



Standing Committee on Agriculture

Hansard Verbatim Report

No. 5 – May 15, 2002



Legislative Assembly of Saskatchewan

Twenty-fourth Legislature

**STANDING COMMITTEE ON AGRICULTURE
2002**

Ron Harper, Chair
Regina Northeast

Donna Harpauer, Vice-Chair
Watrous

Pat Atkinson
Saskatoon Nutana

Bob Bjornerud
Saltcoats

Wayne Elhard
Cypress Hills

David Forbes
Saskatoon Idylwyld

Carolyn Jones
Saskatoon Meewasin

Ron Osika
Melville

Randy Weekes
Redberry Lake

The committee met at 9:01.

The Chair: — Good morning. We will convene the meeting of the Standing Committee of Agriculture. I think we'll start out by having the members of the committee introduce themselves and then we'll have a presentation, a technical briefing which I'm sure will enlighten all of us.

So my name is Ron Harper. I'm the MLA (Member of the Legislative Assembly) for Regina Northeast and the Chair of the committee. I will start with Mr. Osika and go around the table.

Hon. Mr. Osika: — Ron Osika, MLA from Melville.

Ms. Jones: — And Carolyn Jones, MLA for Saskatoon Meewasin.

Mr. Forbes: — David Forbes, Saskatoon Idylwyld.

Ms. Atkinson: — Pat Atkinson, Saskatoon Nutana.

Ms. Harpauer: — Donna Harpauer, Watrous.

Mr. Bjornerud: — Bob Bjornerud, MLA Saltcoats.

Mr. Elhard: — Good morning. Wayne Elhard, MLA Cypress Hills.

Mr. Weekes: — Good morning. Randy Weekes, MLA for Redberry Lake.

The Chair: — Joining us today is also Avrum Fenson who is our researcher who has been assigned to our committee and doing a wonderful job already. Avrum is from Ontario; a prairie boy at heart, having been born in Winnipeg and received his education, some of his education anyway, in Manitoba and the balance in Ontario. I do have a list but I won't go through it right now.

And Viktor is our Clerk who is very capably keeping the committee on track and in order.

So with that I'll turn it over to our technical briefing and if you gentlemen will introduce yourselves, and then we'll go from there.

Mr. Laxdal: — Thank you very much for the invitation to appear before the committee, sir. My name is Keith Laxdal, I'm an ADM (associate deputy minister) with Saskatchewan Justice. And with me this morning are Darcy McGovern from the legislative services branch of Justice, and Hal Cushon who is the ADM (assistant deputy minister) responsible for policy in Ag, Food and Rural Revitalization.

I'd like to begin with just a couple of brief comments about our relationship to the Farm Land Security Board. The departments of Agriculture and Food, and Justice share responsibility for The Saskatchewan Farm Security Act, but within that context the board is more closely associated with Justice in a number of ways.

It's funded through our budget. Appointments to the board are recommended by our minister. And in a general sense the Department of Justice is responsible for the administrative framework within which the board works.

But having said that, I would emphasize that the board is truly a quasi-judicial tribunal. We recognize, we respect the statutory authority that's given to the board, and neither department has any role in the actual decision-making processes of the board.

Now we understand that the committee is interested in a short and technical briefing. We know that your time is limited, and what we propose to do is provide a briefing which would consist of three parts.

I'll begin. I'll do a very quick overview, historic overview of the legislation and changes. I'll turn it over to Darcy and he will review the key provisions of the current Act. And then Hal will speak to the policy issues, to the current policy issues that are before the board. And of course we'll try and answer any questions that you may have.

So if that's acceptable, I'll just move right into a quick recap of the history of farm ownership legislation in the province. And this idea of limiting non-resident and corporate ownership of agricultural lands began in '73 with a final report of the Special Committee on the Ownership of Agricultural Lands. And the mandate of that committee had been to investigate the effects of the purchase and ownership of agricultural lands by non-resident, foreign, and corporate persons.

And in 1974 The Saskatchewan Farm Ownership Act was passed, and it had a particular effect on two groups — non-residents and non-agricultural corporations. And just a couple of highlights out of the '74 legislation. A non-resident of the province — and that was defined as either a Canadian or a non-Canadian — was limited in the amount of agricultural land they could own or acquire to an aggregate land holding of \$15,000 of municipal assessments.

Now there were some instances where non-residents were permitted to hold or acquire more than that amount, but I won't go into that detail at this point in time.

The second thing the '74 Act did was define an agriculture corporation as one which was primarily engaged in the business of farming and at least 60 per cent owned and controlled by resident farmers. Agricultural corporations were not restricted in the amount of land they could own but non-agricultural corporations were limited to an aggregate land holding of 160 acres. And again there were some exemptions and provisions that qualified that, but I'll spare you that detail as well in this overview.

In '77 there were amendments made to the legislation which lowered the limit on non-resident acquisitions from the \$15,000 of assessed value to 160 acres of agricultural property. Canadian residents continued to be included in the definition of non-residents at that point in time.

And in the . . . As we understand it, in the late '70s there were concerns arising about the 160-acre limit that were in place for

both non-residents and non-agricultural corporations as a result of large blocks of land being acquired in Saskatchewan primarily by West Germans.

And the consequence of this was that in 1980 the amount of land non-residents and non-agricultural corporations could acquire was amended downwards. And both groups were restricted to aggregate land holdings not exceeding 10 acres at that point in time, with Canadians continuing to be classified in the same manner is . . . as non-residents.

And there were other provisions that came into force in 1980 and I'll just mention a couple of these. Resident persons were prohibited from acquiring land on behalf of a non-resident person or non-agriculture corporation where that would contravene . . . contravene, pardon me, legislation.

And at that stage, as well, the definition of an agricultural corporation was changed from 60 per cent of all shares legally and beneficially owned by resident farmers, to a corporation that was primarily engaged in the business of farming with the majority of all shares being held by resident farmers.

Changes happened again in 1988 and at that point in time the farm ownership Act was replaced with The Saskatchewan Farm Security Act. Other changes that were made at this point in time included a provision being added to the legislation which allowed Canadian residents to acquire an interest in up to 320 acres in farm land. Non-residents continued to be limited to the 10 acres.

Secondly, non-agricultural corporations in which the majority of issued voting shares were held by Saskatchewan residents were now allowed to acquire an interest in up to 320 acres of agricultural property, and again other non-ag corps continued to be limited to 10 acres. And the definition of an agriculture corporation was changed to one which was engaged in the business of farming with the majority of issued voting shares legally and beneficially owned by resident producers.

Two sets of changes to the legislation in the '90s. First, in '92, the Act was amended to allow financial institutions to retain land they acquired for up to a six-year period following the transfer of title as long as the land was leased back to the previous owner. And in '93 the Act was amended increasing the investigative powers of the board, allowing investigations to proceed if the board had reason to believe that a person has or intends to obtain a land holding in contravention of the Act. So there are no changes really on the limits in the '90s, the '88 limits remained in force.

Anyways that is the quick overview of the history of the legislation and I'll turn it over to Darcy McGovern to speak to the current provisions of the legislation.

Mr. McGovern: — Thank you, Mr. Chair, and to the members of the committee. This is not an easy Act to read. The first point I guess to remember is that the farm ownership provisions are now contained in The Saskatchewan Farm Security Act as Keith has outlined as part 6. Undoubtedly you'll hear during your sittings people talk about the farm ownership Act. Really that's The Saskatchewan Farm Security Act and it's part 6 of that Act. And those provisions were rolled into The

Saskatchewan Farm Security Act largely so that you have one-stop shopping with respect to the major farm provisions in Saskatchewan law.

What I'd like to do is just outline the statutory framework for how those farm ownership rules work and I think the first stop is definitions. And the definitions that you'll want to become familiar with is the definition of a resident person and that means an individual who resides in Saskatchewan for at least 183 days in a year. So that's your definition of who a resident person is.

A Canadian resident — the next definition — is an individual who resides anywhere in Canada except Saskatchewan for at least 183 days in any year. And so that's your demarcation between who's in Saskatchewan as a resident and who a Canadian resident is, and by implication a non-resident therefore is someone who is not a Canadian resident and not a Saskatchewan resident — I'll use those terms. And so that's where an American or the West German individuals that Keith mentioned previously would fit into the definitions.

The other definitions I'll point out is an agricultural corporation and a non-agricultural corporation. They have special rules as well. An agricultural corporation must be engaged in the business of farming with the majority of all voting shares owned by resident producers. So an ag corp is a corp that's actually in the business of farming and it's owned by resident farmers so you don't . . . in that sense that's how an agricultural corporation is defined.

A non-agricultural corporation is more simply someone, a corporation that's not considered to be an ag corp.

There's other definitions that you'll want to get into, but I don't think I'll do that right now, on what is the land holding, keeping in mind an aggregate land holding is important because aggregate land holding means not just my land but my wife's land and the land my children own. And that goes into the term in an aggregate land holding.

So that's an important thing to remember when you hear about some of the acreages — if it's an aggregate land holding, it's really for a family land holding.

Now in terms of the effect of the Act on non-residents. Since 1988, Canadian residents may have or acquire an aggregate land holding not exceeding 320 acres. So that's the example of somebody from Nova Scotia who's going to own land in Saskatchewan may have or acquire an aggregate land holding not exceeding 320 acres.

For non-residents 10 acres can be held if it's purchased after a particular date in 1980s. The current rules are 10 acres for non-residents, 320 for Canadian residents, and of course no restrictions on Saskatchewan residents, or what we call residents under the Act. That's your basic rules for individuals.

Now under the Act, non-residents inheriting land from a person who hasn't been a resident of Saskatchewan for five years have themselves five years to reduce their holding to an allowable limit.

And so if you've received land through inheritance from someone who's not from . . . who hasn't been in Saskatchewan for five years, then you have a five-year period in which to reduce to the acceptable level. A person who is not a resident for five years has five years upon leaving Saskatchewan to reduce to the allowable levels. And a Canadian resident has five years upon leaving Canada to reduce their holding to an allowable limit.

Now what's not affected by the Act? Those are for . . . remember that's for people who haven't been here for five years, but if you have lands acquired by designated relatives from someone who has been a resident of Saskatchewan for five years, then it's not covered by the Act. So that's section 83(1).

And family, frankly, there is defined quite broadly. It's not just sort of the nuclear family but it goes quite a ways beyond that for grandparents, grandsons, granddaughters, brother, sister, nephews, nieces; so that's a fairly broad inheritance clause in terms of how legally we often define who family is in that situation.

Lands held by a non-resident who was a resident of Saskatchewan for any five years and they purchased the land while they were a resident are also outside of that . . . of the limits.

And so that's . . . the Act is very much focused in that way on people who are only in Saskatchewan for a brief period of time as opposed to having been Saskatchewan residents for over five years and then there's an inheritance they're passing on.

Now with respect to non-agricultural corporations, non-ag corps with a majority of voting shares owned by resident persons or ag corps may have up to 320 acres.

So start with the premise that ag corp has no limits. A non-ag corp that's owned by residents or an ag corp — so if you have an ag corp that creates a non-ag corporation — it has a 320-acre limit under the terms of the legislation. Non-agricultural corporations have a restriction of 10 acres. And so like a non-resident, it's a 10-acre limit with respect to a corporation.

Non-ag corps inheriting land have five years to reduce. So if they inherit land under a divestment then they have five years to reduce. An ag-corp which becomes a non-ag has one year from the date of becoming a non-ag corp to reduce aggregate land holdings to the allowable limits.

That's a lot of . . . It's a little bit of a trick to sort of keep that in mind but it's important. The definitions are what's important in terms of who's a non-ag corp, who's an ag corp, who's a resident, who's a Canadian resident.

The other one that Keith had mentioned that's important in Saskatchewan is that there's a special creditor provision so that when the banks take over land, the method in which they are . . . They have a two-year grace period and then it's considered as a part of their overall aggregate holding for that. So when the Royal Bank for example has land, they have a provision whereby they have a period of time in which to hold land and then they can apply for a further exemption from the board.

And that's the first time I've used the word exemption from the board. And that's the other important part of the structure. If you think of the Act as being . . . setting out rules for residents, non-residents, corps, non-ag corps, then you have a provision whereby the Farm Ownership Board may, after they get a written application, grant an exemption to a non-resident person or non-ag corp to acquire and hold land in excess of that which is permitted in the Act.

So you make an application to the board in writing. The board has the authority to grant an exemption on terms and conditions. This is a very active provision in this Act. We have Acts where boards have an ability to grant an exemption and that doesn't happen very often. Generally speaking, more than 90 per cent of the applications for an exemption to the board are granted and so it's a very functional part of that legislation.

Outside of the board structure, it's an offence for any individual to fail to comply with the Act or with an order of the board once it's properly made. The board has a general power to enforce the orders in the Act by requesting divestiture of that property and working with the land titles process to achieve that.

They have the . . . Keith has mentioned that the board has the power to investigate. You'll also want to know that any order of the board is subject to an appeal to the Court of Queen's Bench. So the board is not the final say legally, that there is an appeal from any order of the board to the Court of Queen's Bench.

The only other points I'll make is that under the regulations currently, there's an authority to carve out certain groups or certain landholdings from the operation of the Act as well. And right now, the two regulation provisions that do that is that there's a 104,000 acre exemption for the Saskatchewan Wildlife Fund and — Federation, sorry — and then there's also a general exemption for lands under treaty land entitlement.

So Sask Wildlife Fed up to a certain amount of property is carved out already, and then lands that are provided under a framework agreement under the treaty land entitlement legislation is not considered to be part of the Act. And generally speaking in that case it's an . . . that's to recognize that there's already a process in place for acquisition of that property. And rather than have it run through another process, that's the method in the reg.

I won't go into the practices of the board; obviously the board is in the best position to run you through how . . . what they bring to the table and how that . . . and it'd be best to hear that from them. But that's your framework. You have definitions of who's in, general rules of how many acres they have, largely being 10 acres and 320 being the number to remember. And then you have an ability to seek an exemption and then enforcement provisions under the Act. So hopefully . . . I hope that will be of some use to the committee in terms of hearing the witnesses as you move forward.

I'll turn it over to Hal with respect to some of the policy issue that it presents.

Mr. Cushon: — Thank you, Mr. Chairman, committee members. As previously outlined, Saskatchewan has had rules concerning who could own Saskatchewan farm land since 1974.

The exact nature of the rules has changed over time. And I'd also note that other jurisdictions have also had rules in place. And this includes Canadian provinces, a number of Canadian provinces as well as a number of US (United States) states.

Now some in society hold the belief that farm land should be owned as much as possible by the person farming the land and/or by people who live in the community. Others will take the position that in an open society anyone should have the right to own land. Some also make the point that farm land ownership rules perhaps with other regulations raise the perception that Saskatchewan does not want outside investment and that Saskatchewan is unfriendly to business.

But is this perception reality when we know that the Farm Land Security Board approves about 90 per cent of the applications made to it for an exemption from the ownership rules? Or is it also a reality that some choose not to consider Saskatchewan because farm land rules . . . because of the farm land rules and therefore never apply for an exemption?

We do know that more economic development and more jobs are critical to rural revitalization. We also know that capital is a crucial part of getting this economic development. Many will say we do not have the necessary capital within the province and will have to attract capital from outside the province. The question is, do our farm land rules impact our ability to attract this capital?

We know that many Saskatchewan citizens have strong views about farm land ownership. We have heard from older farmers telling us they want the ability to sell their land and retire from farming. Some say, relax the farm ownership rules. We have also heard from younger farmers looking to grow and expand their farm who say they should not have to compete against capital from outside the province. And to be fair, some in each group have expressed the opposite view.

Farm land ownership issues have also been linked to farm land acquisition by conservation groups. Some see the farm land ownership rules as the only way to ensure local input into how groups like Ducks Unlimited operate in the province.

One final public policy issue to be considered with farm land ownership rules is NAFTA (North American Free Trade Agreement). The current farm land ownership rules are grandfathered in NAFTA. It is our understanding that the rules can be changed as long as they are not made more restrictive. But once they are changed to be less restrictive they can't go back to more restrictive rules. It's our understanding the change can only be one way.

We are prepared to offer this committee any help you may want as you consider this issue. And if what we have heard is any indication, Saskatchewan citizens have views on this issue and are certainly willing to express them. And if there are any questions relating to the points we have raised, we are certainly willing to try and answer them. Thank you.

The Chair: — Well thank you very much for your presentation. I think it was very informative. Now we do have an opportunity here for some questions and we'll allow committee members to ask those questions.

Ms. Atkinson: — Thank you. I'm interested in the fact that you've raised the North American Free Trade Agreement and what could happen if we were to amend the farm land security or The Farm Land Security Act.

And as I understand you saying, that if we were to amend the legislation regarding ownership provisions we could never go back to what we presently have under the North American Free Trade Agreement. Is that what you were saying?

Mr. McGovern: — Perhaps I could speak to that as a representative of Justice. I think that is indeed our understanding of a grandfathered provision with respect to NAFTA. And I'll — just to clarify for the committee of course, that as a committee of the legislature that, not a client of Justice per se, and so of course I won't go into a legal opinion per se — but I can speak generally to how NAFTA . . . we understand NAFTA to work and how it's generally understood to work.

And when you have a grandfathered provision that is changed and . . . to reduce the protection that was grandfathered, meaning . . . and grandfathering just means that if you didn't have the grandfather protection, it would be understood to be in violation of the NAFTA agreement because it gives preference to local residents over other residents.

The . . . and if you . . . It's essentially a ratchet effect. You can . . . If you ratchet down, you cannot ratchet back up, is the general understanding. And I think that's the . . . So I think how you've stated it is correct.

Ms. Atkinson: — One of the areas that I will be watching very closely in this whole discussion is how any amendments to this particular legislation could impact us in the future.

And I have looked at the North American Free Trade Agreement, in particular chapter 11, which discusses investments. And it's defined under 1139(g), real estate or other property. And then there is also some other sections which deal with equal and fair treatment of all citizens in regard to investments.

And so what I will be watching carefully, if we were to . . . if we were to amend the legislation to allow for, for instance, Canadian citizens to have access to farm land in Saskatchewan, could a US citizen, for example, argue under the North American Free Trade Agreement that they are being prevented from owning farm land in Saskatchewan and therefore we are not giving Canadian citizens and American citizens the same treatment.

So I think that . . . I think . . . My sense is Saskatchewan people are not interested in amending the legislation to allow for, quote, "foreign ownership." But if we were to amend the legislation under the North American Free Trade Agreement, we may get foreign ownership anyway because this legislation was originally grandfathered under the NAFTA agreement.

So I will be watching that as a committee member and we may want to call some expert witnesses on this because we may amend the legislation and get something that we didn't intend to because of the provisions of NAFTA.

Mr. McGovern: — I think . . . I mean, all I can respond in that way is to say that I think those are the right issues.

I think you'll . . . You have a researcher that that will represent a challenge for obviously. And that, beyond the general understanding of ratcheting down that was mentioned, that you can't ratchet up, that's probably as far as I would go in that regard and then . . . other than saying that it is an issue that this committee will want to keep in mind, along with some of the other definitions in the Act.

The Chair: — Thank you, Darcy.

Mr. Bjornerud: — Thank you, Mr. Chair. Darcy, you talk about wildlife having a 104,000 acre exemption, I believe. Where does Ducks Unlimited fall under? Do they fall under that same exemption or do they have their own special exemption?

Mr. McGovern: — Well and I'll have to turn to the general manager of the Farm Land Security Board in terms of how some of those apply, and that's Dan Patterson — if I could, with the indulgence of the Chair, point to a witness in the audience — as a member of . . . who is currently the general manager with the Farm Land Security Board. And if he could be permitted to speak to that, would that be appropriate?

Mr. Harper: — Yes. Time is drawing to a close so we'll have to keep it quite brief.

Mr. Patterson: — The short answer is that Ducks Unlimited must come to the board for exemptions, in contrast to the Wildlife Federation, who would not . . . who could act under its blanket regulation exemption.

Mr. Bjornerud: — I believe right now, Ducks Unlimited, are they not one of the largest landholders in the province of Saskatchewan?

Mr. Patterson: — That would be true, yes.

Mr. Bjornerud: — Okay. And Ms. Atkinson talked about American dollars coming in to buy land. I think that's a prime example of exactly what Ducks Unlimited are doing. And by having restrictions, we're restricting part of society from buying land in Saskatchewan.

And yet we turn around on the other hand and we have a group like Ducks Unlimited — whether you agree with it or not — buying large tracts of land. In my area they have a large holding of farm land spread all over the place, not even in one block.

So I think we're worrying about one side, where we're letting the other one do exactly what they want.

Mr. McGovern: — . . . and when I mention that the regulation is part of that process for exempting, I think the most important thing for the group to consider is that that's one of the tools that you do have in your tool box to consider how to move forward — that for example, as I said, TLE (treaty land entitlement) lands are carved out and that was an example of some conservation lands in that case with Saskatchewan Wildlife Federation being carved out.

So that's one of the tools in your belt, if you will.

The Chair: — Well thank you very, very much for your appearance here. And stand by. We may be calling on you before we're done our deliberations here. Thank you very much.

Now before we go to our second group, I think it's only proper to indicate that there has been a slight change to our schedule. The mayor of Kamsack, who was to appear at 11:30, has called in and unfortunately will not be able to appear. Apparently there was some severe plough winds in Kamsack last night that has done some damage and she's obligated to stay home and take care of that. But she has also informed us that they will be doing a written presentation instead. So apparently she will not be here for 11:30.

And I'm sure Bob will be wanting to call her and see how much damage was done, being that's his constituency.

I guess we're ready for our second group, which is the Canadian Federation of Independent Business . . . (inaudible interjection) . . . No, we're not.

We don't think we have anybody at 11 . . . (inaudible interjection) . . . If you have extra copies that would be appreciated.

Well we'll now have the opportunity to have our first official presenter — our second presenter for the day, but first official one — and I think we'll start out by having the members of the committee introduce themselves. And then we'll have our presenter introduce herself, and make ourselves available to her presentation.

So we'll start off with . . . My name is Ron Harper. I'm the Chair of the committee and the MLA for Regina Northeast.

Mr. Weekes: — My name is Randy Weekes, MLA for Redberry Lake. Good morning.

Mr. Elhard: — Good morning. I'm Wayne Elhard, MLA, Cypress Hills.

Mr. Bjornerud: — Good morning. Bob Bjornerud, MLA for Saltcoats.

Ms. Harpauer: — Good morning. Donna Harpauer, MLA, Watrous.

Mr. Kaczkowski: — Good morning. I'm Viktor Kaczkowski. I'm the Clerk to the committee.

Mr. Fenson: — Avrum Fenson, researcher.

Ms. Atkinson: — Pat Atkinson, Saskatoon.

Mr. Forbes: — David Forbes, Saskatoon Idylwyld.

Ms. Jones: — Carolyn Jones, Saskatoon Meewasin.

Hon. Mr. Osika: — And Ron Osika, Melville constituency.

The Chair: — Thank you, committee members. Good morning, Marilyn. If you wish to introduce yourself and we're ready for your presentation.

Ms. Braun-Pollon: — Well just by way of background, my name is Marilyn Braun-Pollon and I'm the director of provincial affairs for the Saskatchewan division of the Canadian Federation of Independent Business.

CFIB (Canadian Federation of Independent Business) appreciates the opportunity to present our agribusiness members' views regarding proposed changes to the farm land ownership provisions under The Saskatchewan Farm Security Act before the Standing Committee on Agriculture this morning.

As many of you know, CFIB is a non-partisan, non-profit, political action organization with membership comprised of over 102 small- and medium-size enterprises, including over 7,300 agribusinesses across Canada. Of those, about 750 of our agribusiness members reside in Saskatchewan and they're located in every region of the province.

As a democratic organization, CFIB policy positions are shaped from direct agri-member input, which is one member, one vote.

You may not be aware that each week CFIB conducts 3,500 personal interviews right across the country between our CFIB field staff and members. And through this interaction we regularly survey on a variety of public policy issues, including surveys designed specifically to gather the views of our agribusiness members. Some of these surveys are confined specifically to Saskatchewan while others are national in scope. What this allows the federation to do is offer our survey results on a regional basis by commodity group, size of business, gross income, or years in business.

While our agribusiness members in the province desire more meaningful tax reductions to help alleviate their income-related problems, it's clear that they also recognize the negative impact regulations have on their industry and their own business in terms of potential growth and profitability.

In order to determine the impact of regulations and red tape on our 7,300 agri-operations across the country our report entitled, *Controlling the Costs of Government*, was presented to the federal Standing Committee on Finance during its cost-recovery study. We were the only voice representing agribusiness on this issue.

What we found is that agribusinesses from all sectors have been negatively impacted by regulation and red tape, more so than at the federal level. Just over three-quarters of our agribusiness owners report provincial regulations and paperwork are having a negative impact on their operation.

It's important to note that CFIB took the opportunity to present our members' views to the Saskatchewan Action Committee on the Rural Economy. And we did a very thorough presentation — I have a copy of one here and it's also available on our Web site.

The recommendations that we made to ACRE (Action

Committee on the Rural Economy) focused on the elements necessary to capitalize on our entrepreneurial society. CFIB believes ACRE has provided government and stakeholders alike with a good first step in identifying the policies and initiatives that would extend long-term benefits to rural communities throughout this province.

The federation has maintained, however, that throughout the ACRE process that the survival and rejuvenation of our rural fabric is vital to the growth and prosperity of Saskatchewan as a whole. In order for the rural economy to not only survive but also prosper, we strongly believe that the Saskatchewan government must embrace and work towards an entrepreneurial vision, one that recognizes success of agriculture as a springboard for rural success.

In a recent survey of our rural small- and medium-sized business owners in Saskatchewan, an overwhelming 95 per cent of respondents reported that a healthy ag sector is very or somewhat important to the future success of their business.

These results are extremely important and one that the government should not overlook. With agriculture playing a role in the success of 95 per cent of Saskatchewan rural firms, it's clear that small businesses are very dependent on a healthy ag sector.

The federation has led the call for government to provide a level playing field for Saskatchewan landowners by opening up this 28-year-old piece of legislation under the farm land securities Act. We now have a piece of legislation that imposes a 320-acre restriction on the amount of land that non-Saskatchewan residents may purchase on an individual basis. In neighbouring Alberta and Manitoba, the restrictions . . . there are no similar restrictions.

From our members' perspective it's frustrating that only in Saskatchewan would someone who resides in Canada and lives outside the province be considered foreign by government. To this end CFIB embarked on a province-wide survey of our agribusiness members, across all sectors. While many groups may have their ideas as to why this legislation should remain as is, CFIB is responsible to our agri-members in that our policy positions are directly formed based on member input to our mandate surveys.

The following graph that's in our submission on page 3 highlights the results that CFIB presented on numerous occasions to the Hon. Clay Serby, Deputy Premier and Minister of Agriculture and Food and Rural Revitalization, as well as ACRE.

And what our survey results found was that 73.9 per cent of our agribusiness members believe it would be in the best interests of the industry and subsequently rural communities to make the existing farm land ownership legislation more flexible in order to encourage increased investment in agriculture from non-Saskatchewan residents.

In fact what we found was that the vast majority of respondents, from primary producers to agri-service retail providers, expressed support for changes to the legislation. Crop producers were the most supportive at 76 per cent, and we've got a graph

there that shows the various commodity groups and the results to the survey.

The existing legislation is a reason for investors to look elsewhere. And this has been our position for quite some time that this ownership restriction is another reason for investors to pass by Saskatchewan.

What is more in keeping with such restrictive legislation, what we've said before, is that the goal of rural revitalization through the ACRE initiative could in fact be jeopardized by not opening up this legislation.

Therefore we believe the government should take the lead and remove the existing farm land restrictions. What this move would do is open the door to the kinds of investments and value-added opportunities that will help ensure the long-term viability that we need in the ag sector.

So therefore, we urge the Standing Committee on Agriculture, as you deliberate in the next few weeks, to recommend to the Saskatchewan government that they eliminate the farm land ownership provisions under The Saskatchewan Farm Security Act, thereby removing the 320-acre limit for non-Saskatchewan residents.

We are pleased that ACRE's final report on rural revitalization also came to the following conclusion over the Act. ACRE recommended the provincial government should remove the residency requirements under the farm land ownership provisions under the farm security Act for all individuals who are considered Canadian citizens, with the objective of attracting outside investment into areas that will stimulate growth within development corridors or value-added agriculture industries such as horticulture and livestock.

In conclusion, CFIB is encouraged by the fact that the government has invited stakeholders like the CFIB and others to openly communicate their views and concerns about this piece of legislation.

We believe the province of Saskatchewan would benefit from allowing increased investment in agriculture by non-Saskatchewan residents. The time has come for the Saskatchewan government to remove the roadblocks and allow landowners in this province an opportunity to sell their land for what it is worth.

What is more, is when investors and Canadians look to Saskatchewan to do business they will find that, once and for all, Saskatchewan is truly open for business.

Thank you for your time and your attention, and I will now answer any questions that the committee may have.

The Chair: — Well thank you very much for your presentation. Committee members, we're open for questions now.

Mr. Forbes: — I'm just curious. You have this . . . Thanks for your report. It's very thorough and I appreciate your work here. I'm curious about the data on people passing on investment in Saskatchewan. Do you have any hard numbers? Like, exactly how many people have passed on investing in Saskatchewan in

the last year or two years? Actual numbers that you know. I mean we have a sense that that may be happening or may not be happening and it's often brought up that . . . both sides. But I'm just curious. Do you have actual numbers?

Ms. Braun-Pollon: — I don't have the actual numbers, but if you look at recent reports that have come out, just on the value of farm land in Saskatchewan has slipped, has slipped when other provinces have seen their land at least stable or increase with the land value.

So you can look at that and say, in fact, you know, investors would look at that. And we don't have specific data per se but there are . . . you look at recent reports and it's pretty clear that we have been passed by on different . . .

Mr. Forbes: — Unless we have numbers, I think that's a subjective thing.

But I'm curious too as well, like we just heard this morning that 90 per cent of people who apply for exemptions to the Farm Land Security Board receive that exemption. Were you aware of that . . . that number?

Ms. Braun-Pollon: — I am aware of that. And specifically if you go back to the report that we did, the exhaustive report on the Standing Committee on Cost Recovery and Regulations, that it's another piece of regulation that you have to go through in order to transact land in Saskatchewan.

And interestingly enough, our agribusiness manager, our national agribusiness manager had discussions with those at the land titles . . . or the Farm Land Security Board. And in fact if you talk to one of them, they would like it to be returned back to about 10 acres. So that's the mentality that we have and I don't think that's looking to the future of how we're going to solve the problems in Saskatchewan.

We have succession problems in this province and why are we trying to solve the problem with 1970s solutions? And that's what our members have shown loud and clear through the results that we see today in our surveys.

Mr. Forbes: — I guess my further question to that would be that there would always . . . we're not debating, or I don't know whether this committee will recommend that we do away the board and have no regulations. So there will always be a regulation; there will be a board.

So I think that it would be helpful for people to have a sense of how do you make sense of the red tape. How can you get through it? And I wonder if your organization helps people get through the red tape or do they just say it's a wall?

Ms. Braun-Pollon: — Well if 90 per cent of them are being approved, I guess the question is, do we even need the board? The fact that there doesn't seem to be a problem with 90 per cent of the transactions . . . so you have to step back and say, why are we putting another hurdle before agribusinesses or before trying to look at transaction that would diversify the economy?

So from our members' perspective, it's an additional hurdle for

them.

A Member: — Thank you.

Ms. Atkinson: — Thank you. I want to thank you very much for your presentation. And I have a number of questions. My first question is, it's obvious that you're recommending that we remove the 320-acre limit for non-Saskatchewan residents. Does the CFIB have a position on what we should do in terms of out-of-Canada ownership?

Ms. Braun-Pollon: — Well again from our perspective what we're saying is that we should at least have a level playing field, and from our understanding that Manitoba and Alberta have restrictions on out-of-Canada purchases, and that would be something that at least if we're going to open it up, we're saying that we shouldn't call those that live in Manitoba or Ontario or BC (British Columbia) as foreign. So from our perspective we're saying we should mirror what we see in Alberta and Manitoba at this point.

Ms. Atkinson: — My understanding is that Saskatchewan residents . . . non-Saskatchewan residents and then out-of-Canada residents . . . but okay. So you're only proposing that we open this up to Canadian citizens or are you also proposing that we open it up to Canadian corporations?

Ms. Braun-Pollon: — Well I'll ask, if I could . . . I don't know if this is protocol but if I could ask back the committee, my understanding is that the Alberta and Manitoba legislation that we would want to mirror what they have and from my understanding is that they restrict — correct me if I'm wrong, you should probably have . . . a researcher could probably answer that question for us if we could — but from our perspective is we want to mirror what Manitoba and Alberta legislation has and at least have a level playing field.

Ms. Atkinson: — Thank you. And my other question is, when you did your survey, how many respondents did you have? You say that 73 per cent of your agribusiness members believe it would be the best interests of the industry. How many people responded? Or how many groups? Do you have the numbers, actual numbers?

Ms. Braun-Pollon: — I do have the numbers. I don't have them off the top of my head but I can get that sample size to the committee if you like.

Ms. Atkinson: — It would be very helpful.

Ms. Braun-Pollon: — What I should preface my comments by saying is that CFIB does not release any information that is not statistically sound so it would be a very strong sample size that would make up that 73.9 per cent.

Ms. Atkinson: — No, I understand. I know that you survey your members all the time and then you send the results to us. As a member of the legislature I get them regularly. But I'm just interested in how many people you're . . . or how many groups you're talking about so we can put your statistics in some sort of context. And then . . .

Ms. Braun-Pollon: — I can provide that to the committee.

Ms. Atkinson: — Great. Okay. The final observation I make is that you indicate that in ACRE's final report on rural revitalization they concluded that the farm ownership provisions of the Saskatchewan Farm Land Security Act should be amended. I just want to correct you, I guess.

They did not recommend that as their priority recommendations. They had a series of recommendations that they wanted government to act on immediately and then there were a number of recommendations that came out of the subcommittees that were not approved by the overall 43 of them.

And this particular recommendation comes from the subcommittee on livestock and it was not approved by ACRE. And they're going to do further work. And that's clearly in their report. Thank you.

Ms. Braun-Pollon: — Well, and to that point, I guess what I would say is that the fact that ACRE has identified it as an issue, it should be taken into consideration of the committee.

Ms. Atkinson: — . . . question. ACRE has identified it as an issue, but it is not one of their recommendations to us. It was referenced in the back of their report — I can get the report for everyone — but it is not one of their final recommendations. And I'll go get the report.

Mr. Elhard: — I believe Ms. Atkinson is right, actually. I don't think she has to verify it; I think she's correct.

The most telling statistic, I believe, in the presentation made by CFIB this morning is found on page 3 where we have a graph that says:

Should your government revise the existing farmland ownership legislation to allow increased outside investment in agriculture?

And the large portion, the 73.9 per cent portion of respondents, said yes, that ought to happen.

What's most interesting about that particular fact is that the actual farmers who work the land, who make their living directly from the land, were by far the most supportive in that initiative, which says to me that there seems to be pretty broad support among the people who are actually making their living from a farm for changes in this legislation.

The farmers themselves are not afraid to compete with anybody in terms of ownership issues. They aren't afraid to compete with their neighbour or somebody from outside the province or even from outside the country. They are ready to deal with farm ownership no matter where it comes from. And I think that that is by itself quite possibly the most significant result of this particular survey.

And if the farmers themselves are indicating an interest in competing in a wide open arena, then I'm not so sure that a lot of the other interests should be given as much credibility as they've been given in this whole issue.

Would you care to comment a little bit about the results of that

survey?

Ms. Braun-Pollon: — Well I guess the one thing that I would say is that this committee will hear from a variety of groups and you'll hear those that have . . . like CFIB that say we should be moving on and we should be opening up the legislation.

You'll also hear from groups that say that the status quo was fine. I would challenge the committee to ask what do they . . . what are their views based on? The one thing that CFIB does is that we go back to our membership and we are membership driven, that our mandate is based on what our members say about particular issues.

And I would challenge the committee to ask each of those that say that we should keep the status quo, what are their views based on, and is this the majority of their membership that believes that we should not be moving forward on this legislation? And based on what? What are the benefits of keeping it to be . . . keeping it to the status quo?

Ms. Harpauer: — Thank you. A lot of what I was . . . Wayne just made a lot of the point that I wanted to make. I have two quick questions. The survey that was done, most, if not . . . like the large majority of those surveyed would be living in, working in, part of rural Saskatchewan.

Ms. Braun-Pollon: — 100 per cent.

Ms. Harpauer: — 100 per cent? Okay. So as Mr. Elhard just stated, these are people that are earning their living in rural Saskatchewan and they strongly believe, obviously, that it would be quite important to make some changes.

The other question I wanted to ask you is, although perhaps you don't statistically keep track of businesses that have looked at Saskatchewan for investment and chosen not to, I'm assuming that your organization, being Canadian-based, has spoken to a number of businesses that have said, you know, we've looked at Saskatchewan, chose not to because of red tape regulations, too many things to go through, too time consuming, etc., etc.

So though you may not document those, is your organization as a whole, based right across Canada, hearing those comments a great deal?

Ms. Braun-Pollon: — Well the one good thing about having it, as you mentioned, as a national organization is that we communicate with our colleagues on a regular basis. And the work that our national agribusiness lobbyist does is watches legislation across the country. And the fact that what he finds is the view of Saskatchewan, the signal that this legislation sends is very much a signal of, we are not open for business; and the reverse of what the standing committee can do and the very important work that you're about to embark upon in the next couple of week is to make the decision that you could send a very positive signal to those that are looking at Saskatchewan as a potential place to invest as being open for business.

And we have many, many things that are a positive part of Saskatchewan. And those potential investors would want to take part of that and feel that the restrictions that we have now aren't, I guess, aren't enticing enough for them to embark upon

a Saskatchewan enterprise.

The Chair: — Thank you. There's 10 minutes left in the allotted period and I have five questioners on the list. So I'm going to ask the questions to be direct and the responses to be just as direct, if you please.

Mr. Weekes: — Thank you, Mr. Chair. My question is concerning the foreign ownership and Canadian ownership aspect. As we know, European farmers are having the chance really and the ability to sell their . . . they're selling their farms in Europe because of pollution concerns and they're able to come to Canada and North America and purchase farm land here.

My question really is concerning allowing those European farmers, or other farmers from around the world, to come to Canada. And I just want to know what your thoughts on as far as a time lag before they actually take up residency in the province, once they've made the decision to invest in many cases millions of dollars in our province.

Ms. Braun-Pollon: — Well again from our understanding is that the existing legislation that we're in competition with across Manitoba and Alberta have restrictions around foreign ownership. Correct me if I'm wrong — is that the understanding of the committee?

A Member: — Yes.

Ms. Braun-Pollon: — So I think the first step that we're saying is that . . . I mean there are those that have said we should just double the number of acres from the existing 320 to 640. That's one option, but I think from our perspective we're saying opening it up to Canadian ownership as a first step and then look at opening it up even further.

But we need to move in the right direction. Doubling it, I don't think, would be a strong enough and aggressive move. But we're saying at least mirror what the existing legislation across Manitoba and Alberta offer, and then mirror that so we can at least be on a level playing field. And then look at it from that perspective as a second step.

Mr. Weekes: — If I may just have a follow-up question. I guess my question is concerning foreign farmers, potential foreign farmers coming to Canada. But before they actually have Canadian citizenship, I think we need to look at encouraging that investment. And I'm just worried that any changes in the laws would stop or hold them back from investing in Saskatchewan until they become officially Canadian citizens.

I'm just wondering about your thoughts or the opinion of your members on allowing foreign farmers coming in here and taking up citizenship and residency.

Ms. Braun-Pollon: — Right. And that's something we haven't specifically gone the second step to survey our members on that. We are basically looking at the Canadian legislation as it stands and what we're looking at is our neighbouring provinces and what we're competing with. But that's something that we need to consider down the road of asking our members, opening

it right up and looking at those foreign owners.

Mr. Bjornerud: — . . . some of my questions but I just want to comment, Ms. Braun, that you talked about Alberta and Manitoba having no restrictions. Well actually it goes further. I believe 7 out of the 10 provinces have absolutely no restrictions on Canadian residents. The only other two are Quebec and PEI (Prince Edward Island).

And from Ontario west I think we stick out like a sore thumb because we have all these restrictions. And I don't think we would ever know how many people pass us by in Saskatchewan just because of the red tape. So it would be very hard to get numbers, Mr. Chair.

Hon. Mr. Osika: — Pardon me. Mine was probably an observation more than anything. Perhaps I should have done some homework on this to determine why in fact back in the '70s was there a decision made to protect the lands in Saskatchewan.

Was it because there was rich lands here that people felt should be protected forever? Were there resources here that perhaps there was a concern about foreign investment coming in and virtually taking over the province, and outside ownership totally of the farm lands that were here and built by the immigrants that came to this province?

So I guess perhaps we should, maybe before we do make any moves in that direction, determine specifically what those reasons were because the protectionism continued into the '80s. So there had to be reasons for it, I suppose, and I guess I have to say that maybe I should have done some homework on that. But there had to be some good, sound reasons for doing this.

I'm not suggesting that there shouldn't be some flexibility or some changes. But let's determine first of all what we're going to open up if we do open it up. What potential results will prevail down the road if we allow the province to be bought up, if you wish, or invested in by outside entities, that we suddenly lose the control over resources and other interests? That's just an observation. Thank you.

Ms. Jones: — Thank you, Mr. Chair. I'm curious about your survey question:

Should your government revise the existing farm land ownership legislation?

Was there any opportunity for your survey respondents, and indeed were they even asked what their opinion was on how it should be changed? In other words, you know, did they believe it should be increased by 160 acres or do they believe it should be entirely open?

I mean it's a pretty open-ended question. So where some people may think it would be advisable to have some change, some would not agree that it should go as far as you're suggesting or even as far as totally open. So was there an opportunity for them to express how they thought it should be changed?

Ms. Braun-Pollon: — Well every opportunity that we survey our members we give them ample space within the survey itself

to provide comments. And I would say that the comments that we got back, many of them did reflect the fact that we should be opening it up, opening up the farm land ownership, the fact that our members believe that it should be on par with the other provinces.

And although it doesn't reflect it in that, I wanted to keep . . . respect the fact that we didn't have more than 20 minutes to present all the data that we could have presented today. So I just basically took the highlights of our members' views that I thought would be most productive for you to, as a committee, to digest.

Ms. Jones: — If there was any more specific information on how your members believe that it should be amended, that might be helpful and could be forwarded to the committee. The other . . .

Ms. Braun-Pollon: — Just answer . . . If I could just add on to that question, I would have to say that the visits that we do — and we do about 250 small business visits, majority of them in rural Saskatchewan — that those of our members that do talk about the rural situation, I would say a majority of them do talk about opening up the rules, and not doubling it, but just saying, why do we have restrictions at all when our competing neighbours don't have those types of rules in place?

Ms. Jones: — Well certainly why is, I mean, as Mr. Osika indicated, that's a good question. Why do we have the restrictions?

I'm wondering too, just from your opinion — and I'm going to make an assumption to pose the question — the strongest support for opening it up by commodity comes from those who grow crops.

And given the magnitude of . . . and the abilities of farm equipment these days, the ease with which you can custom farm, and if you allow foreign . . . or not foreign, Canadian ownership — non-resident Canadian ownership — to have large tracts of land in Saskatchewan and come in and not live here and quickly farm it and quickly take it off, how would you see that as being very beneficial to rural Saskatchewan?

Ms. Braun-Pollon: — Well at first, if you look at those provinces that have opened it up, I would say we don't have an overrunning of foreign owners, be it . . . we call them foreign — out-of-province, non-resident — owners coming in with all their equipment and their own workers. I would think the opposite happens.

The fact that you have an owner, the fact that he or she is not sitting specifically on the piece of land and has a house there, but they have to have . . . get the crop off on time; they have to hire individuals; they may in fact have cattle that they have to buy feed for. There are many, many spinoffs.

The owner doesn't necessarily have to be there, but they need to get the land . . . I wouldn't think it would be feasible to bring in a combine and bring in all the equipment from out of province. I think that they would use what's existing and what's in the area. And that seems to be happening in other provinces.

The whole notion of corporate farms, I think that you have to look at it. We cannot . . . we don't have to fear the fact that we're going to have a whole . . . Say this legislation changes and the Act eliminates the restrictions and July 1 we are open for business from our perspective. I don't think that you're going to have a flood of those individuals coming to Saskatchewan.

We have to remember we have the highest corporate capital tax rate, the highest general corporate tax rate. That isn't going to happen any time soon. We have to work on our tax structure as well to make it even more feasible for those to come into Saskatchewan and be open for business. So I don't think that that's something that we should fear it's going to happen overnight.

The Chair: — Well thank you very much. Time has drawn to an end, the allotted time. So thank you very much for your presentation. On behalf of the committee we muchly appreciate it. Thank you very much.

Ms. Braun-Pollon: — And I will follow up with a few questions, that . . . With respect to the sample size and like, I will make sure that I write to the committee. Thank you.

The Chair: — Thank you. I also want to draw the attention to the committee of a visitor to our committee as an observer, the Member of Parliament for Palliser, Dick Proctor.

And we're going to beg the indulgence of our next presenters to allow the committee a 10-minute break before we entertain your presentation. The committee has been in session since 9 o'clock, and I think there may be a need to meet some pressing mother nature calls. So with that we'll recess for 10 minutes and reconvene at 10:20.

The committee recessed for a period of time.

The Chair: — We'll reconvene the Standing Committee of Agriculture. And before us to make presentations, we have the . . . (inaudible interjection) . . . We'll ask our CBC (Canadian Broadcasting Corporation) friend to cease as the committee is reconvening. And unfortunately you need the permission of the Legislative Assembly before we can be filmed. We like it, but rules . . . I was rather slow in reminding him though if you noticed that.

But thank you very much. We now have the opportunity to hear from the Saskatchewan Association of Rural Municipalities. What we will do is I'll ask the committee members to introduce themselves, and then we'll ask Mr. Hardy to introduce his group, and then we'll be ready for your presentation.

So with that, I am Ron Harper, the MLA for Regina Northeast and Chair of the Standing Committee on Agriculture.

Hon. Mr. Osika: — Ron Osika, MLA for Melville.

Ms. Jones: — Carolyn Jones, MLA for Saskatoon Meewasin.

Mr. Forbes: — David Forbes, Saskatoon Idylwyld.

Ms. Atkinson: — Pat Atkinson, MLA Saskatoon Nutana.

Mr. Fenson: — Avrum Fenson, researcher for the committee.

Ms. Harpauer: — Donna Harpauer, MLA Watrous.

Mr. Bjornerud: — Bob Bjornerud, MLA Saltcoats.

Mr. Elhard: — Wayne Elhard, MLA Cypress Hills.

Mr. Weekes: — Randy Weekes, MLA for Redberry Lake.

The Chair: — And Viktor is our Clerk, committee . . . Clerk committee . . . committee Clerk. I'll do it right yet. Mr. Hardy.

Mr. Hardy: — Well, I'm Neal Hardy. I'm president of SARM (Saskatchewan Association of Rural Municipalities). On my right here is Arita Paul-McPherson; she's director of agriculture services for our department. On my left here, Bob Schultz, vice-president of SARM. Next to Bob is Ken Engel, executive director of SARM. And on . . . I'm sorry, Don Taylor, division 1. You ever have a blank out . . . (inaudible interjection) . . . Yes, okay, I did.

Anyway, we're pleased to be here this morning. We weren't quite sure if we should appear or not because we don't have a direct resolution of our membership to say yes or no to whether we should expand it.

But what I'd like to do, just take a few moments to do is to go through how we . . . where we are right now and then maybe talk about some of the issues that we'd like to have maybe more information on or more direction on, so that we can take it back to our memberships. And I'll just briefly get run over where we are till now.

In the mid-term convention in 1990, we had a resolution. Basically it said:

THEREFORE BE IT RESOLVED, the provincial government be lobbied to maintain the farm ownership Bill and be further resolved that policies and laws be reinforced to provide the long-term outcome of having the farmers who work the land own the land they farm or ranch on a family farm base.

In other words, don't change it is what they were saying. That was 12 years ago.

This spring at the annual convention 2002, we had a resolution. It says:

THEREFORE BE IT RESOLVED, that changes be made to The Saskatchewan Farm Security Act, 1988 only after full consultation at the Municipal-Provincial Roundtable.

Which certainly Ron and your folks are all aware of.

That was changed a couple or three times, changed to not make any changes. It got . . . that part of the amendment got defeated. Then it went on to say that we should go right ahead. That was defeated. And then finally, after about an hour of discussion, it was asked to be tabled and it just . . . that's where it sits. So it really left us in limbo.

Then later on in our convention, we had another point of privilege:

THEREFORE BE IT RESOLVED, that SARM lobby the Provincial Government and the Farm Land Security Board to implement policies that require Ducks Unlimited to resolve these issues satisfactory in these affected communities before any further procurement of Saskatchewan farmland is allowed through purchases, leases or conservation easements.

Now that just sort of relates to the whole picture of how the farm land ownership is . . . And that did go through. So we felt that what . . . And this is a feeling we had that, from our delegation, that from 12 years ago to now, there's been a big change. Had that resolution come up 12 years ago, it would have been defeated just right now, instead of having about an hour discussion on it. And even the amendments that were voted on were close.

And so we don't have any direct direction, but we feel out there that the membership of SARM are really thinking serious about what should be done with the farm ownership Act and how it should be restructured.

So that gives you a general direction of where we've come from and where we're sitting. We don't have the authority as a committee or a board to say, well it should be this or it should be that because, as you know, we go by resolutions. We're guided by resolutions. And so first time we don't do that, then we're maybe guided otherwise and you know how it goes in the political world.

But I do think it's really important that we have more information on what . . . how it would affect rural Saskatchewan, plus and minus. I think there's both sides to that. I think there's lots. I know about the minus side, but there's certainly some plus sides to doing it.

But we need to have that. We need to be looking at how the farm land ownership should be changed so we can get business and processing and manufacturing here.

And if you look at Stats Canada report that I was just reading this morning, it's somewhat scary, you know. We've dropped 11.2 per cent in the number of farms out there. Our population on the farm is going down, our small towns and villages are going down.

And I think it's, in my view, it's more of a point of what people see Saskatchewan to be. It's restrictive; it's not the place to come do business. And it hurts us I think all the way across the board. So we have to look at, if we're going to do changes in farm ownership . . . farm land ownership Act, we have to consider those things in there because they're really important to make this province grow.

We're continuing to lose and it's not good for anybody. I don't care what political stripe you are; it's no good at all. And I think we have to look at that. That's our view.

The Chair: — Thank you. That's certainly given us plenty of time now for questions from the committee. So we'll entertain

questions from the committee.

Ms. Harpauer: — Thank you for your presentation. And I'm just going to sort of read it back to you and see if you agree.

Your membership — although they don't have a firm position exactly how change will look — you represent all of Saskatchewan, rural Saskatchewan; but basically you're telling us that you do see that the membership is ready to look at some sort of change; they believe the status quo's not working, therefore we need to address some issues of change. That's the feeling and that's what you're hearing from your membership?

Mr. Hardy: — Well I think from our convention just . . . we just . . . over a couple of months ago, that on the floor there was a feeling both ways. Some are reluctant to any kind of change and don't want to change it. I think some of the other more preactive or proactive people realize that we may have to make some changes to make it work as part of Canada, but also as to make Saskatchewan grow. And I think that's really important if we're going to increase our opportunities here.

I know we've talked about ethanol development; we've talked about a lot of things. But somehow there has to be an attitude, or at least an appearance of an attitude, that we would really like to have everybody here. And I . . . it's just one step forward in building a stronger province, I think. But, you know, again, that's what we thought we . . . what I thought I saw there.

But it's certainly split. It was like . . . it's almost like the Canadian Wheat Board. It's split right down the middle, and half one way and half the other. It's difficult to say but I think if more information was available to them, they'll make a decision on it.

And I would hope, and we'll probably ask at the mid-term, if it hasn't been changes made by then, to take stuff to our mid-term and have somebody from the farm land ownership, somebody from the province, whatever, make an appearance before our convention so they would have an informed decision and not just . . . make an informed decision, not just, you know, what I feel or what I think.

Ms. Harpauer: — Thank you.

Mr. Elhard: — Thank you to the representatives of SARM for being here this morning. I know that SARM is an organization that represents rural municipalities across the province, and therefore you have had an opportunity to gauge the sentiment on a number of issues, not the least of which might be this particular issue.

I'm sure you're aware of the statistics that tell us that the average age of farmers is advancing; that the number isn't coming down, it's actually going up. So anecdotally, given the fact that you represent diverse parts of the province and meet so many different people associated with agriculture in so many different venues and for so many different reasons, can you tell me, from your own personal experience, are there more buyers of land out there, or are there more sellers of land in rural Saskatchewan?

Mr. Hardy: — You know, I don't know. I'm going to pass it

on to one of the other members here. I really don't know. I can't answer that one.

Mr. Schultz: — I could take a crack at that I guess. I think, Wayne, it would depend on the area you're originating from.

Say the west side of the province, where there's possibly a bit more money floating around because of the oil development and things like that, there is probably potential to buy. But I would think on moving towards the east where there, it's strictly agriculture, it may be more a case of more sellers than buyers. So it's a . . . it could be a regional issue.

Mr. Hardy: — Can I just ask Don maybe to follow up on that? Because I know . . . and he's on the east side, that's why I . . .

Mr. Taylor: — Yes I'm on the side of the province where land prices aren't as high as we'd like them to be. I think probably as far as the split between buyers and sellers, I think as the price of land moves up you're going to have more sellers in the market, just because of the price factor. Like right now at, say, 30,000 a quarter over on my side of the province, you haven't maybe got that many sellers in the market because 30,000 isn't enough.

But if you raise that up to a few years ago where it was up around 50,000, then you're going to have more people that are, because of their age and whatnot, are wanting to put their land on the market. So it's kind of a split.

The Chair: — . . . you say you're from the east side of the province, would you indicate which community would be your home . . .

Mr. Taylor: — Yorkton would be my major community.

The Chair: — Okay.

Mr. Elhard: — I guess the reason I ask that from an anecdotal point of view is that I think the statistics would show that there are far more sellers than there are buyers, just looking at the ads for sale in various farm publications and the length of time those farms remain listed. I think we'll get some evidence of that later on.

But having assumed that there's far more sellers than buyers — and that's based primarily on the average age of farmers and the sales figures that I've talked about — could we say then that the current regulations that have been in existence since 1974, with modifications from time to time, have been advantageous to the farm community? Is it your view that the current regulations have actually benefited agriculture? Have they brought more young farmers into the industry?

Mr. Hardy: — That's a leading question. You must be, you must be a politician.

I don't know how to answer that. No, it's obvious. It's very obvious that we don't have many young farmers in the province. We really don't. Whether changing the farm ownership Act will help that, you know, it's still an unknown.

The problem is in farming today, to get into farming, as you all know, that it just costs a lot of money. And most young people,

not simply set up by their parents or somebody that has the financial wherewithal, are just not going to be able to get into farming. You know, they're not satisfied with farming a quarter section and a half section and a few cows. They're not ready for that. They're educated. There's opportunities otherwheres for other better ways of life and they're just leaving for that.

And I agree with you. We need to get some young producers back on the farms. I mean, I live right on a farm and I know. I look around me and, my gosh, there's not many young people out there. I know I got a son-in-law that I set up. He wouldn't be there if I wasn't there capable of helping him, setting him up. So yes, for sure.

If we could do something that would bring more young people back to the farming industry in a way . . . And I think it takes more than just a farm ownership Act; it takes a lot more than that. That may be one of the ways we can do it. But I think that's only . . . would only be a small portion of what needs to be done. And without getting into it, I think it's a lot of things need to be done. But that would be one area that probably might open the door for some people.

But if you're going to move here and live here, that's not a restriction right now. That's not a restriction. It's the perception of the restriction, I think, that really hurts as much as anything in a lot of cases, and this perception that our doors are closed. And that's, I think, a bad perception.

Mr. Schultz: — Just one comment in regards to that as well, Wayne. I think the other side of the coin is also important to look at. We're hearing people saying that, you know, if you open the ownership up, the prices of land and property are going to rise and that's going to be a detriment to any local young people that are wanting to get into the farming business. So it's, you know, we're looking at both sides here and trying to do a balancing act. And it's going to be difficult.

Mr. Elhard: — I guess if the current situation has not produced the results we want to see, if it has not produced a greater influx of young farmers, if it hasn't produced an expanding agricultural sector from an economic point of view — and the numbers would certainly suggest that we've gone backwards in that area, not forwards — if it hasn't produced the kinds of beneficial effects for the province as a whole, then what is the argument for maintaining it?

The arguments seem specious in that respect. I think that we need to look at removing whatever restrictions we can.

Now I would suggest that we have the cheapest farm land in the country. If that's not attracting young farmers now, how is going . . . how is maintaining this particular set of regulations going to achieve the desired result?

You mentioned the reluctance to change on the part of some people as it comes to a discussion of this particular issue. Is that reluctance based on any hard evidence that changing the regulations would be detrimental? Or is it simply, again, a factor of age and maybe people just not wanting their boat rocked? They don't want to see any change. Isn't it true, generally speaking, that the older we get the less amenable we are to change?

Mr. Hardy: — Well for sure and that's a gimme. When you look at the age of our farmers out there today, you know, I think an average age is — what? — 58 or something. That is scary because we have to look down the road and say what's going to be there in even 10 years? I mean unless we start bringing on some new farmers.

But again, I go back to the point that I'm not sure that the farm land ownership Act is a total deterrent to young farmers. If you're coming here to farm, that is one thing. You can come here and probably the price of land is lower because it's not open.

The problem is the perception of it all I believe; it's more so than the reality of it. The perception that it's not really open. It's not . . . it's sort of more restrictive — perception only — may keep particularly some people from other countries, whether it's Belgium or England or Ireland or whatever — some of those countries have been looking at, I know, seriously Saskatchewan and Canada. But that may be the perception that we're too restrictive. If I don't like it, I can't do anything about it. I'm stuck here. Those kinds of things may in fact be more of the deterrent than actually the farm land ownership, because it sort of falls in the bigger picture.

Now when I'm talking about that, I did have a . . . I know probably not the right place to raise it but you're talking about the whole Act, is succession rights. And if you pass . . . As you know, the first time you can pass it on to your son or daughter — in this case it was United States but it could be anywhere in Canada — if you pass it on; and the second succession rights, if you want to keep it, you can't do it. There's a restriction on that. And I think that's one of the areas that a lot of us or all across . . . particularly as a Canadian and even as an American, if they've been . . . My folks are here and went south and if you can pass it on one way, why can't you pass it on twice. And you can't do that right now under the Act.

So those are the kinds of things that gives us that bad sort of view from the people out there. So I just raise that as one particular issue that I'm aware of that is restrictive in the sense that it's still Canadian, still kept up, and yet it's . . . taxes are paid here but it's . . . and somebody leases it, farms it, and you know all those kinds of things. Those are the benefits to us, because we . . . (inaudible) . . . all those benefits.

The Chair: — We have approximately 12 minutes left in the allotted time and I have five questioners. So I'm going to ask the questioners to be spiffy, and the answers'll be just as spiffy.

Ms. Atkinson: — Okay, question. I hear you saying that basically your resolution of 1990 stands. You haven't had any amendment to your policy, which means don't change the Act if you're looking at it from a resolution point of view. But there has been . . . You know, it appears as though you're divided and you want to have input.

So my question is this. This committee is meeting; we hope to submit a report. There could be amendments in this session of the legislature which would mean that there wouldn't be a lot of input other than these committee meetings.

Is it your recommendation to the committee that the committee

table its report, that perhaps there is draft legislation, and then people have an opportunity to respond to it? Or is it your recommendation that we simply hear what people have to say, make our report, and if there are amendments bring them into the House or take them into the House and get the legislation done?

Mr. Hardy: — Well it's pretty obvious from our direction from the delegates that they want us to bring back more information. Tabling of what you're going to do is more information. They know exactly what that . . . Presentation at our June district meetings — I don't know if we can get them into there — but at mid-term convention, it would certainly be appropriate. We could have a workshop. Those are the kinds of things our members have asked for.

I don't know if it's so imperative whether it goes through this spring or the next sitting of the legislation. I'm not sure because that's sort of a political decision. But that's our . . . (inaudible interjection) . . . Pardon? From our point of view?

Ms. Atkinson: — Yes.

Mr. Hardy: — From our point of view and the direction that we believe we've got from our delegates is to get more information. If you had a Bill drafted, that's the information, and have somebody explain it to them and let them make an informed decision on it would be our preference.

Ms. Atkinson: — Okay, and I have one final question. From your perspective, should we . . . if we were to amend the legislation to allow for Canadian citizens having access to Saskatchewan farm land, non-resident Canadian citizens, and if that were to trigger provisions under the Free Trade Agreement where you cannot treat Canadian citizens differently than say, US (United States) citizens, what would your membership have to say about that? Because if we amend this legislation, Neal, we can never go back, because this is grandfathered in under NAFTA.

Mr. Hardy: — Well I don't know. But the other provinces, I understand, that has this legislation — I know Alberta and Manitoba, we've researched that they have . . . you know, they have . . . to Canadian citizens available. I don't know. I can't answer that because I've got absolutely no direction at all from our delegates.

Ms. Atkinson: — This legislation, as I understand it, was there prior to the NAFTA provisions. Alberta's . . . or Manitoba's came afterwards. But what we need to worry about is does this trigger free trade provisions where Americans can argue, you're treating a Canadian citizen differently than you're treating an American citizen and therefore I have access to Saskatchewan farm land?

Mr. Hardy: — I would doubt it would be a very strong argument but I'm no lawyer and I'm no legal person.

Ms. Atkinson: — Well this is the free trade agreement and you can't treat Canadian citizens differently than American citizens, under the NAFTA provisions.

Mr. Hardy: — I can think of a hundred areas where we're

treated differently but . . . So I'm not sure. But I guess from our . . . from SARM's point of view, we have no direction at all there and I just can't answer it. I just . . . I have no direction to answer it by.

Mr. Weekes: — Thank you. I'd just like to make a comment. You touched on it briefly. Canada, as we know, is made up of immigrants. We've had waves of immigrants coming to Canada and Saskatchewan and Western Canada. And in the past we were settled from Ontario farmers initially and European farmers — people who came basically with no assets other than their knowledge of farming and the desire to come to Saskatchewan.

And I'm just wondering, you touched on that briefly before, but what is your view on encouraging . . . You talk about our current restrictions as more of a perception problem than a reality when . . . I'm speaking in terms of someone coming from Europe, coming to Saskatchewan and wanting to set up a farming operation.

As we know, many European countries are restricting their farm side because of pollution problems and so on, and they're buying out farms; and these people are able to come with large sums of money to invest in Saskatchewan.

I just would like your comment on where Saskatchewan should be going and Canada as a whole as far as encouraging these new immigrant farmers to Saskatchewan.

Mr. Hardy: — We were all immigrants at one time here; I think that's a gimme. I don't . . . again we go back . . . I'm not sure that if you're moving here, there's any restrictions. You can buy what you want. And if you've got the money, you're free to do that.

Again I go back. I don't think it's the reality as much as the perception that we just not . . . a little bit they're scared, is they come here and invest and then if they want to leave or anything, they have to sell the land and absenteeism or whatever the word is there.

So it probably, you know, the more it looks open, the more chance you've got of getting people here. They'll look at it from that restrictive point of view that, you know, there may be restrictions that they wouldn't . . . not like to have when they come here, but I think it's . . . Again, I go back. We can open it up and it may not change very much. It may increase the price for producers selling because more up . . . I think you're going to see more Alberta . . . maybe more Alberta than anybody else moving into Saskatchewan as compared to foreigners.

Now how we can get . . . When I say foreigners, I mean immigrants coming here to live. And I think that's a great idea if we could do it. I mean they're the kind of people that . . . they were us years ago, or our folks years ago, so . . .

Mr. Forbes: — . . . I think Mr. Hardy has asked . . . answered my question several times actually about the perception that you can be anywhere, live anywhere in Canada and buy as much land as you want in Saskatchewan as long as you agree to move here and live essentially half the year, more . . . just more than half the year, 183 days. And I think that's the case. And I

appreciate your comments about the perception. We have to do something about that. So that's my question and my point, so . . .

Mr. Hardy: — Well I just raised that because . . . and it may well be that we have . . . you have to make changes to make that happen. It could be just because of that.

Ms. Jones: — Thank you, Mr. Chair. I'm wondering in your observations of your convention and your discussion with your members, is the pressure to change coming from the young or the old in the municipalities?

Mr. Hardy: — Do you know, I think it's both. I think it's a broad spectrum there. I think it's both. I don't know why, but just it seems that I heard on the floor, it wasn't just the older farmer. It seemed to be that it was across the floor a mixed feeling.

It's something like the Canadian Wheat Board— go out there and it'll be the young saying no and the old saying yes and vice versa. It's a mixed feeling out there, believe me.

And it's . . . what I read at our convention floor, it's really mixed out there. And I don't think it necessarily hinges on any one age group. It's nice to say it's the older farmer wanting to get out, but I didn't really see that all the way. I saw both sides of it.

Ms. Jones: — Okay. One of the arguments that we hear quite often is that it will increase the land prices for the farmer who wishes to retire and realize the benefit of the investment that he's made in his farm or her farm. But it begs the question, if land prices increase, how does that benefit a young farmer wanting to get in?

Mr. Hardy: — I don't suppose it does. But it probably . . . it's as an investment — whether it's a business or a farm — the value of what you put in should be the value of what you want to get out, plus. And so sometimes the price of what you pay for it isn't as important as what you can produce and make a living off of, after you have it.

And as you know, I've done both farming and business. And that rings true of every one of my operations that I've owned and operated, is that what I've paid for something when I bought it might have seemed excessive, but what I made out of it was okay too. And when I sold it, it was . . . still held its value.

That will be . . . and as you know, farm land — as soon as prices of product moves up — farm land prices'll move up with it. It will be more tied to the price of what we get for our farm, for our land . . . or for our product than, more so than somebody just wanting to buy a piece of land.

Ms. Jones: — I think it's also dependent on supply and demand. So if there's more land available than there are buyers for it, the price is depressed, obviously. And I think that the hope of those who want to change it is that we'll drive the price of land up.

Now it seems to me that that's of more benefit to the person

who wants to sell than the person who wants to buy. So that's why I asked the question about is it the retiring farmer or the beginning farmer who's more interested?

Mr. Hardy: — It's the retired farmer. The older farmers are pretty set in their ways and a lot of them don't want anybody else coming in onto their property. They'd almost sooner give it away than that.

So that's why I said it's a mixed bag. Don't get me wrong, it really is out there. If you go and talk to . . . Come to our convention and walk the floor and ask the question and see what you get. And there's a couple of thousand delegates there to talk to, so . . . By the way, our convention's always open with no charge. You can come any time you want and stay as long as you want.

Ms. Jones: — And I have attended pieces of it.

I also wonder about . . . certainly of concern to rural municipalities is the tax base of their farm land, and obviously the education portion is of great concern. But if land prices increase, then the assessed value of the land is going to increase and the taxes are going to increase. And that will be yet another difficult situation for the farming community, will it not?

Mr. Hardy: — Not if what happens what we've asked to happen. We've said that — and I didn't want to get into . . . I was very careful not to touch that at all, but seeing you opened the door a little bit . . .

Ms. Jones: — I have.

Mr. Hardy: — I want to make it clear that I don't think assessment's been done in the way it should be on . . . It should be on productivity. All our businesses are based and sell on productivity. You don't . . . that's the way they're based and sold.

We've been working with SAMA (Saskatchewan Assessment Management Agency) to look at that — to the new reassessment. I've talked with your minister there, I think we're sort of on wavelength. I don't want to get into that.

But I'm just saying that . . .

Ms. Jones: — I asked you for perceptions. And these are part of perceptions, I think.

Mr. Hardy: — Yes. Well hopefully, that perception will be on productivity and then it will be decided and that value will be set by that. If it can produce a lot, you'll probably pay more.

Ms. Jones: — Okay. And my other point was on Ms. Atkinson's point and that is if we change — I mean, you say well something should be done but — if what we do doesn't work any better than what we have, you realize that we cannot go back.

So I think that looking at these things very carefully is certainly the order of the day because there's no going back to the way it was. So I want to stress that point again. And that's it, Mr. Chairman.

Mr. Hardy: — Just a final comment on that is that if that's all you plan to do is to bring business here and to develop it, I'm not sure that will be the . . . just one little cog in a whole big cog that you're going to have to do. And I'm sure all of you are very much aware of what needs to be done if we're going to grow the . . . or make this province a more industrialized province, more jobs and opportunities.

And I think that's only one . . . if you do that, it's still only one little cog in a great big wheel.

The Chair: — Thank very much. That concludes the time allotted for your presentation and I want to, on behalf of the committee, thank you all very, very much for your presentation. It was very informative. Thank you.

The next presenter to the committee is an individual who I believe is here, Joe Saxinger. Joe, would you come forward please for your presentation. Anywhere . . . wherever there's a microphone. That'll be fine.

Now for your convenience, we'll have a round-table introduction of the committee members.

My name is Ron Harper. I'm the Chair of the Standing Committee of Agriculture and the MLA for Regina Northeast. And we'll start with Ron this time.

Hon. Mr. Osika: — Ron Osika, MLA for Melville. Hi, Joe.

Ms. Jones: — And Carolyn Jones, MLA for Saskatoon Meewasin.

Mr. Forbes: — David Forbes, Saskatoon Idylwyld.

Ms. Atkinson: — Pat Atkinson, MLA Saskatoon Nutana. Hi, Joe.

Mr. Fenson: — Avrum Fenson, I'm a researcher for the committee.

Mr. Kaczowski: — Viktor Kaczowski, I'm the Clerk of the committee.

Ms. Harpauer: — Donna Harpauer, MLA for Watrous.

Mr. Bjornerud: — Good morning, Joe. Bob Bjornerud, MLA for Saltcoats.

Mr. Elhard: — Good morning. I'm Wayne Elhard, MLA Cypress Hills.

Mr. Weekes: — Good morning. My name is Randy Weekes, MLA for Redberry Lake.

The Chair: — Joe, we'll turn the table over to you for your presentation.

Mr. Saxinger: — Thank you, Chairman Ron. I do not have a prepared presentation. I have been too busy selling my buffalos, marketing them. I haven't . . . I don't represent anybody else. I just speak of my own experience and my own concern.

As a lot of you know, I served in this building from '86 to '91 so I'm familiar with the process. Most of you know I immigrated to this country. I am one of these fortunate fellows that became a Canadian citizen from Germany in 1954. So I do . . . I have feelings for business. I've been in business all my life, never been unemployed of course. And I came to Canada for 3 years and now it's just about 50 years — 48 years — and I'm still here. So quite a good country to live in Saskatchewan.

I'm going to just go back. I spent some time as MLA, in Europe in business, in the business circle. I was sent by the minister at the time from tourism and small business to world largest food fair in Cologne, Germany, because of my language benefit. And I did . . . I was sent there to bring some business people in here.

I did meet some people, and some particular ones they became Canadian residents. They spent \$300,000 in incorporated fallow deer farm. They wanted to be Canadian residents very bad. They wanted to be a landowner too but that was not possible. But they did spend \$300,000 on this fallow deer farm which they lost every penny of it.

But you know, they couldn't invest himself because he wasn't allowed to. So with this . . . that's one example what happens if somebody wants to move in here. If he's not . . . if he hasn't got the right to own land, he's not very interested. It discourages him.

We have . . . I am, since I am out of politics, I am involved in . . . still in business as a implement dealer and start operating a buffalo farm. I been there again just this spring trying to get some market for buffalo meat in the . . . (inaudible) . . . There's another, one of the second largest food fair called the . . . (inaudible) . . . And it's interesting. There's a lot of people there who would really who'd want to come to Canada. And they prefer Canada to most other countries. For some reason Canada is well liked in Europe. You want to wear your Canadian flag on the jacket because you're welcome.

So I, with this, I do have some investors in my buffalo farm. We bought the former Dana radar base. We now have 350 buffalo. We started five years ago with 100 heifers.

As you all know right now there's a downturn in buffalo like in anything else in agriculture. The drought has something to do with it. It's a combination of two different . . . drought, water, and of course the banks got excited and they start calling the loans and some more auction sales. It drove the prices down.

But having said this, they . . . we had two, three . . . two processors in Western Canada. One called the Cutting Edge out of Edmonton. On the one out of Calgary, he's mostly . . . was mostly dealing with horses. Now the one out of Edmonton went broke so we have one qualified European-approved slaughtering plant in Western Canada.

I have on the ranch, the former Dana radar base which we bought, I have facility to house a slaughter plant. I also have one investor — and I bring this for example that something should be done to decide — I have one investor which is coming in June. He wants to move here to Canada, but the way it stands right now, except incorporated and do things illegal, he can't be owner of any farm land.

So he also wants to invest in a slaughtering plant, which is very, very badly needed in Western Canada. And Saskatchewan is the second biggest buffalo . . . the second biggest numbers in buffalo farms. Alberta of course, Alberta owns half of the buffalo in Canada, but we are in Saskatchewan we are second now.

So if nothing will happen to decide, I don't think he will be interested to invest a whole pile of money in Canada.

With this I just listened to a little while ago about the young farmers moving off of the farms. Out of four of my son-in-laws, three son-in-laws and the one son, three of them quit farming because of the circumstances. There just was no money made.

There was also a question asked before that, is it a seller's market or a buyer's market? Right now . . . I had a half a section of land which I bought two years ago and I sold it last year — advertise it for three weeks — I did not get one phone call. So that tells you there's not too many buyers out there.

Through the word . . . through a friend, I found a young fellow in Alberta which bought . . . who bought the land. Only one buyer, and that's not from ads, so it's definitely there's a lot more sellers than buyers.

In my part of the country — I am about 50 miles northeast of Saskatoon on No. 2 Highway — where the farm is, I kept the business in Cudworth and it's definitely there's a lot more land for sale than to buy.

With this I think we get a lot more if I opened up for questioning.

The Chair: — Thank you very much, Joe. We're now opened up for questions of Joe by the committee members.

Mr. Elhard: — Mr. Saxinger, you indicated that you came to this country from Europe. You've been here for a number of years. You've experienced the benefits of the political system. You know the freedoms that we enjoy here. You know that there is opportunity to succeed here if you work hard and are a good manager.

From your experience in contacts that exist now in Germany and your opportunities to go back and forth, do you think that there would be a huge influx of German or European investors in Saskatchewan if this legislation was lifted completely, if no restrictions applied? Or do you think that that would be something that might happen slowly and incrementally?

Mr. Saxinger: — Definitely, I don't think there would be a huge influx of people. Not everybody wants to go farming. But most of the people who have been here, they really enjoy the freedom that we have in this country. They do want to move here. I have a cousin of mine, he's . . . they both are dentists and they definitely want to come to Canada. So there wouldn't be an influx but there would be business coming in — probably with the young people in.

I've been on the farmer's market and there's a Swiss couple, they are selling meat. They came in four years ago and they have a processing plant north of Saskatoon and they're doing

quite well — it's another business. I think by not . . . with the restriction we have on it, we're keeping out business. I don't think it's a good business decision.

Mr. Elhard: — Is it your experience, having talked to people that are currently in Europe and might look at investing in Canada, is it your experience that they would sell out lock, stock, and barrel and move here immediately? Or would they prefer a system that would allow them an opportunity to send money in advance, make some levels of investment, and maybe increase that investment over a period of years, and then follow their investment here? What is the preferred way of making those kind of investments in your experience?

Mr. Saxinger: — You probably would have it both ways. Mainly I think they would want to come here and just be in business.

I have this particular fellow who is interested in a processing plant for slaughtering buffalo. He's selling out his . . . He's got a tree farm . . . (inaudible) . . . nursery. And he's middle urban city, he gets big money. I mean over there they don't sell by the acre, they sell by the square metre. So 2, \$300 a square metre, so it's big, big money.

And he's got the money; he wants to just go in a country what's fairly stable, invest, and enjoy his life here. He's a hunter and a fisher and that's what he wants to do.

Ms. Harpauer: — Thank you, Joe. The question I want to go . . . There is a perception — and it was discussed in the last group that was here and I know you mentioned yourself — of there being such a great benefit to young and new farmers starting as long as the prices stay low. And you mentioned yourself the majority of your children chose not to farm.

And we're seeing that — I don't think it'll be too hard to dig up statistics — that even though our prices in Saskatchewan are quite low, the young farmers are not starting up. And whether it's right, wrong or otherwise indifferent, the fact is most young farmers start because their father or their uncle or someone in the . . . some family member has an establishment that they build on and expand.

So as a businessman . . . And I'm a producer myself and I know what the lower price, the depressed prices, do to young farmers not starting, has done to the net worth of my business.

So if indeed changing this causes the value of land to go up, then the existing establishment that the young farmer would be taking over, the value of that would also go up. The net worth of what he has, what already exists, go up. So that indeed gives him the ability to secure financing. That will increase because the value of what the father has, the uncle has, or whoever has the original establishment goes up.

That would give the new farmer some options, quite frankly. It would give him the option to perhaps buy more land. He would have a better way of securing financing to do that. He would also have the option to maybe, I don't know, borrow and — novel thought — of investing in an agribusiness. Or you had mentioned a packing plant. There's other agribusinesses that he could look at.

So in fact it would give the new farmer some choices if the net worth of the original establishment was higher. So do you believe that makes good common business sense?

Mr. Saxinger: — I think some of the problems didn't start last year or year before. It started 10 years ago in the '90s — '91, '92 — the downturn of the agriculture, the low, low prices, the high input costs. And the input . . . The prices kept on going down, input costs go up. And that's what drives the young farmers off the farm.

It can turn around again. I guess we have the ups and the downs in agriculture. The 48 years I've been in this country it's been happening, but these last 10 years it's been a tough, tough row to hoe in agriculture and it's not good out there.

One of my son-in-laws is still farming but he's got the seismic outfit so he can support the farm and he's still buying land. But it's pretty hard to make a living on the farm for a young fellow. And he can do a lot better.

Like my son, he was struggling in the 1991-92. He's a lot better off now. Him and his wife both, they moved to Edmonton. They moved out of the province, of course, and he's doing well. He couldn't have done this on the farm. It's the times, I guess.

Ms. Harpauer: — I agree it's the times. But do you also agree that if your net worth is more then you can also . . . your business is worth more? It allows you more flexibility.

Mr. Saxinger: — Yes, no doubt about it.

Mr. Forbes: — Good morning, Joe. I'm just curious. You were telling us about a fellow from Europe who wanted to move here, was willing to live in this province and become a Canadian citizen, and was not able to buy land.

Mr. Saxinger: — He was able to buy land. He had spent the \$300,000 which he lost because he was forced to buy into a corporation.

Mr. Forbes: — And that was because of this Act?

Mr. Saxinger: — Yes, probably part of it.

Mr. Forbes: — How so?

Mr. Saxinger: — Because he couldn't buy own piece of land himself.

Mr. Forbes: — Why not?

Mr. Saxinger: — Well because he wasn't a Canadian residents.

Mr. Forbes: — If he was living in the province he would have been a resident.

Mr. Saxinger: — Yes, he moved here. He moved here — in the meantime he died — and he brought a lot of money and his wife is still here. And in fact this particular fellow, they had a processing plant — still have — in Germany and they process wild meats.

Mr. Forbes: — Well I understand that if you live here and you're a resident, then you can . . . there's no limitations.

Mr. Saxinger: — Yes, but you have to move here first and live here. Become a Canadian citizen and . . .

Mr. Forbes: — You don't have to move here first, do you? You have five years to . . . (inaudible) . . . I understand that there's a transition time. You can buy . . .

Mr. Saxinger: — Very short.

Mr. Forbes: — What's that?

Mr. Saxinger: — When I come in 1954 it was three years but I . . .

Mr. Forbes: — But it's been changed several times since that time, down to . . .

Mr. Patterson: — I think perhaps there's some confusion in different pieces of legislation. We have immigration legislation that impacts how people can become citizens or become landed immigrants. But as far as being able to acquire land prior to residing in the province, the board quite routinely grants exemptions to allow people to take up to five years to reside in the province.

Recently what they've done with the . . . they've aligned their practices with respect to out-of-Canada immigrants to align with the new Saskatchewan immigrant nominee program. And so that has vastly simplified the picture for people who are out of country. Because if they qualify under the Saskatchewan immigrant nominee program, they automatically get an exemption from the board which merges the two approaches.

Mr. Forbes: — And that's a new initiative that's been begun? So in many ways we're meeting this, but I think if the fellow's made a commitment to be here, then there's no limitations and so . . .

Mr. Patterson: — If I may just add with respect to the reference to the individual who would like to invest in a bison slaughtering plant, the board has also granted exemptions that they feel are catalytic in effect, and so in a case where a new initiative such as a bison processing plant, they would take a very liberal view of allowing an investor to have farm land if it was contributing in a major way to a new initiative such as a bison processing plant.

Mr. Forbes: — Thank you very much, Mr. Chair. Thank you, Joe.

Mr. Saxinger: — . . . known to the public that there is some exemptions. It's the perception of the . . . it discourage people because there's a perception they can't own land when they move to Canada.

Ms. Jones: — Thank you. And thank you for your presentation. I'm wondering if you could tell me, because I think we have a couple of issues on the table. We have large tracts of land — people who want to farm, European people who want to do organic farming, and indeed, as I understand it, quite a number

of European people who are interested in intensive livestock.

So in your experience, is the difficulty with the Act, is it in the large tracts or is it in the intensive livestock? And in your experience of those you've spoken with who indicate that they would like to make their home in Canada, which category would they fall into? Would they fall into farm land, like large tracts or . . . not necessarily huge, but large tracts of farm land? Or would they be people interested in intensive livestock?

Mr. Saxinger: — In smaller, in smaller portion of farm land. Some of them just . . . in Europe farm land is fairly expensive and very few people can buy 160 acres which is 64 hectare. They figure it's a big parcel of land. Where I come from we have 17 acres where we make . . . that's my home farm. So a section of land is a big parcel of land. And a lot of them just want to have . . . own a big parcel of land.

Ms. Jones: — And big to them might be 320 acres or 640 acres?

Mr. Saxinger: — Yes. Yes.

Ms. Jones: — So that would be quite huge for them.

Mr. Saxinger: — Yes. Well this . . . it's a quarter land is 64 hectares. They go by hectares.

Ms. Jones: — So . . . But they would want, in your experience — and that's all I can ask you for — they're interested in growing on this land, not in intensive livestock?

Mr. Saxinger: — No, that's right. The experience . . . my experience that they would just own the . . . like to own a parcel of lands.

Ms. Jones: — Okay. And both from you and from our previous presenter, there's a lot of talk about perception, whether it's reality or simply a perception that we're not open to new investment. Do you have any ideas on — short of changing the Act — how that perception could be . . . that negative perception could be addressed?

Mr. Saxinger: — I don't know what could be done about this. I guess education would be one. But in my opinion I think it should be, it should be open to a certain extent. If he would like to . . . Maybe you could put a limit on up to a section or half a section or whatever. But my opinion to have it open definitely would bring business from Europe.

Ms. Jones: — Then you'd have to do something to convey that message to people. So we couldn't . . . can we do something to convey the message that, even as it exists, that indeed there are opportunities for people here? Like, should we take out ads? Should we be recruiting outside of the country for people to move here?

Mr. Saxinger: — I learned something myself here. I wasn't aware of some of the exemptions there that is available. I . . . Some of my investors, they can't own farm land. They would like to have . . . be part of it. But the way the Act reads right now, it's not possible, except if you incorporate. And it's not the right way to do it, it's just . . .

Ms. Jones: — Okay, those are my questions, thank you. And thank you, Joe.

Mr. Saxinger: — You're welcome.

Ms. Atkinson: — Well, welcome, Joe. It's good to see you.

Mr. Saxinger: — Same here. Nice to be back in this building.

Ms. Atkinson: — Yes it is. Nice to see you again. You've been a resident of the province for practically 50 years. And I know you know rural Saskatchewan, your part of the woods, very, very well.

One of the things that we will have to grapple with, if we are to amend the legislation, is the whole notion of absentee owners — people who aren't here versus resident owners. Given that you know your constituents, what do you think they would prefer: people who live . . . people who own the land that live there or would they prefer people who own the land but don't live there?

Mr. Saxinger: — I guess probably some of them from the start, they would finish the business over there and move later. Some of . . . They would have both sides, I would think.

Ms. Atkinson: — Yes. See, my sense of people in rural Saskatchewan is they want more people, they want residents. And so the question . . . and they don't really want absentee people. They want people to live and work in rural Saskatchewan. That's my sense. And the question is: how do we do that?

And there's some people that think if we open it up, that's going to get us residents. I'm not sure.

And then there's the whole question of perception. If you look at the three presenters so far, they talked about the perception that we're not open for business, that we're not . . . people aren't able to come here, when in fact there are exemptions by the board and people can come here.

So I'm just wondering if you've got any thoughts on that.

Mr. Saxinger: — I guess some of it, they just don't want to go through all them loops to try to fight them, get exemption of it. It just gets complicated and it drags out a long time, and they lose interest, so they give up on it.

No doubt in my mind, it would improve Saskatchewan, either one way or the other. I think we have to be open for business.

And I just use for example, I have three uncles what came here and homesteaded. We gave them a quarter of land for 20 bucks if they opened so many acres a year, if they picked . . . broke land. And it brought people in. If we wouldn't have this, people wouldn't have opened it up, we would have all bush in Saskatchewan here. That's an example.

Ms. Atkinson: — I also heard you say, well maybe what we do is we say a section of land. Right now if you're a Canadian citizen you can purchase up to 320 acres in the province — your partner or spouse, you could arrange it so you get more

than a half section of land. And you said a section of land, so if we were to amend the legislation to allow for Canadian citizens to get up to a section of land and then do a lot better job of informing Europeans of how they can get here and farm, do you think that would do it?

Mr. Saxinger: — Again, some of the surveyed . . . this particular parcel of land I sold last year. I sold it to a young fellow in Alberta and he already had a half section, but his wife is from Saskatchewan so his wife had to buy it. So there is . . . he still got three-quarters, kind of bent the law a little bit but . . .

Ms. Atkinson: — No I don't think he did bend the . . . no he didn't bend the law because the way it works you can . . . a family can buy land if you don't live in Saskatchewan based on an individual . . . each individual is entitled to 320 acres. That's the law.

Mr. Saxinger: — I myself, I'm not concerned about the neighbouring provinces buying because they have a way around it because usually they've got some relatives here. I'm more concerned for overseas investors.

Ms. Atkinson: — Okay, thank you.

The Chair: — Any further questions of Joe, other committee members? Not seeing any further questions, Joe, I want to thank you very, very much for making your presentation to the committee here, and on behalf of the committee we thank you for your attendance. You brought us a very personal point of view and we really appreciate it. Thank you very much.

Mr. Saxinger: — Thank you, Chairman Ron.

The Chair: — Before I ask for an adjournment motion, I'd like to announce that the committee will be reconvening tomorrow in this room at 10:30.

Mr. Forbes: — 10:30. I have a question as well. This is a little bit of process. Will we be hearing from the board? We're hearing a lot about exemptions and things like that.

The Chair: — Let me get to that, if you please. We will be meeting tomorrow at . . . reconvening at 10:30.

From 10:30 to 11 the committee will meet in camera. This will be to discuss process. And at this time I would request the individual committee members to give any thought to any special witnesses, expert witnesses they wish to call before the committee. If we could have those names to the Clerk as early as tomorrow or as early as possible to allow the Clerk time to make arrangements with these individuals to appear. Hopefully, we would be able to schedule them for the Thursday evening of May 23. We have that particular time frame open yet, and if we could fit that in, it would sure fit with our schedule.

So I ask the committee members, over the next little while, to give some thought to that. And if we can come back with any of those names or any questions you may have on process, we could deal with that tomorrow between 10 . . . 10:30, I should say, and 11 o'clock; 11 o'clock will be our first witness before the committee.

Any questions? If not, then I'll entertain a motion of adjournment. Bob? Thank you.

The committee adjourned at 11:17.