assistance for farmers where we guarantee loans, we guarantee . . . we have put out \$29.5 million; under the farmers oil royalty rebate program, which we sent back to the farmers, \$81 million and under the livestock investment tax credit, \$37 million; under the ACS capital loans interest subsidy, \$16.5 million, and that's where I'm talking about the 8 per cent money and the 12 per cent money, that when you go nine and three-quarters if you're buying cattle, 8 per cent. Those kinds of interest subsidies, protection for our farmers, interest subsidies that we can do at a provincial level. Production loan interest subsidies and certainly we know about that one — that \$73-odd million so far.

Our livestock cash advance, interest-free money for those who raise livestock in this province — never before in this province. No other place in Canada, in fact, do they have that kind of opportunities. It's cash advances for our livestock producers in this province and we have spent \$73 million in interest subsidies alone on that.

Our irrigation assistance, where we were out there, we're helping farmers bring irrigation — it's been drought; it's been extremely dry — \$22 million; a provincial stabilization program through the hog and the beef one, \$122 million; the livestock facilities tax credit, another \$11 million.

There's been others. The drought payments that we have made. The ones that we went out there for our cattle and drought payments — \$86.5 million.

Our green feed program, where we help the farmers put up feed shared by the federal government and the provincial government, another \$10 million; and our livestock drought program that was just cost-shared here a year ago of \$17 million. That doesn't even take in consideration where we will be cost sharing on the drought program that just went out, the final payments went out, whatever that will amount to. And that's nothing to do with the federal government.

In that period of time the federal government has put into our province, in one way or another, \$6.6 billion. So there is a substantive amount of money being put into our farm economy. And it needs it.

What we need besides that or along that or in place of that is even better. We need three things: we need our interest rates brought down to a reasonable rate for all of us — for those in business, for those in the manufacturing and for those in the farming industry. Great asset to all our communities, even for those doing infrastructure in the communities, the urban communities, a great deal of assistance. If that is brought down to a reasonable rate that would be very important.

Export subsidies: we either need an export enhancement fund or an export subsidy placed on, as they have . . . the federal government in U.S.A. has done or in the European Economic Community, whether it be a dollar or \$2 a bushel on our wheat above what we're getting now, that would make a great deal of difference to our farmers. In place of that, a cash injection which we'd need. One of those two things. That has to be a federal responsibility.

No provincial government in this country and no state in the United States fights the European Economic Community or other federal treasuries at a state or provincial level. It is not the responsibility, nor should it be, of any state or any province to do it. That's why we have a federal government. That's why you have the big fund, and that's why it should be done at . . . that's why it's their responsibility to do it.

And I believe that there's ways of working together. We passed a resolution in this House to do exactly that. I believe that's what we've got to do. We have to emphasize to the federal government that that's their responsibility.

We have done many things. We've brought in now — a member criticized it, but certainly asked for by his leader in a letter to our Premier — an interest rate . . . no, a loan made available to the farmer which would be a repayable loan at a reasonable interest rate, ten and three-quarters. We have a farm seeding loan made available. It's \$525 million. It will be available . . . is available to our farmers out there through our local credit unions, through our banks. It's available and it's there, and if you need it and you want to use it, it's certainly much, much better than the 14 or 15 or 16 per cent that you would have to pay if you went to your credit union or to your local financial institution.

And that is important that these are all made available, added to the list I just read off.

(1615)

One other thing that he was talking about — restructuring of debt. And certainly that, for our younger farmers — and some of the older farmers, not just the younger farmers any more; some of the older farmers need that. We're looking at that through . . . we've been looking at that, as he well knows, through ACS. It has been mentioned both in the throne speech and the budget speech. We're looking at how we can help restructuring of . . . but first a write-down by the financial institutions so that we're not picking up, as a province, as a taxpayer, a debt beyond what it should be, and the farmer can't pay it anyway.

So what we have to do is do the two things — have the financial institutions write the debt down to a reasonable way. If they won't carry them, then we have . . . We have been, as you know, looking at — and the Premier's mentioned it, it's been mentioned otherwise, and I'm sure it'll be announced — how we can take that money and make it available so that person continue to farm, so his debt is in line with what his production will let him have it, or let him produce. So it's important to do it that way.

I believe we have to take such things as the Farm Credit Corporation and ACS — well we already do at ACS — and allowing where the debt has been, or where they've been leasing the land back from farm credit, they have to set it three years, it should be 10 years, and there should be an option to repurchase. That would stabilize a lot of our farmers out there. Give them a chance to pick up their debt, to set the debt aside so it don't continue to increase.

Those are things that can be done and they can be done by this Legislative Assembly and by the people of Saskatchewan — we all work together — and that will bring a lot of stability into our farm economy.

I think that covered most of the things that you were talking about. You were talking about the budget. Well certainly I've went through what's in the budget here and in the past. I've talked about such things as what we can do with the interest rate, our . . . a reseeding loan. I don't know what else I might have missed but I think that's as close as I can come to the questions you asked.

Mr. Koskie: — You've got her all solved, Mr. Minister except the crisis. You've done a wonderful job. You keep quoting those statistics.

It's awful strange, Mr. Minister, that back in . . . Again I indicate to you, in your report: in 1987 new mechanisms to cope with the debt must be developed and debt must be brought down to levels that the industry can afford. Today, 1990, he says, yes, debt must be brought down. We've got to talk to the banks. And he says, they have to write it down and then we have to restructure at the proper value, the reduced value.

The question, I guess, is: you're going to sit around and study, Mr. Minister, until 10 or 20,000 farmers are off the land. You can't procrastinate any longer. This is 1987 that

you wrote it, and you're still studying it. You have so-called the farmers' bank, ACS, with a reputation . . . according to Kevin Hirsch, has a worse record in dealing with farmers than do the financial institutions.

You're asking the financial institutions to do a write-down. And ACS, the so-called farmers' bank, has indicated that they will not entertain write-downs themselves in dealing with farmers' debt. Great example, tremendous example, Mr. Minister.

Your Premier has consistently said, what is wrong is what we've been doing is using *ad hoc* programs — *ad hoc* programs. And he's dead on. And so what have you done again? You got an election coming so you got some more *ad hoc* programs.

In 1985-86, going into that election — and I'll challenge you that the crisis in '85-86 was not the crisis that it is today — and you know what you had then? One point two billion dollars at 6 per cent. A major . . . and you gave it to everyone. Walk into the elevator, sign a promissory note . . .

An Hon. Member: — That was before an election.

Mr. Koskie: — That was before the election. Go get it; cash without hassle.

Now when the crunch is on, you say, oh, but we're doing a wonderful job. We got half the amount, twice the interest rate, and we're going to disqualify those that are in trouble.

Isn't that a terrific forward step? Massive understanding of the problem. But, you know, your \$525 million so-called spring seeding loan — at most it costs, using your figures, and that's double the amount because the federal government says it's really only valued at \$20 million. That's basically what it's going to cost the provincial government.

But at the same time that this crisis is going on in agriculture, do you know what you did? You and the cabinet sitting around the table indicated that you have \$380 million for Cargill, the largest private corporation in United States, in North America. You got \$64 million cash — God knows what else because you won't indicate it — but you guaranteed the rest of the loans at taxpayers' cost.

How do you justify going and giving \$64 million to the most profitable corporation in United States? And that's not we're opposed to. It's priorities, Mr. Minister. You pretend. At most, you give \$40 million to 60,000 farmers and you say otherwise, we can't help any more. But to Cargill, you're prepared to give \$64 million cash and guarantee a balance of loan up to 380 million, combining equity and loan guarantee. How do you justify the priorities in respect to that type of action by your government? How can you say that you're concerned?

And what I want to ask you, Mr. Minister, you can read all the statistics of the *ad hoc* programs and the money that you've indicated that you've passed on to the farmers, but my specific question is: am I not right that unless

immediate action is taken and taken by the provincial government through ACS and immediate action is taken by Farm Credit Corporation, that we are not only on the verge but it is inevitable that we will be losing up to 20,000 farmers? Is that not a concern to you, Mr. Minister? Is that not an inevitability by delay? I'd like to hear what you have to say. Is that not a concern to you? Twenty thousand . . . we lost 23,000 people from this province last year. And we had 20,000 farmers, and you multiply it by four, you've got 100,000 people going to be displaced from agriculture with their families. And you sit here and read statistics of programs that you put into effect in the past.

Mr. Minister, is this the best that this government is prepared to do? Are they wiping their hands of agriculture and now passing it on totally onto the federal . . . and in respect to the export enhancement? That's what you apparently are doing. I agree. But I say that both Tory governments are at fault.

The Premier said in 1985 what was needed was a long-term agricultural policy. And today he's saying the same thing. He said *ad hoc* programs won't work, and still that's what we're getting. We're getting exactly the same as we got in '85-86 because we've got an election coming in '90-91. That's the only conclusion that can be drawn. And to any farmer that doesn't qualify for the seed loan program — and there'll be thousands of them — what you have done is written them off.

Mr. Minister, is it not in fact true that 20,000 farmers, unless there is a massive debt restructuring — and over half of that debt is held by the provincial or federal government — and if you're going to be restructuring that it's in the hands of the federal Tory party and the hands of the provincial Tory government, and action could be taken if there was a will.

But you don't intend to save them, because your concept of agriculture is the concept of the Royal Bank, that there's different classifications of farmers: those on the edge, entrepreneurs on the edge of the industry, you know, the swingers and the movers and the shakers and the success; and then there's another group of good performers, the traditionalists; and then, they said, there's the marginal group, 40 per cent — that's about 24,000 farmers.

The Royal Bank, Tory policy. The Royal Bank is complying with the wishes of the Royal Bank. And not only that, it's bringing to fruition the policy statements of your Premier when he was economic professor at the university, where he advocated a massive exodus of farmers which he classified as uneconomical.

Well I'll tell you, farming in Saskatchewan is more than economics. Farming in Saskatchewan is a way of life. And I'll tell you there is no better way of nurturing that soil than through the individual private ownership of family ownership. And you destroy that. And that's what you're up to — 20,000 farmers to be leaving. There can be only one other avenue of farming that'll take place in Saskatchewan, and that will be corporate ownership of land. And that, by the way, is also outlined in your report because you advocated it when you said equity

financing.

And family farmers across this province said, no way; we aren't having foreigners come in and own our land. We worked for it, we pioneered, and we built it. And we cleared that land and we passed it onto our family and it's a valued way of life. And in difficult times we expect that governments will have the sense to protect the agricultural community.

And you sit and you smile, Mr. Minister. I'll tell you this is no smiling matter. This is one of the most serious crises I have ever seen as long as I have been in politics. And I'll tell you, you go into rural Saskatchewan today, Mr. Minister, and I never saw it before — hope is leaving the agricultural community.

Farmers, I am told, will not come into town. They stay at home because of the problems and the crisis and the depression that they feel because of the crunch that is taking place. Old pioneers who set up their sons in agriculture, on the verge of losing it all.

And I'll tell you, don't start spouting around the Tory myth that it's management. It has nothing to do, Mr. Minister, with management. It's a question of timing and also policies of government.

I have a large farmer that has set up several of his sons. Some of them were established in farming when land prices were lower. But also the Farm Credit Corporation gave 25-year loans at a fixed rate of 5 or 6, 7 per cent quite a difference than when you get into the fluctuation into the banking economy as established by the right-wing governments where the banks have the floating rate and they can rip off the farmers right and left. That's the problem.

The agriculture cannot in fact carry the magnitude of the debt that's there. You have the power under ACS. I believe it's \$1.2 billion that you hold, Farm Credit Corporation holds — a large portfolio. And don't tell me that you can't restructure debt. Don't start talking about going to the private credit unions and the banks to get a write-down. Why don't you start first of all with your own institutions and set the way. That's what farmers are asking.

You know, Mr. Minister, statistics will not any more feed families in rural Saskatchewan, nor will statistics that you spout off reverse the crisis that exists today. I want to ask you specifically, since you identified the major problem of debt, and since in 1987, and since you said that new mechanisms to cope with debt must be developed and debt must be brought down to levels the industry can afford, I want to ask you, Mr. Minister, why hasn't that been done, at least through the two Crown corporations, the ACS and the Farm Credit Corporations? What stops the federal Tory Party from restructuring debt in the Farm Credit Corporation? What stops you from restructuring debt in ACS? I'd like your comments in respect to that.

(1630)

Hon. Mr. Hardy: — Well, Mr. Chairman, he ranged a long ways, and again I'll try to answer questions that he

was relating to.

I don't want to go back and just rehash things that the former government done because I don't think that that really gets us any place. They have — as they did in the past and I suppose governments in the future do — they made mistakes; they did things too that certainly weren't good for our farmers.

And in many times back, and I know I sat in the House as opposition member in 1980 and '81 and '82 asking for them to come up with reasonable interest rates to help our farmers in the livestock business and the hog business, and you know they were going broke.

And at that time it was farmstart were foreclosing on them in my town, in my area. I know that farmstart people come in under agricultural — I forget what it was called then, but it was a farmstart under the Government of Saskatchewan — come in and actually closed out three farmers; took their cattle, took their machinery, took everything and hauled it away to the auction sale. That was under the NDP government in 1981 that happened, in my area. The three farmers are still there. Wrong. Two are there; one left altogether; they cleaned him right out.

And I suppose they done it because they weren't making their payments and they got behind. Some of the other things they told them to get . . . they loaned them money almost indiscriminately. They loaned a lot of money on hogs, said they'd get into hogs, get into cattle. Cattle were really high priced then. Hogs were high priced.

They had no markets basically in the province for it, no way of processing them. They had to ship them all out. And when those outside opportunities to get rid of the cattle and the hogs and a live position became not available, or the price fell, there was nothing here for slaughtering, nothing here for jobs, and certainly that has changed dramatically over the last few years, especially with Intercon employing 1,400 people, in that neighbourhood; the hogs and cattle, Canada Packers eviscerating plants that's going on out in the Wynyard area.

The things that have went are certainty major, major structural things that are important for everybody to know that things they done in the past weren't always the greatest either. And I'm not saying the things we always do are perfect. And it's tough times.

But I want to make one mention. From 19 . . . we talk about farmers leaving our province, and they are leaving the land. And they have done that for many, many years, ever since after the war when they all come back and settled on 240s as we all know it my area and in some areas it was half sections.

They have left for many reasons: some because they wanted a better opportunity for their children; some because they wanted to go to the cities; some because they moved different places to get jobs; some because farming had started to change the small farms, the 240s just didn't give them the kind of living that they really wanted — many reasons.

But from 1971 to 1982 in the best time the world has ever known, the best economic times — the prices were right, just everything — 13,000 farmers left this province or left the farm in Saskatchewan. So it happened even in the best of times.

Now that's not saying we don't have a whole bunch of farmers out there with a lot of hurt. But we did lose 13,000 farmers in the very best time the world has ever known, not only Saskatchewan. The economic times were great all over, and at that time they were still leaving.

So there is two sides to every story. I don't want to start playing politics here with people because people are so important out there. Farmers are really important. So I'd like to stay on some of the issues that we're dealing with.

He talked about farm debt, and I raised it in my farm financing that farm debt has to comedown. And we know some of the reasons it's coming down, because some farmers are either being foreclosed on, or the bank had just given it up on their own. Our farm debt has started to decline because people have sort of quit buying, not buying as much farm land. So the debt has gradually started to come down.

For the first time, it was noticeable in 1989, the farm debt I believe dropped from 6.4 — I stand to be corrected, in that neighbourhood — to about \$5.8 billion. There was a drop in the total farm debt in our province. That doesn't necessarily mean that there isn't a lot of farmers out there with a whole bunch of problems, but it is starting . . . structurally the debt is starting to come down. That is one positive thing.

I said some things that I believe that would help greatly and help in restructuring, not only the farmers out there, but the farm debt, and certainly put everybody back on a level playing field.

He mentioned that 20,000 farmers . . . (inaudible interjection) . . . I'll get to Cargill in a minute. Twenty thousand farmers that will be leaving. I don't believe that to be true, Mr. Chairman. I believe there's many things that we've been doing out there and other things that we can do and will do, and I believe we'll get some help from the federal government. They have a responsibility — as Canadians they have a responsibility to come here in the time that we're facing — the toughest time that this province drought-wise, price-wise, we've ever known — to help our farmers. And I believe they have a responsibility to be there. And I believe this Assembly will back that up as a statement.

He talked about the Royal Bank and he said Tory policy is Royal Bank policy. Well let me tell you something, I read off a list of things that we had done here. I read off here . . . (inaudible interjection) . . . I'm getting some help from across the way here. I read off your list of things that we have done at a provincial level. I'm not going to go through it again because I don't think it would be appropriate. But I have heard, and it's fair to say that, both in this House and outside of this Chamber, is that I've heard that some of the . . . I've never really heard any real policy from the opposition as how you would restructure debt.

But we've talked about it through ACS. We've said there's ways that we can do it if the debt's written down so that it's fair, so the farmer won't be in as much debt as he was before; if there's ways that we can come in to assist those farm transfers of land from intergenerational transfer, guarantees of loans or guarantees of mortgage with intergenerational transfer, maybe no interest rates at all; if you want to do that, if the farmer, a father and son combination, or whatever combination that is necessary there.

Certainly a benefit to those who want to move from farming into retirement and allow their farming operation to continue and still feel very, very secure that their amount of money that they've got coming from that farm is guaranteed by the Government of Saskatchewan.

There's ways of doing that. Very important, because we have farmers out there ready to retire and need those kinds of opportunities. And that would allow the retiring farmer — a father, mother, whatever, intergeneration, they don't even have to be within the family — to allow another farmer, a younger farmer or a different farmer to come in and be ... them guaranteed that they're going to have their money over a period of time, whatever they agreed to. And they could set the interest rate very, very low because they probably don't ... the interest rate isn't important to them. The guarantee of the principal would be the most that they would be thinking about. And so those things are important, that we've done those kinds of things.

He talked about Cargill. And we talked about the importance of job opportunities for our young people in this province. We talk about diversification.

An Hon. Member: — You don't think they could have done it themselves?

Hon. Mr. Hardy: — We talk about the things that are important to bring industry here. And the member from Quill Lakes said, do you think they could have done it themselves? And I suppose they could have. But would they have done it in Saskatchewan? That's a question I have asked.

Where does most of the market that they will sell to, where is that market? It's not here in Saskatchewan. A portion of it is, but a big portion of that market is in the United States. What does that do for us? It takes our natural gas, enhances it to fertilizer, creates job opportunities for our people here in Saskatchewan, creates certainly a royalty opportunity for the province on a long-term basis; it creates construction jobs here while it's being built, and certainly those two things help both our farming economy and job opportunities for the people of Saskatchewan.

At the same time it gives us now, for the first time in this province, it'll give us the opportunity to at least manufacture fertilizer here so our farmers can get it less freight, at least less freight, instead of bringing it in from Alberta and Manitoba as we've done for years, or from the United States.

There's opportunities here and there's jobs here. It's enhancement of our natural gas into a product that's enriched product, that'll give us both opportunities for jobs. Important.

And he said, why would you do that? I say we do that because that's the only way. We should have started 20 years ago for diversification in this province. If it wasn't for a Tory government you wouldn't have started that kind of enhancement, because in the very best of time, the very best of times we never once went into bringing in the kind of industries that are needed to both keep our industry and value added to the products we have here. Important, Mr. Chairman.

I just want to make mention that he talked about Cargill, and he said \$380 million loan guarantee. Well he knows that wasn't correct, but it is \$305 million. But what he didn't tell you was that in return for the loan guarantee, Saferco will pay a fee to the government of three-quarters of one per cent above the government guaranteed loan rate. They're going to give us three-quarters of one per cent for us guaranteeing something that they're going to invest \$65 million of their cash in into our province to value add to our natural gas. We both have fertilizer here and for job opportunities ... (inaudible) ... those things that, he has mentioned those.

So we're not only guaranteeing the loan, we're getting three-quarters of one per cent for doing it, and on top of that it's here in the province, and if the worst comes to worst, we'll own it, which is what they always like to do anyway.

So I say, Mr. Chairman, that is a good project for this province for jobs, for giving us jobs in the natural gas fields, for giving us jobs here, for value and add to a product that we would normally just ship out or not do anything with at all. And those are job opportunities for us.

I want to just mention a couple other things. He talked about, you know, the land for families and the family ownership of land. I want to just make mention that when they were back in the '70s and '80s, they didn't have that, Mr. Chairman. They had land bank, and where they took the land and owned it and leased it to the farmers. I don't believe, Mr. Chairman, that that is what our farmers need today. Our farmers need to have the opportunity to own that land, to own that land, and to have the opportunity to farm that land and have equity in this province.

And I believe, Mr. Chairman, while I'm on my feet, that I believe that we should be putting into place an opportunity for those who lease the land out there, the farm land that's farmed out there, to buy that land. And I think it's something that we should be looking at over the next three or four years, to allow farmers who are leasing land to purchase their own land and to do it in a way that is both equitable to the province and equitable to the farmer so they will really own their land and not government owning the land.

I've never been a believer that government has to own the land. I believe we can be the facilitator to help those farmers and young farmers start up in many ways. And I

believe that is so important if we're going to have a future here in this province.

Mr. Koskie: — Well I'm glad I got the admission of the Minister of Rural Development that he supports funding of Cargill as a priority over funding of farmers. That's in essence what he said. We had to make a choice, and what we opted for is to give Cargill 64 million, and \$305 million guarantee. And by gosh, that's a higher priority, he said, than it is to help our farmers who built this province.

That's precisely what you said, Mr. Minister. Even using your figures, the most you could come up with for 60,000 farmers across this province is \$40 million, and you admitted that \$64 million to the largest corporation in United States, privately owned.

You start talking about, oh I don't think there's going to be 20,000 farmers that are going to exodus from the farms. Well I'd like to know, Mr. Minister, what has improved since you wrote the report? In the report you said there was 11 per cent that were insolvent, 28 per cent having considerable difficulty. You said in your report that one-third of the farmers currently holding three-quarters of the debt may not have the resources to continue farming.

Those are your words back in '87. And I'll tell you, Mr. Minister, that things haven't improved since '87, things have gone downward. And you said that one-third would not likely be able to continue farming. And you said in your report that you had to have a mechanism for restructuring of debt, in '87. And today in 1990 you say, yup, we need to have some restructuring of debt.

And the Premier runs down east and he says, I'm talking to the financial institutions. And when you pick up in respect to the so-called farmers' bank, and I read from this article in the Biggar, Saskatchewan, *The Independent*, I just quote by Kevin Hirsch

Lawyers and farm financial consultants say that ACS can only write off debt if the farmer is exiting from the business.

(1645)

That's the only time. That's your policy. How in the name of the world do you expect the financial institutions to take a lead if you in fact won't take the lead?

But I want to ask you, Mr. Minister, why in fact have you not taken the leadership in respect to ACS and also in respect to Farm Credit Corporation to do exactly what you said is necessary, that there has to be a write-down and a restructuring? Those are Crown corporations, over half of the debt. That would alleviate a considerable amount of the problem. And many of the credit unions, I know as a fact, have taken some leadership and are working on write-down. But that's what has to be done.

So could you analyse and make it clear to the farmers that may be listening: what is the basic problem? You believe in the concept. You said it in 1987; you said it in 1988; you said it in 1989; you said it in 1990. Do you believe in

it, or are you in fact just talking and hearing yourself speak?

Mr. Minister, I challenge your statement that you put in this report. You indicated that one-third of the farmers couldn't handle the debt. I challenge you to indicate how that debt has been lessened on the farmers other than through repossession, and almost a million acres has been repossessed. That's how debt has gone down. It's not held by farmers now. They've written that off because of the banks. And you say the farmers like it better under your policy. Not land bank, voluntary program, opt in, buy it back, rent it, lease it, but you say no, they like our policy better. Bank land, a million acres of bank land — that's the Tory policy — and the exodus of some 20,000 farmers from the land.

I challenge you to stand here and give an explanation of why you under ACS and under Farm Credit Corporation have not taken the lead, in fact, for the massive restructuring of debt that you talk about needs to be done. You said there should be a restructure, there should be write-down, and there should be a restructuring of the debt on a value that the industry can support.

I want to ask you, Mr. Minister: since you have repeated it since '87, what's holding up the progress? Why haven't you gone forward with it? Are you going to wait until it's too late?

The ones that have fair equity debt relationship don't need it, and unless action is taken immediately, Mr. Minister, you won't have to. But I'll tell you, unless you do come forward with a long-term policy — and one of those policies, as we indicated to you, is restructuring of debt that you birds won't be around very long — and so I ask you, Mr. Minister: why haven't you taken the lead in respect to restructuring of debt? What has been the problem in respect to the two Crown corporations that carry over half of the debt of the agricultural community?

Hon. Mr. Hardy: — Well, Mr. Chairman, we can go on about ACS and Cargill and all the other ones that he would like to talk about. I'll make mention that I don't mind talking about the farming, about ACS. It isn't under my jurisdiction. I don't mind doing the best I can. I don't have no officials here to talk about all the things that they're doing there. It's under the Minister of Agriculture.

He's talking about restructuring of debt. As you know we've been trying to convince and in some cases have done reasonably well convincing Farm Credit Corporation to write down debt or set aside debt. Too, we have convinced that Farm Credit to look at, and I believe they have to look at, long-term leasebacks if they . . . where there's voluntarily some of the land is given back so they can own it over a period of time or buy it back with that option. It gets them out of some debt, lets a debt set aside really, a set-aside debt. That lets them continue to farm, and they'll buy it back as the opportunity arises for them financial.

And if they have 10 years it certainly gives them a long-term opportunity to look at that and set aside and purchase it back at a reasonable rate. Instead of maybe in some cases it was bought very, very high priced. You all

know that many times it was selling 20, 25 times the assessment or greater. Land today is selling somewhere in the neighbourhood of seven to eight times the assessment. It changed dramatically, changed dramatically because the production value isn't there. So those are the things that have to be looked at.

He mentioned about funding for Cargill instead of funding for the farmers. Certainly an equity position in Cargill and I could read off all the jobs it will create for us, and that is important and relates to the whole diversification of our industry. It also looks at jobs other . . . and in the farming area where we have gas wells and . . . that the supply system is there and it creates a large number of jobs in that area. It enhances certainly the government's position in regards to royalties because about 18 billion cubic feet a year is going to be used by that plant, a substantive amount of royalties that would be available to this province.

Those are the kind of things. He talked about long-term debt restructuring and I know it's been mentioned in here a couple of times, but he hasn't mentioned it today, but one of the areas I know has been raised in this House is a moratorium, a five-year moratorium I believe it was proposed by some of the members of the opposition, certainly brought up at some of the meetings I had with the National Farmers Union.

And also one of the suggestions that I believe was made to them was forgiveness of the farm production loan. Those things I believe . . . I suppose would help some, but it would certainly hinder a lot of our farm credit. It would almost break our farm credit. Even a short-term moratorium would hurt them dramatically. So that, in my view, is not an option.

Forgiveness of the farm production loans would certainly help those who haven't made any payments back. But I don't know how you'd deal with those who have went off the farm to work and do the things that are necessary to make those loan payments. And some of those people have worked extremely hard and really went to the wall to keep their payments up so they keep current. How would you deal with those? And I don't believe that to be an option.

We looked at restructuring of debt. And as I mentioned earlier, restructuring through ACS is available but certainly the financial institution that's holding the debt has to write it down to a reasonable rate so the people of Saskatchewan don't take on a debt beyond what it's really worth, at the same time keeping that farmer on the land. And those are options that are certainly available.

We looked at intergenerational transfer of farm land for those who want to get out and let some of the younger farmers come in.

Guarantees by the Government of Saskatchewan — that is now available.

I've talked about the cash advances for livestock and all the things that would help you diversify. There is loans available for those from ACS, who want to go into cattle or hogs, at nine and three-quarter per cent, a reasonable

interest rate loan.

So there's a lot of things that we've done. There's some things I don't think we should do. But certainly, Mr. Chairman, in regards to all of it, restructuring of debt if it can be done, it certainly would be a help to those who out there, who are in deep financial trouble and who need — in some cases, overpaid for the land and in some cases just an accumulation of debt — need to have a restructuring to be able to continue to farm.

And so some of that's happening voluntarily. Some of it's happening through the banks, some through the Farm Credit Corporation. And certainly, in some cases where the financial institutions will write it down and ACS is there then to be one of the providers of the loan to help them continue to be the farming . . . and stay farming at a debt that they can now afford under the production that they have available to them.

Mr. Koskie: — Mr. Minister, you better stick to your own programs and don't start repeating what our programs are and misrepresenting the facts — a total misrepresentation of the facts as you've stood in this House, just like your Premier. You can find nowhere where any of us has ever said that we call for a five-year moratorium and you know it. You know it. I challenge you to support your statement and you can't. And you can't.

I want to ask you, Mr. Minister, it's rather strange you know, because prior to the provincial election in 1986, do you recall, Mr. Minister, that the Farm Credit Corporation instituted a moratorium — Farm Credit Corporation? And do you know the results of it? — because it's in your report. It says the decline in 1986 is attributed largely to the Farm Credit Corporation's moratorium and production loan program.

And I'll tell you, Mr. Minister, and the member from Rosthern. I think his head has been under the water a little too long, in the dug-out, and I think he has a little bit of a wet head, so we'll just ignore him.

But I want to come back to you, Mr. Minister. And I want to challenge your statement. I want to ask you, what is your information that you stood in this House and deceived the people of Saskatchewan and misrepresented the position of the New Democratic Party? I challenge you to do that and I know that you can't. You have no facts to support it and you know it. A half-truth again.

Well the farmers are on to you. I'll tell you that if you had an agricultural program that was going to address the needs of the farmers of Saskatchewan, a comprehensive program, then of course it would make some sense to have an interim moratorium. Because if you were going to in fact do as we have indicated, bring in a long-term income stabilization program, if indeed you were going to restructure debt, if indeed you were going to have intergenerational transfer, if you were going to implement a package of agricultural policies, then why would you throw anybody off if you're going to save them? And that's what the farm crisis groups have indicated across the province; that's what the farmers union have indicated across the province. And he stands up and misrepresents

the position — absolutely misrepresenting.

I'll tell you, Mr. Minister, you stick to your programs because they have been a dismal failure to the people of this province.

It's rather strange, you know, that the minister didn't address it. He waddled around and he said that there was some write-downs here and some write-downs there and there's some restructuring there and some there, and it's going great.

Well, Mr. Minister, it's not going great. Your agricultural policies are failing agriculture in Saskatchewan. You have *ad hoc*-ed it into where the 20,000 farmers, according to your report, are on the verge of being destroyed. That's what your agricultural program did.

Mr. Minister, you are not fighting for the farmers because Agricultural Credit Corporation are doing less than what the banks are. Your policy, Mr. Minister, you don't expose it, but your policy is designed and is going to achieve the ultimate. You're going to get rid of what you birds call the marginal farmers — that's what's going to happen, Mr. Chairman; the so-called poor managers.

Well I'll tell you they weren't poor managers until you came along. And if you had put in place agricultural programs to address it, that crisis could be alleviated. Don't tell me that you have no money. I know you have no money because you have run the province into a debt that the next generations will have to bear the burden. A \$4 billion debt; 13 billion in total. And what have you got to show?

If you were to ask and say, what in agriculture is the legacy of this government? And I'd say, I can't really say. I'll tell you that beef stabilization wasn't brought in by you guys; beef stabilization was brought in under New Democratic government and expanded across. I'll tell you that crop insurance was born in this province. I'll tell you that stabilization for hogs was born in this province and initiated. I'll tell you that assistance to farmers and those that were in lower income under the farmstart, where we had position for grants, was brought in under our administration.

No policy. Take a look at the agricultural policies of the Tory. Where do they stand in respect to the Crow benefit? Who knows? They sit on both sides of the fence, straddling it.

An Hon. Member: — And on it.

Mr. Koskie: — That's right.

The problem is, Mr. Minister, that there is a massive crisis in agriculture and your government has utterly and dismally failed in addressing the problem. And I can understand why the minister wants to wind her down, because he's used all his half-truths and his limp effort of a defence of the policy that's happening.

And I challenge you again: how many farmers, do you think, is going to be run out of business here in this province? How many of them? How many are not going

to qualify for your so-called \$525 million?

Mr. Chairman: — Order, please. Order, please. It now being 5 o'clock, we'll rise and report progress.

The committee reported progress.

The Assembly adjourned at 5:03 p.m.