

**LEGISLATIVE ASSEMBLY OF SASKATCHEWAN**  
**August 26, 1992**

The Assembly met at 2 p.m.

**ROUTINE PROCEEDINGS**

**PRESENTING PETITIONS**

**Mr. Neudorf:** — Thank you very much, Mr. Speaker. I would like to lay on the Table this afternoon more petitions. I'll just read the prayer.

Wherefore your petitioners humbly pray that your Honourable Assembly may be pleased to cause the government to reverse its decision to eliminate full coverage and universal access to chiropractic treatment and that your Honourable Assembly withhold consent from any government proposal to discriminate against chiropractic patients by charging them fees not assessed for any other medical treatment.

Mr. Speaker, perusing these 500-plus petitioners, I find out that they represent a cosmos of the entire province of Saskatchewan.

**Mr. D'Autremont:** — Thank you, Mr. Speaker. I have a petition I would . . . some petitions I would like to present to the House.

To the Honourable, the Legislative Assembly of Saskatchewan in Legislature Assembled:

The petition of the undersigned concerned citizens of the province of Saskatchewan humbly sheweth:

That in the 1991 general election, the voters of the province voted 62.62 % to prevent the Government of Saskatchewan from paying for abortion procedures;

and that this margin far exceeds the support of any political party represented in the Legislature;

and that the government is placing greater and greater costs on Saskatchewan people for an already financially stressed health care system;

and that it would be to the benefit of our democracy for governments to listen to the duly expressed will of the voters as well as to the benefit of our health care system to more judiciously husband our health care dollars.

Wherefore your petitioners humbly pray that your Honourable Assembly may be pleased to stop the funding of abortions in Saskatchewan.

And as in duty bound, your petitioners will ever pray.

These petitions come mainly from the Regina and Saskatoon areas, Mr. Speaker.

**READING AND RECEIVING PETITIONS**

**Clerk:** — According to order, the following petitions have been reviewed, and pursuant to rule 11(7), they are hereby read and received:

Of citizens of the province of Saskatchewan humbly praying that your Honourable Assembly may be pleased to cause the government to reverse its decision to eliminate the Farm Fuel Rebate program.

**INTRODUCTION OF GUESTS**

**Hon. Mr. Wiens:** — Mr. Speaker, I'd like to introduce to you and through you to the other members of the legislature some members of our family that showed up in the gallery this morning by surprise and are again here this afternoon — my cousin Gert and her spouse Wayne Scramstad from British Columbia, and my cousin Wally and his spouse Alice Schellenberg from Regina. And I want to also say that my Uncle Pete and Aunt Tina Schellenberg had been here this morning visiting.

I would ask you to join me in welcoming them to the Assembly.

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

**Hon. Mr. Wiens:** — I'd also like to introduce to the Assembly and ask the members of the Assembly to welcome along with me two friends from the National Farmers Union, Lloyd Stanhope and Ken Imhoff.

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

**Mr. Sonntag:** — Thank you, Mr. Speaker. I'd like to introduce to you and through you to the rest of the Assembly here today in your gallery, Mr. Speaker, an old friend of mine, Donna Greschner. She's well-known to the Hon. Bob Mitchell and also to our Premier and also to many of my colleagues here as well.

She teaches law at the university in Saskatoon, was involved in the constitutional team in the negotiations in Toronto and in Ottawa. But what many of you may not know, Mr. Speaker, is that Donna and I went to school together all the way through our classes from grades 1 to 12 in Goodsoil and grew up less than a mile apart as the crow flies.

We were reminiscing over breakfast this morning, Mr. Speaker, that some five or six years ago I think it was, when we were back in high school, she ran as president one year and I ran as vice-president; and the alternate year I ran as president and she ran as vice-president. So there's something to reminisce.

So I'd ask everybody to join with me in welcoming Donna here today. Thank you.

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

**ORAL QUESTIONS**

**Utilities Installation Charges**

**Mr. Goohsen:** — Thank you, Mr. Speaker. My question today, Mr. Speaker, is to the minister in charge of SaskPower. Mr. Minister, last week I received a call from a constituent by the name of Bryce Weiss of Maple Creek. He had moved a house onto his ranch. And prior to moving the house he had received an estimate for lifting, cutting, and moving of power lines of \$3,000.

After the project was completed, he received a bill from SaskPower for \$6,000. And when he inquired, he was told that this was a new rate structure that SaskPower was working under.

Will you explain this new rate structure and how and when it came into effect.

**Hon. Mrs. Teichrob:** — Mr. Speaker, I would like to take notice of that question so that I can apprise myself of the exact details and undertake to provide the answer at a later time.

**Mr. Goohsen:** — Thank you, Mr. Speaker. The minister might also like to take notice of a couple of other questions at the same time so that we can get to the bottom of this whole matter because it expands a little bit further.

Madam Minister, the moving contractors are also very worried and concerned about this particular problem. These extra costs will make it economically unfeasible to move many buildings in our province in the future. This means not only losses of jobs in the moving industry, but it also means the loss of many good buildings that will probably be demolished as a result of not being able to be moved.

We have one contractor in the province from the Canora area that has a more immediate problem. This small company, Madam Minister, has signed a contract under the old rules to move 22 homes for the Department of Indian Affairs. Caught in this contract now with these new formulas in effect this individual under the old formula had no charge of this kind to worry about and no prior notice required. Under the new rules he now has to give 48 hours notice of move and will lose thousands of dollars in moving charges.

How can these people get out of these losses, Madam Minister, and will you ask SaskPower and order them to reverse this policy? Or is this your idea of justice in Saskatchewan today?

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

**Hon. Mrs. Teichrob:** — Mr. Chairman, as with the previous question, I would like to take notice, meet with the member perhaps to make sure that I understand the exact details of the specific contracts that he refers to, and provide the answer.

**Mr. Goohsen:** — We are happy that you will commit to that, Madam Minister. And there is another bit of a follow-up that you must also then consider if we are to resolve this whole messy situation that your administration has created.

Madam Minister, and Mr. Speaker — I address my question to the same minister — Madam Minister, SaskPower has this policy, SaskTel also has a similar policy, and Sask gas now also has a similar policy. An individual now setting up a new farm home or a farmstead in rural Saskatchewan, Madam Minister, is faced with the effects of all of these increased costs that you and your government are now putting onto these people. This will effectively stop anyone from ever setting up a new farmstead in rural Saskatchewan.

My question to you is: will you change this policy now and allow continued expansion of farm buildings in the province and allow people to move buildings that still have good quality in them? Will you notify Mr. Weiss and the moving industry of that decision so that they can continue on and not become bankrupt?

**Hon. Mrs. Teichrob:** — Mr. Chairman, after the election in October of 1991 all of the policies, installation policies, and cost recovery of installations of services was reviewed. There had not been any changes since 1989, although there's been a considerable increase in cost.

The gas program, for instance, was highly subsidized. SaskTel installations are highly subsidized to at least 90 per cent or more in most cases. And we are, as we did undertake in SaskTel, reviewing all of those schedules to make sure that we do move closer to cost recovery without causing harm to the economy generally. And I will take notice of the specific parts of the question. Thank you.

**Mr. Goohsen:** — Thank you, Mr. Speaker. Supplementary to the same minister. Madam Minister, as the minister in charge of at least one of these Saskatchewan corporations, you have to know the answers to the general policies and you have to know that the costs to an individual on a farm, having that kind of background yourself, of going from \$2,600 — to install gas up to one instance that I have on record — to \$8,000, totally unexpected bill by this individual, having his telephone rates rise from a simple matter of a few dollars for a hook-up from his old home to his new one related now to a cost that goes back from the nearest town or the nearest substation measured in kilometres at a rate per kilometre all the way to the farm, in spite of the fact that the old line exists in the yard in the old home where the old phone used to be, simply a matter of a few feet away . . . The same with the gas hook-up now gone from 2,600 to 8,000 across a yard, a farm yard, and the same thing occurring now for the power situation. Not just for the hook-up but also for the moving of the buildings to get there.

Madam Minister, surely you can do better than to stall us and tell us that you don't know what's going on, that you have to come back at a later time. Surely you can make a commitment to the people of Saskatchewan that you can do better than this.

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, I have undertaken in this House at an earlier time, approximately a week ago, to make public very shortly the details of a revision to the

provision charges that SaskTel charges. I would like to remind the members opposite that it was their administration that double-dipped the dividends of SaskTel, placing it in financial jeopardy, that bankrupted SaskEnergy to the . . .

**The Speaker:** — Order, order. I call the member from Morse to order, please.

**Hon. Mrs. Teichrob:** — I think it's obvious, Mr. Speaker, that in order to recover from the precarious financial situation that the Crown corporations were left in as a result of some of those misguided programs — as I say, the rural gasification program bankrupted SaskEnergy and left SaskTel in a very precarious financial situation — measures have got to be taken to return them to a profitable situation.

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

**Mr. D'Autremont:** — Mr. Speaker, to the same Minister, to the minister of Telephones. You talked about SaskTel being in a financially insecure position, yet they made over \$40 million in profit last year.

Last week you talked of rate reductions for the installation charges that you had jacked up this spring. When people phoned SaskTel to find out about it, SaskTel said there is no such thing going to happen, that rates are not going to change.

Madam Minister, when are you going to inform SaskTel that the rates are going to be dropped? And when are you going to give rebates to those people who have already paid these excessive charges?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, as I undertook approximately a week ago and as I said to the member opposite then, the time frame that we've been indicating to people who have written us is approximately the middle of September. Prior to that there will be an announcement made.

Work is being done at the administrative level to refine the fee schedule, and in due course we will make the new fee schedule public. And of course prior to that time the employees at SaskTel will be apprised of what the new schedule is so that they can give the highest level of service to their customers.

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

**Mr. D'Autremont:** — Madam Minister, I would think that at some point in time, and sooner rather than later, you would inform SaskTel that the rates are going to drop so that they can advise their customers when they phone in.

Another issue that came up last week . . . my colleague from Maple Creek asked you about community-based cable co-op at Gull Lake which has been meeting resistance from SaskTel. You said you would have it checked and get right back to the House; but, Madam Minister, that has not happened.

You also said the main reason SaskTel would not want communities to establish their own cable co-ops is that the NDP (New Democratic Party) has again got into the media business and that service to small town Saskatchewan would be supplied by your government cable company.

Madam Minister, is it the policy of the NDP government opposite that no new cable co-ops will be allowed so that you may establish your own cable television monopoly in rural Saskatchewan?

**Hon. Mrs. Teichrob:** — Mr. Speaker, on the first point, with respect to inquiries made to SaskTel about the rate change. I think it's very, very important that when customers make inquiries they be given the correct information. As I've said, that the administration is working on a new fee schedule. It has not yet been entirely approved. So I think it's much more important to give customers accurate information. So the staff that communicates at that level, at the customer level, will be told as soon as the rates have been finalized so that they can give accurate information.

On the question of the cable co-op — the question that was raised by the member from Maple Creek last week — I happen to have brought a note into the House today to speak to him, because I have communicated with SaskTel and they are unable to find any reference to a representation to CRTC (Canadian Radio-television and Telecommunications Commission) and they are entirely unaware. So I was prepared to ask the member from Maple Creek today for some further elaboration later on as to the specific case, because I have not been able to substantiate the claims that he made with respect to interference or representations to the CRTC.

Again with the investment . . .

**The Speaker:** — Order. Next question.

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

**Mr. D'Autremont:** — Thank you, Mr. Minister. Madam Minister, I do believe that it is important that SaskTel pass on accurate information to their customers and the accurate information in the case of the installation rates is that they are going to be under review. So when a person phones in and says, what's it going to cost me to connect up a new telephone, they should be able to say, we don't know, rates are under review.

Madam Minister, on the cablevision, on the cable connections, I would ask you for a direct statement of policy that SaskTel will directly and enthusiastically support any application by a Saskatchewan community to establish its own community-based cable television co-operative. Will you make that statement now please, Madam Minister?

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

**Hon. Mrs. Teichrob:** — Mr. Speaker, I have stated that I will make inquiries — and I have made inquiries — into the specific cases of cable co-ops mentioned by the member from Maple Creek last weekend and again in the

House today. There is no record of SaskTel or the Government of Saskatchewan ever having opposed any such an application.

And further, on the Regional Cable Systems, I am astonished that the members opposite keep referring to this in a negative tone when what SaskTel did was, in order to diversify its revenue base so that we can continue to hold down the rates of domestic telephone service, make a 29.9 per cent investment in a regional cable company which brings the head office and 25 new jobs into the province of Saskatchewan, guarantees a high-quality service to rural Saskatchewan. That's our commitment to rural Saskatchewan. We do not have a policy of interfering with the broadcast . . .

**The Speaker:** — Order, order. I'm not calling the minister to order. I want to call the member from . . . the Leader of the Opposition and his seat mate to order. If they have a question for the Minister of Agriculture, I wish they'd direct it to him. Okay?

**Mr. D'Autremont:** — Thank you, Mr. Speaker. In the case of the cable company that SaskTel purchased, you paid \$7 million for a company that's losing money, Madam Minister, and has been losing money for a good period of time. We're negative about the SaskTel's operation in this because they were opposing the Gull Lake co-op from getting a licence to operate further than what they already were. This is the impression at least that the cable co-op in Gull Lake has.

Madam Minister, I'm asking you a yes or no question. Yes or no — do you support communities establishing their own cable television co-ops?

**Hon. Mrs. Teichrob:** — Mr. Chairman, first of all on the reference to the Regional Cable company, this is . . . Regional Cable Systems is a publicly traded company, so financial information on the operation is readily available. And where the member opposite has got his information from, I do not know. But it is a profitable operation and we do expect to be receiving dividends as early as 1993 on that investment.

In terms of the cable co-ops, there is no record or history of SaskTel opposing a community cable co-op at any time. And rather than make these references in the House, I wish that . . . I call on the members opposite to substantiate those claims because I am unable to.

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

**Mr. D'Autremont:** — Well, Madam Minister, I believe it should be noted in this House that you are outright refusing to support community cable co-ops.

Madam Minister, it's clear that you intend to take over small-town television in this province through your new little enterprise. You will pay a price for this refusal in Shaunavon and Gull Lake, Madam Minister, and Nipawin and other communities that you have harmed by this lack of support.

Madam Minister, I'm going to ask you one last thing. Will you please go back to your officials and find out how

many communities were served by cable television when your people tried the same route with Cablecom, and then check how many communities obtained service under the previous government.

I think you will have to agree, when you bring back those figures to the House, that the comparative numbers from 1981 and 1991 . . . so we can exactly see which policy was more successful — the previous NDP government's in 1981 or the previous government's for the last 10 years, Madam Minister.

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

**Hon. Mrs. Teichrob:** — Mr. Chairman, I think that it is very important to emphasize again that our investment in Regional Cable Systems is a commitment to make sure that rural Saskatchewan has access to the most modern telecommunications. The operation is a good fit with the technology that SaskTel is very advanced in, being fibre optics.

We have never opposed community regional cable systems. And in terms of our motives, SaskTel's motives in buying a portion of Regional Cable Systems, it's a financial business decision. We have no intention of changing the previous policy of Regional Cable Systems.

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

### Crop Insurance Repayments

**Mr. Swenson:** — Thank you, Mr. Speaker. Mr. Speaker, my question today is to the minister responsible for Crop Insurance. Mr. Minister, a situation has arisen in my riding that I find to be extremely unfair. And I'm told that it is also occurring in other areas of the province. People that had signed up for the 1991 GRIP (gross revenue insurance program) program that received a payment last fall and were told at that time that they would receive a second payment basis the '91 program are now being sent dunnies saying please pay back the second payment.

The instance in my riding that I wish to bring to your attention is of an \$11,700 second payment which was paid out, basis information that was given in October, the cheque came in April, and now in August they are sent a letter saying, you have until January 1 to pay back the \$11,700 or you will be charged interest as of January 1.

Mr. Minister, how can you possibly justify that kind of a letter?

**The Speaker:** — Order, order. I just ask the members please not to interrupt when the member is asking his question.

**Mr. Swenson:** — Thank you, Mr. Minister . . . or Mr. Speaker. Mr. Minister, how can you justify that type of approach to people that have just been devastated by losing their 1991 program, replaced with a program that doesn't have near the cash impact for them, and now you are sending them dunnies nearly a year later saying pay back the money that they, upon checking last October, was told was rightfully theirs? How can you do that, Mr. Minister?

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I find it strange that the members opposite who fought so hard to keep the flawed program that we had last year would be criticizing me for operating the program that they set up in '91. That's part of the program.

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

**Hon. Mr. Cunningham:** — The '91 program involved spending \$7 million to send bin police out to measure how much grain was there so that we could get an estimate of payments, and not surprisingly some of those estimates are not dead on. And you end up with the situation you have now where some of the people are asked to pay back overpayments. That is one of the flaws of the program and to a large extent will be fixed by the corrections we made to the program.

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

**Mr. Swenson:** — Thank you, Mr. Speaker. Question to the same minister. Well, Mr. Minister, it's interesting that you talk about the measurement of bins. When this particular family received their second payment in April of this year, they checked with Saskatchewan Crop Insurance — this is six months after you were a minister — to make sure, because there was some budgeting that had to be done on that farm. And you know what, Mr. Minister? Now that the money has been demanded back in August '92, guess what the problem appears to be? Lack of measurement on the bins.

Now, Mr. Minister, you can't have it both ways. You can't, as an election promise, get rid of the bin measures in this province and then, nearly a year later, demand back \$11,000 from a farm family because there was nobody there to measure the bins. Mr. Minister, how many more families are like this in the province? How many dollars, and is this a fair policy, Mr. Minister?

**Hon. Mr. Cunningham:** — Again, Mr. Speaker, the old program required measuring and somehow determining exact number of bushels that each farmer grew which is a very complicated process . . .

**The Speaker:** — Order, order. I'd like to call the member from Arm River to order please. I'd like to call the member from Rosthern to order too . . . (inaudible interjection) . . . Is the member from Rosthern saying that the Speaker is not being fair? If he's saying that from his seat, he better not challenge me.

**An Hon. Member:** — You've named three of ours and none of theirs.

**The Speaker:** — I'm warning the member from Rosthern for the last time. If he's challenging the Speaker from his chair, he's jeopardizing his position in this Assembly today.

**Hon. Mr. Cunningham:** — Mr. Speaker, again I say, that is part of the problem with the old program. It is part of the federal-provincial agreement. We are scheduled to make

payments as per fixed date and we must make those in accordance with the federal-provincial agreement.

Now if there's a particular case — and this does seem a straggler, because there were many people in my constituency who had to pay back the payments that they got. Very many, many of my friends and neighbours paid back part of the payment that they got in the spring because of differences in measurement, because of increases in grain prices — and if there's a particular case, if there's a particular hardship, I would be prepared to look at it.

But again I say, Mr. Speaker, that is part of the problem that we had with the old program. Administratively it's expensive — 6 or \$7 million to hire bin police to find out exactly how much grain was in the bin; people's payments being mixed up and having to wait until the final sales come in to know exactly what their levels were. And the new program is much simpler and will work much better in that respect.

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

**Mr. Swenson:** — Question to the same minister, Mr. Speaker. Mr. Minister, this straggler, as you call him, from my constituency, have spent the money because they were assured after double checking — and you, sir, were the minister, your administration — that that was their money.

On contact . . .

**The Speaker:** — Order. Order. I want to call the member from Regina Rosemont to order, please.

**Mr. Swenson:** — This farm family upon contacting your department and looking for some reasonable solutions to this were simply told, tough luck, tough luck. I guess somebody administratively screwed up somewhere down the line and you're simply going to have to pay the money back.

Now, Mr. Minister, if that is the approach that your department is going with farm families that don't have any money, this province is in a lot of trouble. I want your assurance today, Mr. Minister, that you're going to take this situation, which I'm going to give you after question period, and you're going to treat people like this decently and others around the province that are in the same condition.

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

**Hon. Mr. Cunningham:** — Mr. Speaker, I will certainly appreciate getting the details of this case. I don't know . . . 4,000 bushels or so seems a large amount to be out. I think, if I have staff members who are not being civil or not treating people fairly, I will certainly look into that.

But again I point out that the problem with these sorts of things is built into the old program and it makes it very, very difficult. I think our staff did an excellent job of administering a program that was very, very difficult, and expensive, I might add, to administer.

Some Hon. Members: Hear, hear!

### GRIP Specialty Crop Final Payments

**Mr. Boyd:** — Thank you, Mr. Speaker. My question is for the minister for Crop Insurance or the Minister of Agriculture, whichever would like to . . . If the F minus minister doesn't want to answer the D minus minister could, if he likes.

**The Speaker:** — Can the member just get to his question . . . (inaudible interjection) . . . All right if the members in the opposition don't want to ask another question, I'll call it the end of question period, because we've reached the end of question period.

The Leader of the Opposition has been chirping from his desk throughout the entire question period and I haven't called him to order. Now when I ask the member from Kindersley to not make reference to the minister personally and ask his question, he takes exception to that. I think I've been fair to him today.

**Mr. Boyd:** — Thank you, Mr. Speaker. I wonder, Mr. Minister, if you would confirm that officials from your Crop Insurance Corporation in the Kyle customer service office have been advising specialty crop growers that they will receive their final payment in September. And now your officials are backing out of that commitment and saying that the specialty crop growers of this province will not receive their final payment under GRIP '91 until the final Wheat Board payment calculations have been done on all crops.

Mr. Minister, you know full well that those calculations do not have to be made in order to pay out on the specialty crops in this province. Mr. Minister, will you give this commitment today, your commitment today to the specialty crop growers of this province, that their final payment under GRIP '91 will be paid out in September of this year, like the plan originally called for?

Some Hon. Members: Hear, hear!

**Hon. Mr. Cunningham:** — Mr. Speaker, as you know, the plan originally . . . '91 plan there would have been no way they could be paid out in September because they wouldn't have had their harvest done yet and they couldn't have had their bins measured.

But I will make a commitment to the specialty crop growers and to all the other farmers that we will pay out all the payments as quickly as we can in compliance with the federal-provincial agreement by which we are bound. And that is very much determined by the federal government.

But I will make the commitment that we will pay out the farmers, all farmers, the payments as quickly as we possibly can within the framework of the federal-provincial agreement.

Some Hon. Members: Hear, hear!

### GOVERNMENT ORDERS

### COMMITTEE OF THE WHOLE

#### Bill No. 57 — An Act to amend The Saskatchewan Farm Security Act

##### Clause 1

**Mr. Martens:** — I asked the minister a question before dinner, and would he please answer.

**Hon. Mr. Wiens:** — Mr. Chairman, before I begin I'd like to introduce another official who I did not introduce this morning because he came in later. Stuart Kramer, the deputy minister of Agriculture and Food, is on my left. Now the other officials are as they were this morning.

Mr. Chairman, I and all the participants in this process have, like the member opposite who asked the question, a desire to make this committee as absolutely good as it can be. And I appreciate the comments of the member opposite in that regard and would welcome any specific direction from the member opposite with respect to creating the committee which has absolute public confidence.

What we have done to this point in that regard is we have asked a number of organizations to forward to us names for nomination, and our commitment is to consult with them on those names when selected so that there is comfort that they represent the impartial interests of all Saskatchewan people.

The people that have been consulted, the people and organizations that have been consulted to forward names to us include Mr. Gerry Edwards, the chairman of the Saskatchewan committee of the Canadian Bankers' Association; Mr. Russ Holm, the vice-president of the Farm Credit Corporation; Mr. Norm Bromberger, the chief executive officer of the Credit Union Central; Ms. Marjorie Skotheim, the chairperson of the Agricultural Credit Corporation of Saskatchewan; Mr. Garf Stevenson, the president of Saskatchewan Wheat Pool; Mr. Bernard Kirwan, the president of Saskatchewan Association of Rural Municipalities; Mr. Hubert Esquirol, on behalf of the Western Canadian Wheat Growers Association, the president; Mr. Ken Imhoff, from the National Farmers Union; Mr. John Feige, the president of the Saskatchewan Stockgrowers; Mr. Richard Wright, the chairman of Sask Pork International Marketing Group; and Mrs. Margaret Cline, the chairperson of Saskatchewan Women's Agricultural Network.

A number of names have come forward, I think in excess of 20, possibly over 30; I'm not sure of the exact number. Some names appear a number of times nominated mutually by a number of individuals. The intent is to create a committee of nine which could function on three sites with a chairman or vice-chairman functioning with two board members at any given time.

And again the need for this group to have the confidence of the public is obvious. And it's our intent to proceed with the establishment of that committee in a way that will engender public confidence.

**Mr. Martens:** — Well, Mr. Chairman, and, Mr. Minister, I

think as I've gone through this, it has become more and more evident to me that the power that the board will have will be very significant. And I just want to read an enforcement of orders explanation for the members of the Assembly to understand that an order of the Farm Tenure Arbitration Board may be filed with the Court of Queen's Bench for enforcement.

Now we're talking about some very serious implications if they're going to provide the enforcement or be required to provide the enforcement. Then it goes on to say that once it has been filed an order of the Farm Tenure Arbitration Board will be enforced as a judgement of the court.

Now under due process the procedure has, many times, people's arguments heard before the public in a jury fashion. But once it has been filed here it will be an order of the court to determine that the individual will have no recourse. And then 27.41(6) says applications before the courts will be handled in a similar fashion as applications to the Farm Tenure Arbitration Board. The court can make any order which the board could have made.

Now that tells me that you can either go to Queen's Bench Court or go to the Farm Tenure Arbitration Board and you will get the same recourse. And I wonder at the appointments that you're going to make. And I respect all of the people that you talked about but, as I pointed out before lunch, there is a serious function that these people have to provide. And what you have to have is consistency in the law.

What you're going to have — and the observation you made — you're going to have three here and three there and three at a different place. If there isn't consistency in the decisions being made by individuals, you'll have this thing blow up in your face before you even get started. And that has serious implications, not only for your program but for how people are going to establish whether or not they're going to have a fair treatment either as a lender or as a farmer.

And so I guess my view would be that, number one, you don't have a legal value set on the proceedings . . . or you have a legal value set on the proceedings and the proceedings have a legal value, and they're bound by a court, and the Queen's Bench is going to have to enforce them.

And so if we're going to have a typical appointment process that has been dealt with by other boards and commissions that we've seen, that isn't good enough for what we're anticipating is going to be happening here. And we would expect that these people need to have, number one, some experience in a court of law, some experience in dealing with agriculture — because I don't want that value to be lost — and some experience in dealing with credit and credit values in relation to mortgages.

And I think you have to be very careful how you choose them. And the reason I say that, if you choose individuals who have experience in one of these areas, you are going to have a serious distortion in some of these committees that you're going to set up. And so I'm not very sure that

I'm very happy with the way you've got that set up, with the power they have to deal with the functions that they're going to provide. Can you give me an explanation of that.

(1445)

**Hon. Mr. Wiens:** — Well first of all, I would like to invite any suggestions from the members opposite in terms of any strengthening of the process or the personnel that have been put forward.

I believe the financial institutions that have been participating in the negotiations on the Bill, and who in fact designed the farm debt arbitration process that has been recommended to the government, have the interests of justice at heart in making the recommendations they did to us about how the process should be structured.

I want to say that this Farm Tenure Arbitration Board does not take action unless somebody is appealing to it. The fact is that farmers can first access voluntary mediation before they even enter into foreclosure actions or other negotiations on debt with their lenders. They then presumably will engage in negotiations with their lender with respect to the settlement of the debt and with respect to any leases that they . . . the conditions of the lease that they would undertake under this Act. And it is only after the negotiations have happened and only if negotiations are not satisfactory to the farmer that they would appeal to the Farm Tenure Arbitration Board.

It's my understanding from present mediation processes that ignoring negotiations, where I presume most of the deals are settled presently under the Act, 75 to 80 per cent of those cases not settled in negotiations are successfully dealt with in mediation. That continues to be an opportunity, and so the expectation is that it will be a minority of cases that will come before the board, and the board will be working in the context of strictly defined regulations in order that there may be justice done in every case. And if there are suggestions from members opposite in terms of considerations with respect to that process, we'd be only too pleased to hear that advice.

**Mr. Martens:** — Well, Mr. Minister, there are some people who have had significant experience in some of these areas. And I'm not sure that I know all of them, but we have from various parts of this province legal counsels who have been handling work on behalf of farmers. And I think that they would have a very clear understanding of what was going on. I would also say that we have had significant representation, I think, of very good value of the Mediation Services Board that have been providing, I believe, some very fair assessments to the courts for the process that has been involved.

And some of these people who have had experience in this area are needed on this board. And I don't think you're going to find them just by going down a list of farm organizations. I think you need some very, very precise experienced people in dealing with the kinds of things we're talking about.

I would make this suggestion to you, Mr. Minister, that the Saskatchewan bar association needs to be asked for qualified people who have dealt with farm debt and dealt

with it in the courts and understand it in the courts. I believe you need farm people who have been involved in mediating the opportunity and the responsibilities, and we've had significant experience of that in the past five, six years.

We have . . . the head of the Mediation Services is a very strong individual, has very capable attributes in delivering the kinds of things that I think we want to have in this board. Your Farm Land Security Board have also got some individuals who have experience. Your Farm Debt Review Board has also got experience in relation to this.

But if you want to take and make a legal person — because he's going to have to make decisions in a court — if you want to make him be a lawyer in short course, you're going to have serious problems because you can't challenge this in a court situation. You can't give a balance to the decisions being made. And you have to have consistency and it has to be established over a long period of time.

And I think that that is very significant in dealing with the issues that we have to deal with as you've established them in this Bill. And I want to have some response from you on that.

**Hon. Mr. Wiens:** — Mr. Chairman, I'd like to answer the last point first with respect to access to the courts. Before the parties access the Farm Tenure Arbitration Board, if they are in doubt about the . . . or if they lack confidence in the process, they can access the courts in advance.

I want to say that, with respect to the nominations, the agencies that we have consulted all bring the same concern and respect for the need to be disciplined about that as you are suggesting here, and it's our observation from the names they have sent forward that they are not asking for representatives from their organizations. They are submitting to us names of people that they respect who bring the qualities that you describe.

I can say that in fact some of the organizations are concerned that in order that the boards may have impartiality and to be seen to impartial, that they do not want people linked too closely to their organizations. I know when I met with the Canadian Bankers' Association, they were concerned that someone on the board not be seen to have a banking bias that's sitting there. They want good, independent people sitting on those boards that will represent a fair and just tribunal that can look at these issues.

I want to say with respect to the people that you have suggested, who are very qualified and experienced people in that area, I can only agree with you. One of the facts is that these people are in one stage or the other presently still going to be involved in the process with farmers and their expertise will be accessible. As well, under the Bill, it's stated:

The board may: engage the services of any legal counsel, consultants and technical advisers that it considers appropriate to assist the board in carrying out its responsibilities;

So that there are two options. One is that we can consult and we will consult the Canadian Bar Association, Saskatchewan branch, for advice on the question that you raise with respect to legal advice with respect to the board. So there are two options: one is to have people who are respected in farm law actually sitting on the board; the other is that they be accessible to the board on a contractual basis. And we will again ask those questions and clarify those points before the final board appointments are made.

**Mr. Martens:** — If I could be so bold as to make another observation that I think is necessary, I would suggest that a policy be followed similar to the counselling and assistance for farmers, where the farmer had the capacity to choose. Now because we have the lender and farmer both involved, I would suggest you do it in an arbitration-based focus where you have the individuals on a list. The farmer could choose which one he wanted to have; the lender could choose which one he wanted to have. And if you had a common individual to co-ordinate that, that was selected by both of them, then you would have a basis for a decision making that would have the vested interests of both parties plus a common individual who understood all the aspects of what he was responsible for.

And I would make this suggestion that that's the kind of process you use in dealing with the matter. Then you could have the individual say I was represented by the individual who I chose. And it would also lend itself, Mr. Minister, to this very important point — that those people who were providing the best service would get the demand for the service, and then it wouldn't be arbitrarily put on by the board. And I think that that kind of process would enhance the credibility of the board in its own self-determination.

And I think that that's a very important . . . would be a very important asset to the continuation of stability in the board. I'd like to have your comment on that.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the suggestions of the member opposite, and I'll ask our officials to consider that.

There is a difference between the CAFF (counselling and assistance for farmers program) situation and the situation here which I think again only re-emphasizes the member opposite's point, and that is that we will have only nine people on the committee. And if client A is selecting three or two with an independent chair . . . or one pair of the lender and the farmer choosing two and someone else would like also one of the members . . . it may become a bit of a difficult process logistically.

But the point is well made with respect to consideration of allowing the client to choose. Can make no promises on that.

In the CAFF situation, I think there were probably 40 or 50 people from whom the farmers could make their choices, and here we have a smaller number. But I think it does re-emphasize the need for having nine people in whom everybody would have confidence and who are seen to

be impartial in every case.

**Mr. Martens:** — Well I think you need to seriously take that into consideration because then . . . I'm not sure I explained it right because as you explained it back to me, I didn't think that that was what I had said. So what I will do is just give it to you again.

In the CAFF, the individuals selected the three people to be involved, and I say just do it like an arbitration where . . . like wage negotiations or anything like that where each party chooses one and let the third be mutual choice in settling the disagreement. And that's what I would say would be a step in the right direction. Then you have confidence in the individuals providing the assessments.

I also want to indicate . . . well I'll give you a chance to respond to that.

**Hon. Mr. Wiens:** — Again I think I understood the question correctly and I will try and respond in a way that brings our minds to the same point here. In the process of selecting arbitration panels in labour disputes, and I have participated on some occasions in that situation, one is selecting from an infinite pool where people are identified by both sides that can become part of that panel and then an independent chairperson is agreed upon.

The CAFF situation isn't exactly parallel because I believe the farmer had the choice of selecting the panel that dealt with their particular circumstances. But they were selecting the panel from a pool of I believe 40 or 50 previously identified people. So the group was very large.

When wanting to identify the nine best people to serve in this capacity on the Farm Tenure Arbitration Board, one needs to assume that they all have the qualities that would bring fairness and public accountability to the process. But one also needs to assume that chances are most of them will be busy at a number of times when there are larger loads of clients who seek the advice of the Farm Tenure Arbitration Board.

I appreciate the suggestion and I'll ask our officials to consider to what extent that can be part of the process. But I'm suggesting that there may be circumstances under which it's impractical. But we appreciate the suggestion in terms of making everybody feel good about the process.

(1500)

**Mr. Martens:** — Another point that has been made to me, Mr. Minister, that I think . . . Well I'll go back to this one and then we can finish it off. My view of it would be this way. We could probably have the lender establish who his representative was that was outside of the board that you're going to establish.

We could have the farmer select the individual that would be outside of the board that he would like to have represented, and the board provide the third-party, common-interest individual who the two of them would select from. And that would give you a broad dynamic. That would give you the capacity of the individual who perhaps has been dealing with this farmer for the last 10

years in negotiating through the lender the opportunity to present the case as he sees it on behalf of the farmer. And then the lender who has had his own representation in the case could do exactly the same thing and then the common-interest person could then provide the balance. And that person established by you. I wouldn't see any problem.

But I have a significant problem dealing with the balance that this sets up across the province. If you have three men sit down in Carlyle, Saskatchewan and three men in St. Walburg, the circumstances are totally different and decisions will be made that are totally different. But people have a tendency to blend the information until it becomes the same, and then you've got a serious problem in the whole function.

And that, I think, would seriously enhance the opportunity to develop across-the-province kind of mediation. The significant impact of the mediation services in the province of Saskatchewan under the direction of the heads of those . . . of the Farm Debt, Farm Land, and the Mediation Services has been the consistency of the individuals providing the judgements.

And I have had significant exposure to the people that have provided it and have had the courts render their decisions on the basis of one or the other, and I have not had a great deal of complaining about the functions of those individuals. And the reason is because there's consistency. There isn't a diversity of responses. And it's even more significant given the power that these individuals have. And when you throw this all into the mix, consider that as an option to be dealt with in the future.

**Hon. Mr. Wiens:** — I appreciate the concern the member opposite brings to this issue. I think it is genuinely reflecting the concern that all of us have that this process be as fair as possible.

I believe some of the comments of the member from . . . that the member from Morse himself makes would suggest the correctness of the process that has been chosen and reflected to us by the committee on which both farmers and lenders sat, in that the consistency of consideration is important.

The consistency of consideration is a practice in the models the member opposite has used as examples, with respect to Mediation Services. We contract with reliable and trained people to carry those out and it is an excellent service.

And with respect to the Farm Land Security Board, we use a consistent group of highly qualified people who can bring a degree of consistency to the consideration because they have a common experience with the hearings they have.

So I think . . . I appreciate the import of the concerns of the member opposite and I hope that his expectations for this process will be met through this model which follows very much on the models the member has used in giving examples of what a good process looks like.

**Mr. Martens:** — Well I will just make this final point on it and then we'll go on to the next one. And that is that if you have different decisions made and because it's binding on the court, the consistency has to be real. It cannot be perceived to be real; it has to be real. And there is significant pressure in people's minds that they don't mind being told what they have to do, but if they hear a year later or six months later that someone else got those kinds of circumstances exactly as theirs, the order was different, then there will be serious implications. Then I don't know what will happen, because of the strength of the decisions that you're making in your Bill.

I have one other thing that concerns me, and I've had it raised, and that is the judicial sale component. I know you sent your legal counsel to visit with me and I made this observation, that the judicial sale component should have some impact because the court has already determined what was to happen. And now this individual will have the land given back even though a third party purchased it. The individual farmer will have the capacity to accept or reject that yet.

And I think there are some . . . there comes a point in time when the determination has been made and a final determination has been made, and I would suggest that if the court has determined that that's what is going to be done, then I would say that the determination of the court should be final.

It's been raised with me on a number of occasions with individuals who have purchased on the basis of a judicial sale. Now they're going to have to lease this land to an individual who they maybe purchased it from, or through, or whatever. And that causes a significant problem in my view because the court has determined that a sale should take place. The court has held the sale, and it's been concluded. And so at some point in time I think that there has to be a finalization of this, and I believe that on these cases that the court has determined that that's the final sale.

And I'd like to have your explanation of this so that I can tell the people that that's what's going to happen.

**Hon. Mr. Wiens:** — Mr. Chairman, the concern the member opposite has is a real one and was considered by the committee. The first point is that this clause, this consideration, is not retroactive, so it will only apply to those judicial sales that take place from the day of proclamation of the Act.

I understand that judicial sales represent a very small percentage of the group of dealings with land that is being lost — possibly less than 10 per cent. And of that 10 per cent, a majority of the purchases through judicial sale are again made by the original lender of the money for the land.

It's necessary in the Act to protect against the possibility of the judicial sale being a mechanism which would skirt the purpose of the leaseback mechanism. So it's put into there for that reason. And prospective purchasers will be aware that that is part of the Act, and they will make their decision with respect to purchase at judicial sale knowing that is the fact in the Act.

It was a matter of serious consideration by the board, but it was felt that if it was not dealt with in that fashion, then the potential for skirting the purposes of the legislation was there.

And again I believe from our extensive ongoing discussions with all the parties to the original discussions that that's an acceptable solution for them.

**Mr. Swenson:** — Thank you, Mr. Chairman. I'd ask leave of the Assembly to introduce guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Swenson:** — Thank you, Mr. Chairman. I would like to introduce to you today, sir, and to the other members of the Assembly some guests in the west gallery. I'm very pleased to have here today my parents, Don and Dorothy Swenson, and I'd ask them to stand; and their guests, from Pullman, Washington State, Jessie and Shirley Davis, who farm in the Pollus country of Washington. And we're very glad to have them here visiting.

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

## COMMITTEE OF THE WHOLE

### Bill No. 57 (continued)

#### Clause 1 (continued)

**Mr. Martens:** — Thank you, Mr. Chairman. The concern I guess I have is that the future after the Bill was visible to the people sets a pattern for what will happen; but what caused the problem was, from the time that you announced the decision and what you were planning on doing to the time that the Bill actually came out, there were land transactions that took place. And on those . . . They should be treated a little differently because the circumstances involving those are a little different. And I'll give you the rationale for the observation made to me by the individual who contacted me.

He said, I purchased the land from the lender. The former owner is now going to have an opportunity to get a leaseback from the lender. And then he will have to lease it from the new owner in the judicial sale. And if I'm wrong on that, then you need to very clearly establish what the rules and the procedures of that very function are going to be.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the expression of concern by the member opposite that the . . . We will have to make that clear to people, that land bought at a judicial sale will not have that right attached until after the proclamation of the Act. So that anything that's happened up until that time, the purchaser will have the rights to that land unless there are some other legal proceeding that I don't know about at the moment. But we'll have to make that clear.

**Mr. Martens:** — So that I understand this absolutely perfectly: the individual where there has been a judicial

sale, up to this point or until the proclamation of this Bill, that individual will have that land clear?

**Hon. Mr. Wiens:** — Mr. Chairman, I will just read from page 6 of the Bill:

Subject to subsection (8), where the farm land of a mortgagor who is a farmer is sold by way of judicial sale after the coming into force of this section, a purchaser of the farm land, including the original lender, has the same rights and obligations pursuant to section 27.1 . . . as a lender who has obtained a final order of foreclosure.

**Mr. Martens:** — If I then assess it this way, as you've explained it now, and I go back to this individual from Mossbank who called me and I say to him he doesn't have to worry because his sale took place somewhere in spring, he doesn't have to worry about this, then I don't have a significant problem.

However, if it's retroactive into that period of time where you've got a no-man's land, there is significant problems in relation to that.

**Hon. Mr. Wiens:** — Yes, Mr. Chairman, I think the member opposite can assure the farmer who called him that that's true, that if his purchase under judicial sale was made before the proclamation of the Act, then there is no responsibility with respect to the leaseback.

(1515)

**Mr. Martens:** — Can I get an explanation of how the CAFF works in dealing with the single units? Can you make application for — and the point I want to get it to is — can you make application for the two sections or the 36,000 assessment? Can you make application and have more land that is in question? Can you have more land in the transfer of the lease and only the component of the two sections or the 36,000 having a part of this program as a subsidy, if you will, to the program?

Can you define it that where the two sections fits in or the 36,000 fits in to a guy that has four sections in this case?

**Hon. Mr. Wiens:** — Mr. Chairman, the program is designed in such a way that the maximum that can be owned or leased under the program is double the 1,280, that there is a limit at 2,560 acres or \$72,000 assessment to what can be otherwise owned or leased under the program total, with the limit that can be leased under the program at 1,280 and 36,000 assessment. But that if the farmer leases land additionally to that, that that doesn't become an issue with respect to this program. So other arrangements are free to occur.

**Mr. Martens:** — So if the person goes over 1,280 acres and then he's got 1,000 acres above that, that doesn't apply to the discussion on the process for lease, or that doesn't apply to and/or the subsidy given to the individual? That's what I wanted to know.

**Hon. Mr. Wiens:** — I'm not sure if there's another concern that's not being quite stated arising out of the member opposite's question, Mr. Chairman.

With respect to any concern that may be in the member's question, with respect to a farmer dumping land to the financial institution, the regulations will prevent that kind of action because people who fit into the exemptions will be disqualified from their leases. So if that's an issue here, there should be no concern about that.

But at the other end, at the end of the farmer's eligibility for the program, it is . . . as the member opposite suggests, the limit for the farmer's participation in the program and compensation is 1,280 acres or \$36,000 assessment. The farmer could own an additional 1,280 acres and \$36,000 assessment to total 2,580 and 72,000. That would be the maximum owned and leased under the program land that the farmer could have. And any other arrangements that the farmer participates in are of no interest to the program.

**Mr. Martens:** — Well I'm not sure I understand that yet. The total cap, as I gather now, is 72 . . . Let's just forget about the sections and deal with the assessment. So if you've got a 36,000 assessment, you can access the program. If you have 72,000 assessment or over, you can go up to the 36 and that's it.

**Hon. Mr. Wiens:** — Yes, that I believe would be the interpretation. If you owned exactly \$72,000 in assessment and lost one quarter, you would be eligible to lease it back. If you owned whatever — 72,000 plus the value of that quarter and lost the quarter, you would not . . . it moves up to that cap. But within it, the eligibility is limited, first, by the total amount that's going to be in the program; and secondly, by the total land owned and participating in the program.

**Mr. Martens:** — So that a person going in there with three sections of land under the assessment would have that cap at 72,000 and it wouldn't be at the 36. Okay. Now I understand that. Then the cap has significant ceiling over and above what he would qualify.

Now I guess what I assumed — it was in the explanation that I read there — I assumed that if you had two people on a farm and they had a combination of 72,000, that was the maximum they could go.

Let's use a hypothetical case like the Matador Co-op Farm for an example where that assessment would be far in excess of the 72,000 but there is significant more individuals involved. I'm not suggesting that they're in financial difficulty at all. I'm just using that as an example. How would that translate itself into working this program through?

**Hon. Mr. Wiens:** — Mr. Chairman, while the regulations have not dealt with the issue you raise, it is in the Act. And it is the intent of the . . . will be the intent of the regulations to treat families as family units and their limits would be multiples of the family units participating.

**Mr. Devine:** — Thank you, Mr. Chairman. I know there are people in the gallery that have some interest in FCC (Farm Credit Corporation) and would be interested in knowing how this legislation is going to fit with the operation of the Farm Credit Corporation in the province of Saskatchewan.

And maybe you could elaborate on some of the . . . perhaps the negotiations that have gone on. Because evidently FCC will operate under one set of principles, as I understand it, and this legislation will force the credit unions and other financial institutions to operate under something differently.

How's that going to fit and what implications would that have for the average farmer that might have FCC property credit, farm credit loans, and then in some cases they might have a credit union loan and some cases ACS (Agricultural Credit Corporation of Saskatchewan) and some cases a bank?

But specifically, how's FCC going to operate, and to the best of your knowledge, how will it fit with what you're doing?

**Hon. Mr. Wiens:** — I had attempted to address that question earlier and I will address it again and then maybe if I miss a point the member can ask for clarification.

The Act as it's written applies to the Farm Credit Corporation and therefore clients of the Farm Credit Corporation are entitled to the same benefits as clients acting with any other lender in the province.

With respect to their commitment to participate, there have been two discussions. I have met with Jim Hewitt, the president of the Farm Credit Corporation. In that conversation, when we were introducing the Bill I believe, or it was around that time, he said that Farm Credit Corporation would follow the program.

It was several days later that the minister in charge made comments suggesting there may be a challenge. It's my hope that that would be an unnecessary act because this Act contemplates not very much different action from the Farm Credit Corporation than they are presently engaged in.

Farm Credit Corporation now frequently engages in leases of six years and longer. Farm Credit Corporation has said publicly and to us privately that they provide leases to about 80 per cent or 82 per cent of those who forfeit their land to them.

So the action described and the rights described under this Bill for farmers would not require significantly different action from the Farm Credit Corporation than they presently engage in. Often it would simply add for the farmers the right to access the Farm Tenure Arbitration Board if they happen to be one of the 18 per cent who have not received the right of leaseback from the Farm Credit Corporation.

So while there hasn't been a final statement by the federal government in any written form, I think the six-year leaseback feature probably has its roots in the fact that Farm Credit Corporation already often does it, because they participated fully in the discussion with the other lenders and with the farmers and the other officials that were at the table in bringing forward the Farm Debt Advisory Committee report.

And so I think it would seem to us to be reasonable that they would want to follow this practice which doesn't ask much more of them.

**Mr. Devine:** — If a Farm Credit client farmer had, say, five sections of land and he was going to turn that back, under the provisions of this legislation, say, two sections would be leased automatically because of this Bill, would Farm Credit be obliged to do the same with the other three? Or what implication does it have in that situation?

And secondly, could you table any understanding — any legal understanding or table anything that would set out how Farm Credit and the province is going to deal with this in a parallel sense or side by side so that farmers have some understanding, other than *Hansard* here, how it's going to work. Is there anything that you could table here that you have negotiated with FCC?

(1530)

**Hon. Mr. Wiens:** — Mr. Chairman, I thank the Leader of the Opposition for that question.

This procedure applies to the Farm Credit Corporation as it applies to all other lenders with respect to the first question the member opposite asked. That is to say that the CAFFs would apply as it would to the Royal Bank or the credit union; that Farm Credit, in the interests of their client, may wish to offer leases beyond the requirements of the program but the requirements with respect to the CAFFs would apply to them as well as to everyone else.

With respect to the application of the law, farm foreclosure legislation applies to Farm Credit Corporation just like other lenders. They were bound by the 1988 Saskatchewan Farm Security Act and they are bound by these provisions as well.

**Mr. Devine:** — I'm not sure that you answered the first part of the question. Could you take that five sections of land turned back by FCC, and two automatically apply — assuming that they're under the \$36,000 assessment or two sections — what happens to the other three? Can they sell it? Can they lease it to somebody else? Do they have to do the same thing as . . . What do they do with the other three?

**Hon. Mr. Wiens:** — Yes, Mr. Chairman. I hope I can clarify the question and the answer.

The process applies equally to all lenders. If five sections are turned back to any lender, and two sections are eligible under the leaseback because their assessment will exceed \$36,000, the lender would be required to lease the two sections. And they could take any other action with respect to the other three sections that they wish, recognizing that the farmer would have, if the land were put up for sale, the right of first refusal for purchase.

**Mr. Devine:** — Well, Mr. Minister, I think you've got an administrative difficulty there. I mean we can think of lots of situations where it's going to be extremely complicated. And I'm going to let my colleague pick up on that.

But while I'm on my feet in this sense, I had a meeting with the board of directors of the Estevan Credit Union. They weren't happy with this Bill, as you probably know. And they said they had talked to you or your officials, and they quite frankly didn't know that they could convince you not to do this. But they were worried. And they were worried because they didn't think that they could afford it. And they were worried about what the board of directors would do in terms of future loans into agriculture, given the fact that there was this new obligation on local co-ops.

Now I know that you must be convinced in your own mind that credit unions can handle this and manage it. But briefly what do you tell the credit unions, or could you tell the Estevan Credit Union and its members and its membership, that would give them the comfort that this Bill is not going to be onerous such . . . if it's an onerous Bill, that it will force them not to do the things that they traditionally do. It's going to be costly, and it could have an impact on how they view credit into the agricultural community.

So credit unions obviously have not got the national capacity that a bank does — some of the chartered banks. They are locally driven, locally financed, local people's money. And so there's very little cross-subsidization, if you will. Or the deep pocket isn't there; it's not as deep.

I would like to know what you say to them that gives them the comfort that they're going to endorse this or they're going to feel that this is a good idea. Because from what I've heard and from meeting with the board they were, as you probably know, were not impressed; they didn't like it. So you must . . . is there something . . . What do you say to them that gives them that comfort?

**Hon. Mr. Wiens:** — Mr. Chairman, I hope I can enunciate the five or six points fairly quickly, and the member opposite can then maybe address the individual ones for further clarification. I want to say that we have been in extensive discussions with credit unions wherever we've had the chance, and officials have addressed them frequently. And there are a number of points that we bring forward. One is that this is a balanced program that has advantages for credit unions and for other financial institutions.

First of all there is no obligation under this program to deal with new debt, so that there is hopefully a comfort with the financial institutions that what we're dealing with here is creating security of tenure for people encumbered by debt that has accumulated till now, believing that there is an excessive debt for a number of people in the system.

With respect to the willingness of credit unions to offer credit, it would seem to me that if there is no impact of this program on future lending, and recognizing that this program came about because of the joint recommendations of financial institutions sitting with farmers, that they clearly will have no fear that government is perpetrating something on them.

They have participated in the design of this and it would

be my intent, if there would be contemplated further change with respect to debt, that we would yet again use this very broad process which has proved so successful and for which I give a great deal of credit to the credit unions and the banks and ACS and FCC, along with the farmers who sat at the table, and the officials. That in fact this has been a jointly designed program, so it's not something that came out of the blue.

The impact of the program, because farmers will have the opportunity to remain on their land, ought to stabilize land values since land will not be entering the market where it may otherwise have been entering the market. And so that land values should be stabilized as a result of this program.

The provision provides a small protection in one area where farmers cannot declare a home quarter after a mortgage is on it, and that wasn't clear previously in law, so that there isn't the opportunity to protect against the creditor land by creating a home quarter where there is a debt.

The provision, especially for credit unions, also provides that farmers can waive their rights to exemptions for specific properties, which means that farmers can use that provision to access credit, but it also opens the door for credit unions to offer credit in an area that previously was restricted to other financial institutions.

Additional benefits arise because it is presumed that because of the voluntary mediation, that financial institutions will experience for a shorter period of time the difficulty associated with getting no compensation for the land they hold.

There have been a number of examples where financial institutions have simply not received payment because the farmer's not been able to make provision to make payment on their land for extended periods of time, and there has been no easy way out of it if they've entered that process that's here and it's extended sometimes two, three, four years. And during that time the financial institutions in fact hold that land rent free, in a sense, because they're waiting to make settlements.

It's believed that on average this program will reduce that period when financial institutions are in that position and the farmers are experiencing stress. So it's in everybody's interest to shorten it by, on average, a half a year.

It's also true of this program that presently, sometimes lenders provide leases beyond two years in making a debt settlement with farmers. And under this program they would be compensated for any period above the two years for which they offer the lease, which is also a net benefit to the financial institutions.

So there are a number of positives here, and we believe that the total impact of this Bill will be to stabilize land values and to actually make a safer environment for the credit union system. It's clearly in all of our interests to maintain the strength of this system which is central to Saskatchewan.

**Mr. Devine:** — Can I assume then that the credit unions

will endorse and are endorsing this Bill? And as I asked with FCC, if you've got anything that you could table on FCC, and I'm not sure that you did say . . . Would you table anything from the credit unions that do endorse this. Or can you table anything from the Farm Credit that do endorse it.

And I understand that the Bill has a sunset clause that it ends in 1996 or '97. Is there anything to prevent you from amending the Bill between now and then to pick up additional years so that in fact 1993 and '4 and '5 you could kind of collect, and you could in the hopper and say, well we'll include those as well? I don't think there would be. So that in theory you could keep bringing this up. While it is sunsetted in '97 you could bring on new debt with an amendment, which is always possible — not only amendment, you could have new Bills or whatever. So is that a possibility?

And number two, could you table any correspondence from either the credit unions or FCC that would indicate how they plan to co-operate and whether in fact they do endorse what you've just said in your five points?

**Hon. Mr. Wiens:** — Just on the . . . Mr. Chairman, with respect to the question the member opposite asked with respect to amending the Bill. This Bill has come forward as a result of a most co-operative process that has grown out of a recognition that there is a farm debt crisis in Saskatchewan now with a particular history to it, and that farmers need stability and it's in everyone's interest to provide that stability for farmers. That's the origin of this Bill.

I should say that the representative of the Canadian Bankers' Association, the representative of the Credit Union Central, the representatives of a number of other organizations, signed off on this Bill. I want also to say that the Farm Credit representatives participated fully until the tabling of the report. I want to say that they did not sign the report, but it was technically at that point on the question of federal legislation that said they couldn't offer land for more than five years, which is a technicality which they have overcome repeatedly by simply making an order in council, I believe. So it was on a technical point that the Farm Credit representatives did not sign on to the original report, but they made a very positive contribution to the discussions.

(1545)

The discussions continued to be positive with officials. And I think when the Bill is passed we can come to a quick resolution, because I believe that the federal government is as interested as the people in the province of giving farmers the right of access to their land when they have lost it through circumstances which have befallen them which they could hardly control themselves.

With respect to any documentation, we have no documentation, no signed commitment from Farm Credit Corporation that they will co-operate. But it's certainly our belief from my conversation with their president that it would be their intent to do so, and certainly it would be my expectation that the farmers' interests are also the

interests of the federal government.

With respect to credit unions and the other financial institutions, we have engaged in ongoing discussions with them since the tabling of the report. They have, as you would expect and by the questions you ask, obviously have their own set of particular concerns relative to the implementation of a report that they all joined in in presenting. And they have engaged in diligent work with our officials to clarify and to modify the document to be one which is mutually agreeable.

And there are a couple of fine points which are still under discussion, but I believe I can say that both the Credit Union Central, the credit unions they represent, and all the members of the Canadian Bankers' Association that are here in Saskatchewan, have put a very great deal, a very positive effort into this exercise and I want to commend them, along with the farm organizations who have helped fine tune the legislation which is implementing the report which was originally brought forward. Without all of that commitment from both the farm organizations and the financial institutions, this Bill would not have been possible to be brought forward in such a co-operative atmosphere.

**Mr. Swenson:** — Thank you, Mr. Chairman. Mr. Minister, in a response to the Leader of the Opposition on a scenario where Farm Credit owned five sections, his interpretation of the Act was a 36,000 assessment cap or two. I need some clarification here. Because in the earlier answer to the member from Morse you said that there was the 72,000 assessment cap that applied. So what you're saying is then, if the individual has five sections, it's the 72,000 assessment that's the line, or is it the 36,000? Which is it?

**Hon. Mr. Wiens:** — Mr. Chairman, it depends on whether the farmer is losing all five sections or not. If the farmer . . . if there were five sections and each section had an assessment of \$18,000, then the . . . just waiting for the member to finish reading there to try and clarify it. If the farmer had five sections and each section had an assessment of \$18,000, and if two sections were lost to the Farm Credit Corporation, the farmer would be eligible to lease one under the program because he would be limited, or she would be limited by the total limit of \$72,000 assessment.

If the farmer lost all five sections to the Farm Credit Corporation, the farmer would be eligible for leaseback for two of those sections because only \$36,000 of assessment or two sections is eligible for the program. And the other three sections could be dealt with between them as they would choose. The Farm Credit Corporation could lease it independently of the program. They could put it up for sale and the farmer could have the right of first refusal.

But there are two limits. The first is that no one can have more than 1,280 acres or \$36,000 assessment under the program. The other limit is that the farmer cannot own or have under their program a total amount of land whose greater than 2,560 or a total assessment of 72,000.

**The Chair:** — Before the member for Thunder Creek gets

back on, some of the questions that are being posed are extremely complex and there are officials in the back who I think need to hear what the questions are. It becomes difficult for them to do that if members persist in carrying on conversations in the vicinity of those officials. If they want to carry on their conversations, I ask them to take their conversations somewhere else in the Chamber or outside the Chamber.

**Mr. Swenson:** — Thank you, Mr. Chairman. Well I find this confusing, Mr. Minister, because you're saying that FCC has a mortgage with an individual of five sections of land. The individual runs into trouble with that mortgage. He then, as I understand sections of the Bill, decides to turn back say half the farm — okay? — to FCC under a leaseback. He then gets to pick and choose which quarters out of that two and a half sections that he's turning back that he wishes to have in the program.

He gets all this done and he is locked into this leasing arrangement on two and a half sections, but he still has to deal with his normal mortgage with FCC on the other two and a half sections. I'm correct so far? Okay. But he can't get the full two and a half in so he's going to have two sections under this Bill and he'll probably have a half section outside, is that the way I understand it?

**Hon. Mr. Wiens:** — Mr. Chairman, he would only in this case have one section under the . . . protected with the right of lease because his total owned and leased could not exceed four sections or 72,000 assessment. So there's a cap that you bump into in terms of total owned and leased at four sections and 72,000 assessment.

**Mr. Swenson:** — Okay. So he will pick one section out of the two and a half that he has turned back to Farm Credit. So Farm Credit and this individual are still going to have to have an arrangement, obviously, for this turn-back, or else he's going to have to quitclaim it and go through the federal debt review board, whatever solution he can come to.

I find, Mr. Minister — and this can apply to any other lending institution also — that when you start picking and choosing quarters out of say, two and a half sections, and say you've got a creek running through the place or you've got a highway that's cut across one quarter or you've got something going on that will make that particular piece of land either difficult to farm or have less value . . . Or I can think of all sorts of situations where somebody has a caveat — a railway company, whatever — across a particular piece, that you wouldn't want it.

Therefore I would think you are going to create a bit of an administrative nightmare here down the road, and you will find that you will have disjointed pieces of land. Because if there's a creek running through it or something, naturally I'm going to get rid of the stuff that the creek's got all chopped up and give that back to FCC or to the credit union, and I'll keep the four quarters out of there that are nice and flat and well drained, and these other guys can worry about those sort of administrative nightmares. Or if the highway's cutting through the middle of it or . . .

You and I both have farmed. We know all of the various

situations out there when you start chopping up land. And I'm not sure that allowing people to cherry-pick their way through this thing is going to be appropriate, and still maintain the confidence of the people that you say you have confidence in to work with you. Because they'll be left with odd bits to try and come up with something.

**Hon. Mr. Wiens:** — Mr. Chairman, I think it is because this process has been so broadly consultative, both in its inception and in bringing the law and the regulations together, that that issue as well has been dealt with under section 27.31(1)(b) where it says:

a lender may apply to the board for a determination of whether, or in what form, a lease should be granted to a farmer where the farmer intends to lease part but not all of the farm land offered for lease and the selection of farm land by the farmer:

- (i) creates a problem of access; or
- (ii) unreasonably diminishes the value of any of the farm land that was offered for lease.

So that issue has been dealt with. And as I had said earlier, if there are issues that . . . I appreciate the member raising these, because if there are issues that come to mind that may not have been dealt with by the lenders and the officials dealing with this, I appreciate concern being raised because there still are a few points of concern that are being addressed between us and the lending institutions.

**Mr. Swenson:** — I appreciate, Mr. Minister, and I did read that point in there where "unreasonably diminishes the value." At no point in here do I determine what type of process is in place to determine what is reasonable and what is unreasonable.

If you want to go out here on the Regina plain and take a four-section parcel of some of this stuff that has about one inch of drop in a half mile, and you take the four quarters in the middle of say four sections, I don't think it'll unreasonably diminish the value because there's nobody living out there anyway. It's all like that. And yet you would have difficulty, in my view, of maybe accessing that situation. And I guarantee you won't diminish the value of the land, but you might make problems.

And I don't know who's going to sort this out according to what you have here because you don't have anything in writing from Farm Credit or the Credit Union Central that tells me that they have agreed to some type of arbitration process or that they have agreed to a process where this isn't going to happen. And one only has to drive across this province to know that those situations occur in each and every township in this province, much less you know, the odd time. And I'd like you to tell me what your process is so that this thing is reasonably dealt with.

**Hon. Mr. Wiens:** — Mr. Chairman, the question the member opposite reiterates is important and I think again re-emphasizes the need for the people who will be on the Farm Tenure Arbitration Board to be wise and judicious. It will be they who . . . As the member opposite raises the

concern, and feels that there is a certain kind of choice here which would be fair and other kinds of choices which would not be, I think we need to expect that those people appointed to the Farm Tenure Arbitration Board would have that same sense of fairness and would alter the land selection in a case where it was clearly disadvantageous to the land that's not selected, as described in the Act. And we would expect the Farm Tenure Arbitration Board to make sure that there is fairness in that regard.

**Mr. Martens:** — I need to ask a question about the component of the lease package. As I understand it, if I have Farm Credit lease for two years and this program comes in, I have an additional four years that I can have under this program. Is that correct?

**Hon. Mr. Wiens:** — Yes. The term for which a farmer has the right to lease the land is six years. If they had two already, they would be able to access the additional four years. If they had three already, they would still be able to access the additional four years. The limit, the total limit of lease period is I believe, eight years under the Act. And beyond that then the four-year period for which the government provides compensation is reduced. So if there had been previously five years, the new period would be three; at limit, a total eight.

(1600)

**Mr. Martens:** — Okay. That explains that.

Can you tell me the relationship of the mediation . . . because it's in the Bill here along with all of these explanations that we've got. Can you tell me how the mediation board will function in relation to the Farm Tenure Arbitration Board and when access will be exclusive to one or to the other, or if that is in fact going to happen?

**Hon. Mr. Wiens:** — Mr. Chairman, the roots through which the debt is resolved are somewhat complex. One of the recommendations that the Farm Debt Advisory Committee made was that there be a bringing together of the federal process and the provincial process. That has not yet happened but hopefully once the legislation is placed we can begin those discussions. I've had them with Mr. McKnight several months ago. And in principle he was favourable to that although his contention was that however the federal process be adjusted to fit our needs, it needed to have some standard features that were common across Canada. So we'll see where those discussions take us.

The formal mediation process, as the member opposite knows, takes the farmer through — after foreclosure notice — through mediation and the Farm Land Security Board, and if no other measure is then . . . if the concerns are not then resolved, then there is foreclosure. Then under this program farmers would be offered a lease. And if the farmer was not pleased with the conditions of that lease, then they would have access to the Farm Tenure Arbitration Board.

But any other combination of circumstances are also possible. Because the farmer could anywhere at this time

voluntarily access mediation. So mediation becomes more accessible than it was in the previous process where one first had to be served foreclosure notice before it could be accessed. So it's accessible at any time. But the formal processes flow about the way they did with the exception that now when the leases are offered, there is access to the Farm Tenure Arbitration Board.

**Mr. Martens:** — On page 21 of your explanation notes at the bottom: this provision will exclude purchase money, mortgages, and construction mortgages from the current homestead waiver process. Then you go to the next section there too. It talks about that the determination of whether mortgage land is a homestead occurs on the date the mortgage is issued.

Are those . . . section 44 and . . . 44, 12.3, and 16 and 17 — Are those to register the process so that individuals cannot signify later on which they thought was their home quarters so that they have a problem later on? And can you give me an explanation of the exclusion of the purchase money mortgages that this deals with. And then I have a question about hog barns in relation to the other part.

**Hon. Mr. Wiens:** — Mr. Chairman, both points, I think the member is understanding approximately correctly in each case.

With respect to the declaration of a homestead after the fact, it is simply to recognize that I as a farmer cannot use a quarter for security, let's say, to access \$20,000 credit, and then turn around once its mortgaged and declare it my home quarter and then have that quarter protected under the homestead protection Act, so that I in fact remove from the financial institution their right to collect money that they had secured in that land. That's that provision, to clarify that.

With respect to the purchase money mortgages and construction mortgages — it has been a matter of automatic process that in a homestead where a farmer wanted to borrow money against their home quarter for the purpose of building their home or whatever, that an exemption will be given. And this simply makes it automatic in law that that occurs.

**Mr. Martens:** — Now I want to . . . maybe it's hypothetical, but I know it can occur. Individuals will have a quarter section or 80 acres that has a dairy farm on it, and that dairy farm could be worth a significant amount of money, and there are people who have significant investments. You have hog farms that can be on a 40-acre patch, that have significant investment. Now let's say these go into . . . and that's the only collateral there is. Is there some protection in here?

Show me how that process would work if that creditor was going to foreclose on that, and let's just ignore whether it's the homestead. The house is some place else, and he lives in town — for practical purposes. But just tell me what will happen to that 40 acres. Does the assessment apply, or how will that figure into this? We could have hog barns; we could have feed lots; we could have dairy farms, as I suggested.

**Hon. Mr. Wiens:** — Mr. Chairman, the officials that have the greatest knowledge about assessment have briefly stepped out for some discussions with other agencies with respect to matters concerned here.

The property would be eligible for lease. But the questions of the assessment as you ask, I'm not sure that they have been technically yet described with respect to how the values on the improvements on those properties would influence limits.

And if the officials return before we complete this Bill, we'll clarify that with you. If not, we'll clarify it at a later time, because it's an important point.

**Mr. Martens:** — What I'm interested in is how that transferred. I know and understand how it will do with farm land. But how does it respond to the things that you have money purchase arrangements with on that small acreage and how that will relate. It might be significantly different if there's 10 sections of land in this four-family unit and they have a feedlot on there, than it would be for a 40-acre piece of ground with a feedlot on it. And I'd like to know how you have that put together.

**Hon. Mr. Wiens:** — Mr. Chairman, I would ask the member opposite for a few moments for the officials to check the application of that with some assessment officials. And meantime maybe we can continue with some other questions.

(1615)

**Mr. Martens:** — I have, on page 23 of your explanation notes, the explanation says this amendment creates a priority security position for the new input production security interest for farmers and livestock producers. Now can you give me an explanation of what that means. If we're moving ahead of somebody else, at a time when dates usually are the way that security agreements are being dealt with, I want to know what it's implying here.

**Hon. Mr. Wiens:** — Mr. Chairman, I think I will be eligible to be the dean of law by the time this process is over. There is another Bill coming up, The Personal Property Security Act, which deals specifically with this question. But the Law Reform Commission made the recommendation that input security interests be strengthened. Input security interests are those things which . . . those expenses that you have in growing a crop, those expenses you have in raising livestock.

Previously only cropping expenses were able to be secured with input security interest, and they had no status relative to other securities. And the security was very complicated and difficult to obtain.

I'll just give the member a minute to . . . The input security was very restrictive and technically difficult to obtain. The time period now which is applicable is broader, the rules by which it's accessible are easier, and it is also applicable to livestock. And it has been raised to the similar status of purchase money security interests which are those interests you would have in purchasing a tractor, for example.

So that the status of the input security interest is raised in the general realm of securities from an undefined position to a position equal with the PMSI (purchase money security interest).

**Mr. Martens:** — This, Mr. Chairman, is the reason why the credit unions haven't got a problem any longer with some of the other things that you're bringing in. That was the simple answer. I understand it because they did have a problem in using other collateral that has already been paid off and they couldn't use that as collateral. Okay.

We have significant problems in how you're going to handle the board. And I guess, from our perspective in dealing with the functions of the board, as I see it — and I don't want to imply anything negative here at all — but I would have a great deal of confidence in the three men you have sitting with you today to run that board. But I wouldn't have the same degree of confidence in some of the other individuals that you mentioned. Because these people have provided through their experience in dealing, not only with law but with agriculture . . . they have been dealing with the kinds of things that we are currently involved in, because they've had experience in it.

And I want to point that out because what I see happening and what we've seen happening is that we have had a significant amount of political involvement in the decision-making process on boards and commissions. And I want to put that as frankly as I can without causing any irritation. But we have a concern about that, and we don't want to have this going down the road and exclusion from the court on a decision made on a political basis by individuals who shouldn't be in the process of doing it.

And that's the reason why we have significant concern about how these things will work. And I guess what we need is absolute assurance that we're going to do this, just as the justices are appointed on the basis of some recommendations from the bar and other agencies. I think that we need to have some response from you that will provide us with a little bit of confidence in this direction. And I want you to tell us what you're anticipating doing.

And that's why I raised some of the individuals who have had a degree of experience in dealing with this. And that's why I raised it from the point of view of having people who have been in a legal sense helping farmers and also credit unions and banks and Farm Credit Corporation — I'm not quite as worried about the banks and the Farm Credit. But I think there is significant advantage to have the credit unions have confidence in individuals that they provide to that arbitration function and the people in legal firms.

And I have a great deal of difficulty in having one single unit out of Regina dealing with all of the things that happen throughout the province. Because the impact is different in North Battleford and Carlyle, and I explained that. I really think that you need to be fairly functionally focused in dealing with how you're going to expedite this board.

**Hon. Mr. Wiens:** — Yes, I want to assure the member opposite that his concern is also ours, and that of all of those whom we've consulted. And I make the commitment that we will do everything in our power to make this a high-quality and impartial body that has the absolute respect of all those dealing with it, both lenders and farmers.

**Mr. Swenson:** — I just have a couple of questions, Mr. Chairman. I want to go back to the example . . . the member from Morse was talking about a feedlot or a value added situation that has occurred in a farming operation. Obviously it has a different lending criteria.

I'm sure that Jim Hewitt in his discussions with you on this particular item mentioned that FCC are coming forward with a legislative package to the federal parliament to allow them to do more value added, more diversification-orientated things; rather than trying to get bigger farm units, that they concentrate on the customers that they have and try and enhance their lending criteria in that way.

I didn't find your explanation of how assessment and how this Bill is going to affect those situations to be one that would give me a lot of comfort with FCC going forward to the federal parliament with what may be a fairly large lending package to Saskatchewan farmers. And if this thing is going to get in the way of them coming forward with a package that enhances us because you don't recognize certain criteria, I'm going to be slightly disappointed. And I'd like your comment on that.

**Hon. Mr. Wiens:** — Mr. Chairman, one of our officials has stepped out just to get some clarification in terms of the application of the assessment provisions so that I can answer that question in a way that helps us both. If we can . . . if there are any other items for clarification while we're waiting for that, I'd appreciate dealing with them.

**Mr. Swenson:** — Well I want to also go on the question that the member from Morse has just asked pertaining to boards. Now I understand your sincerity, but I have heard other of your colleagues in here with the same amount of sincerity and upon checking . . . and I can list you five, if you want, of boards with some prominence in this province that have been struck. And when one checks down the road, we find them heavily populated by donors to your political party.

And in the case of this one that simply will blow this thing out of the water. We're dealing with people here that are on the edge of the precipice, and I don't know how we're going to do it without getting into a big partisan fight here. But there have been enough attempts, and I think you've got some people around you that have been through the process with organizations that are above reproach in your Farm Land Security Board and some areas around it. You've basically been able to, I think, to have a non-partisan view on the world through two administrations now and doing it quite well.

I think it would behove you, Mr. Minister, to bring back the . . . the Assembly will probably not be in session, but somehow bring back to . . . Maybe this is the ideal opportunity to strike the Standing Committee in

Agriculture of this House even for two days, to bring back and say, this is my plan for the board structure. And the standing committee of the legislature which can encompass all parties can say, yes this looks like a good plan, or we want to talk about it, or maybe we should have a sit-down with all the farm groups or something like that so that everybody knows that when we're assigning . . . an example I used of an individual turning back half his farm, and he's picking a section out of that two and a half that that committee in dealing with that section of land is going to be above any criticism based on politics or favouritism anywhere in rural Saskatchewan.

Now you might have some biases toward one lending institution or another; that's going to happen. And you might have a bias, well you shouldn't have took the quarter down by the creek; you should have took the quarter over here. But you'll get that in any instance. And I'm saying, minister, you have an opportunity here. I can't think of a better tool than the standing committee of this House, which hasn't sat formally since the '20s, to put your plan of action in place here. And you're going to be above criticism, I think, if you do that.

(1630)

**Hon. Mr. Wiens:** — I thank the member opposite for his sincere concern and advice in that regard, and we will take it all into consideration as we proceed.

As I said earlier we have — so there's no misunderstanding — I listed 11 organizations whom we had asked for nominations, a very broad range of lenders and farm organizations who we asked for names in order to get a list of nominees. And in that list are a number of nominees who are common to a number of organizations, and we will do everything in our power to make this the kind of body the member opposite wishes it to be and all of us wish it to be.

**Mr. Martens:** — Mr. Chairman, we have an amendment to clause 8, section 27.2(1) and I have handed it over to the minister and his legal counsel. We want to move that at the appropriate time. And when we get to it, I would ask the indulgence of the chairman if we do ours first and then have the minister's amendment go second. Then that I think would expedite the process here a little bit. But we will be moving that amendment on clause 8 on section 27.2.

One other point I'd like to make to the minister is if in the discussion, whoever is investigating this small-holding intensive livestock operation question, we'd sure like to have it as soon as you get it and you can interrupt the proceedings to provide that to us then.

**Hon. Mr. Wiens:** — Mr. Chairman, I appreciate the patience of the member with respect to that explanation. We've sent for the officials. If we cannot provide the information now, we certainly will provide it afterwards at the earliest time, and in an ongoing way work with you to make sure that these provisions do address the concerns that you have as others have.

Clause 1 agreed to.

Clauses 2 to 6 inclusive agreed to.

### Clause 7

**Hon. Mr. Wiens:** — Mr. Chairman, I ask for a moment of consideration so I may answer the question that was previously asked before I proceed with the voting on this. Otherwise it's going to hang over anyway. So I'll just deal with my official briefly and then try to make that explanation before I move my House amendment on 7.

Mr. Chairman, I will make this as clear as possible and encourage us to have a further discussion when this session is over.

The caps will be determined only on the assessed value of the land. So in that sense the value of the other properties won't apply. There are assessed values of improvements. It's expected that in negotiations between the lender and the farmer, an agreement will normally be reached in those circumstances because they will be special circumstances and they won't be the usual third crop share or specific dollar rent for a quarter of land.

And it's expected that because in assets, depreciation is known, that if there were . . . First of all, it would not be often that a lease would be given in a larger context, but there could be circumstances where that happens, where it's on other land that's under the program. But because the depreciation rate on assets is . . . on improvements is generally known and predictable, that the lease rate would reflect that rate of depreciation. And so it would not likely have an impact on the compensation payable to the lender because the lease would be the real value that would be drawn by those assets when you know their value and the rate of depreciation. So it's likely to have a minimal impact relative to this program.

It sometimes will be a factor because those assets will sit on land that's eligible under the program, and if there's not an agreement reached between the farmer and the lender, then the Farm Tenure Arbitration Board will have to deal with it. And in dealing with it, it will have to judge whether there is the fairness of the lease rate and whether there's compensation payable. But those would be unusual circumstances.

**Mr. Martens:** — I will just make this observation and then we can go on. The place where you're going to have difficulty is in ACS, because ACS is a lender to those improvement kinds of situations. And so you're going to have to have a very significant, even arm's-length process in dealing with this function, because it's going to be significant.

And I know that there's some very large dairy producers that have serious financial difficulties and their holdings are being held by ACS. And that's going to make a significant impact.

So having said that, we can go on with the amendments.

**Hon. Mr. Wiens:** — Thank you very much to the members opposite for that.

I'd like to move an amendment under section 7 of the

printed Bill:

Strike out subsection 7(1) of the printed Bill and substitute the following:

"7(1) Subsection 27(1) is amended by adding, 'but subject to subsection 27.2(22)' after 'other Act'".

Amendment agreed to.

Clause 7 as amended agreed to.

### Clause 8

**Mr. Martens:** — There's one suggestion I want to make on clause 8 dealing with the first part where it says:

'board' means the Farm Tenure Arbitration Board established pursuant to section 27.11;

My colleague here from Thunder Creek suggested that this board, the process of the board, be dealt with through the Agriculture Committee of the legislature. And I want to just add one other dimension to it, and that there is significant impact in all of our rural communities on how this impacts on financial institutions as well, and credit unions are concerned that . . . have been expressed to us over and over again.

And our suggestion in that case would be that the regulations could be presented to that committee to be discussed and evaluated. I would say it from this perspective, for the very reason about how we discussed the very impact of improvements on property and all of that, to have an involvement from our side of the House would be greatly appreciated on that.

And having said that, I will move on to the amendment in clause 8:

(a) By deleting subsections 27.2(1) and (2) as being enacted therein and substituting the following therefor:

"27.2(1) Where, after the coming into force of this section, a mortgagor transfers his or her farm land by voluntary transfer, quit claim or otherwise to a lender, or a lender obtains a final order of foreclosure or cancellation of agreement for sale against farm land, the lender shall, within the time specified in subsection (6):

(a) if the mortgagor is a farmer, first offer that farmer that farm land for lease, subject to the farmer's financial viability to sustain an independently assessed fair market value lease rate, by service of a notice in writing of the terms and conditions set forth in the form of lease provided with the notice; or

(b) serve the mortgagor and the board with a notice in the prescribed form that he or she will not be offered that farm land for

lease because the mortgagor is not a farmer within the meaning of clause 27.1(b) or does not meet the qualifications set out in clauses 27 . . .

I won't read the rest because I've given it to the minister to read. However what I will say is this, that when all of this whole process is said and done and we have an evaluation, and these leaseholders have held the lease for a maximum of six years, what do we do then? What's the function going to . . . function of this Bill and the process going to do then?

(1645)

And that's why we added in a method that you can transfer or provide an opportunity for an individual to purchase the land after this six-year lease package is dealt with. And that's why we put this in here, so we can extend it beyond just the lease package that you've got here and also offer an opportunity for these people to have a chance to purchase this land.

I know that the implication will be that they have the right of first refusal already anyway, but I think it's necessary to put it into here so that people understand that there's going to be a process or a flow of the process from the decision to quitclaim, or whatever it is that transfers the assets back to the lender, and then from the lender back to the farmer again. And I think we want to have the least amount of influence negatively or jeopardizing the effect and the impact that it would have on the farmer as we possibly can. And that's why we are introducing this amendment at this time in this place.

**Mr. Swenson:** — Thank you, Mr. Chairman. I too want to speak in favour of the amendment. I think it's absolutely imperative here that if we're depending upon the goodwill — and I think the minister is to a great extent from what he's told me today — of various types of lending institutions, both public and private, for the continuation of this Bill, that if there is a point in here that is clearly defined where they are going to have a responsibility in the case of public institutions to do everything they can to have ownership re-established, or in the case of a private institution, that there is going to be some ability to realize on their security that they will feel far more comfortable than having something that could stretch on into infinity.

And I think public goodwill in this sense will be furthered by allowing this particular amendment to be in place because it does define to everyone involved in the program that there is an end and that everyone hopes the end result is that the farmer, if he so wishes, once more moves back into an ownership position. And I don't think anyone in this province would disagree with that particular item.

**Hon. Mr. Wiens:** — Mr. Chairman, I can't accept the amendment but I want to explain why. There is actually some legitimacy to an element of it that needs further discussion with organizations and lenders. It is the issue the members opposite raise with respect to the period following the lease.

I've discussed with officials of the farmers' union and others I've questioned today as well . . . but with respect to the general application of the amendment as brought forward here, and by the way, that we have a year or two in which to make that clarification before it will be a matter where it will be applied. So I would invite participation from you in raising that issue later.

But with respect to the amendment as presented here, the option to purchase, which according to this amendment would apply throughout the period that the farmer was leasing the land, was one of the elements of balance brought within the committee report. It was an issue considered by the committee, and it was one of those trade-offs that was done internally within the committee before the report came forward. And so the option to purchase, as generally applicable, is one that was not recommended by the committee when it came forward.

The other issue that's contained within the amendment that's here is the question subject to the farmer's financial viability. It was also felt that a viability test was one which would be . . . that would put farmers at risk in the process, and it was therefore rejected by the committee in terms of a test.

But with respect to the issue of the disposition of the land within the two-year period, while the farmer does continue to have the right of first refusal, there is some clarification required for that period of time . . . And appreciate the spirit of those comments on this amendment.

**Mr. Martens:** — My question to the minister then is: what did you trade off for that option? What was the value, or can you tell us what you traded off for the purchase option?

**Hon. Mr. Wiens:** — My understanding from the committee process — and these officials were there — my understanding from the whole process, that in the package of proposing the six-year lease and to get agreement from everyone around the table, that the option to purchase was a piece that was not agreed to. That there was a balance in the understanding of the six-year lease package that the option to purchase within that period of time when the leasing was going on, that would not preclude the lender and the farmer from agreeing to a purchase agreement. But the option to purchase was not recommended by them because that was what brought them . . . it was all of those considerations that brought them to a consensus when they brought the report forward.

Amendment negated on division.

**The Chair:** — I believe the minister has another amendment and I believe both sides have a copy of the amendment. Can we take the amendment as being circulated, and ask the minister just simply that he moves the amendment.

**Hon. Mr. Wiens:** — Yes, I'm sorry you won't let me read this wonderful piece of literature. But if that's the deal, then I simply move it as printed and as shared.

Amendment agreed to.

Clause 8 as amended agreed to.

Clauses 9 to 21 inclusive agreed to.

The committee agreed to report the Bill as amended.

**Bill No. 54 — An Act to amend The Farm Financial Stability Act (No. 2)**

**The Chair:** — If the minister could introduce any additional officials with him who were not here previously.

**Hon. Mr. Wiens:** — Mr. Chairman, there are two additional officials here: Kathy Hillman-Weir, on the desk next to my deputy minister, from the Department of Justice; and behind the deputy minister is Ross Johnson from Department of Agriculture and Food.

**Clause 1**

**Mr. Martens:** — Mr. Chairman, and Mr. Minister, we would like to talk about the two of them together if we could, and then we'll run them through afterwards since we've got them discussed.

In the process of doing this and moving it from a department in the government to Ag Credit Corporation, there is, I guess one could say, a significant amount of problems being created in how the implementation process works because of there being two separate entities prior to the coming into force of these Bills.

And so a decision to amalgamate the two is not necessarily wrong from our perspective. However the outcome is that individuals who are caught in having to have their guarantees through the CAFF program are now in a position where some of those very people who were their collectors for another loan . . . and they become the administrators of the CAFF program or the CAFF clients.

So what we have heard and seen through the past few months is that as individuals go through the process to have their extension on their CAFF loans and the guarantees extended, we have a significant impact on those individuals when they come to ACS where the location of the mortgages that started the whole process on the downhill slide.

And so we have more questions on function and how this works than on the fact that it happened.

And so when you come back after supper, we'd sure like to have some views from you as to where you see this going and how you see this happening.

**Hon. Mr. Wiens:** — I don't know, Mr. Chairman, whether the member opposite wanted me to introduce the Bills briefly. I think he actually did a good job. The first Bill that we're dealing with does essentially deal with the termination of the counselling and assistance for farmers program as of April 1, 1992, a decision made this spring and a decision consistent with the Farm Debt Advisory Committee report.

And the second Bill that he wants to deal with in a package is the continuance of the residual of the program clients . . . program features under the Ag Credit Corporation. And it is with respect to that function that the member opposite wishes to discuss further after supper. And I appreciate that indication, and we'll proceed with that discussion after the break.

The Assembly recessed until 7 p.m.