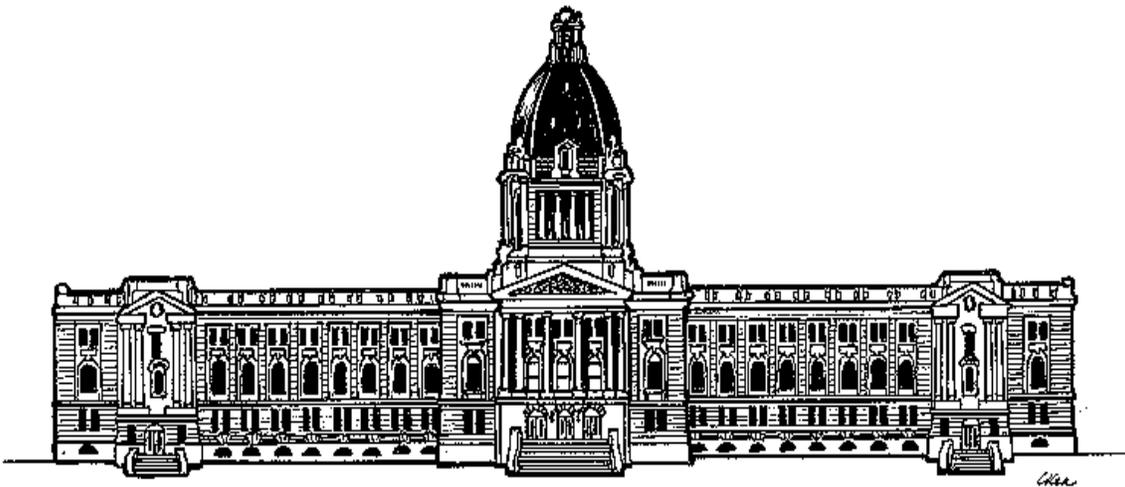




# **STANDING COMMITTEE ON THE ECONOMY**

**Hansard Verbatim Report**

**No. 7 – May 28, 2004**



**Legislative Assembly of Saskatchewan**

**Twenty-fifth Legislature**

**STANDING COMMITTEE ON THE ECONOMY  
2004**

Mr. Eldon Lautermilch, Chair  
Prince Albert Northcote

Mr. Lyle Stewart, Deputy Chair  
Thunder Creek

Mr. Michael Chisholm  
Cut Knife-Turtleford

Ms. Doreen Hamilton  
Regina Wascana Plains

Hon. Deb Higgins  
Moose Jaw Wakamow

Mr. D.F. (Yogi) Huyghebaert  
Wood River

Mr. Kevin Yates  
Regina Dewdney

The committee met at 11:30.

**Bill No. 28 — The Public Employees Pension Plan  
Amendment Act, 2004**

**Clause 1**

**The Chair:** — Order. The first item of business before the committee is Bill No. 28, The Public Employees Pension Plan Amendment Act, 2004. Is clause 1 agreed? Mr. Chisholm.

**Mr. Chisholm:** — Thank you, Mr. Chairman. I guess my first question is on the Public Employees Pension Plan. Is the pension plan for whom, like, in our province? Just who all is involved in that, comes under that plan, and who doesn't?

**Hon. Mr. Van Mulligen:** — Mr. Chair, if I might, just before I proceed to answer, introduce . . . With me is Brian Smith, who's the director of the Public Employees Benefits Agency.

The legislation in question, the Public Employees Pension Plan, certainly refers to employees of the executive government, but there will also be other agencies that will be covered by this and perhaps I'll have Mr. Smith go through the details of those.

**Mr. Smith:** — Mr. Chairman, it includes employees of executive government and employees of Crown corporations, agencies, boards, and commissions, and the members of the Legislative Assembly.

**Mr. Chisholm:** — Can you tell us today how the changes being brought forward will benefit individual members of the Public Employees Pension Plan or strengthen the plan's overall financial stability or facilitate its growth. There are some changes that are . . .

**Hon. Mr. Van Mulligen:** — Mr. Chair, as I understand it the question was how will the changes benefit individual members of the plan and how the changes enhance or contribute to growth of the plan.

The changes certainly will be of benefit to certain individuals. We believe that the major change in the legislation, which is to provide for enhanced representation of the various employee organizations . . . or employer organizations and employee groups, will provide, at the end of the day, for better governance of the plan. We think that's in the interest of the members.

And as opposed to the government appointing the chairperson of the plan, the chairperson will now be elected from among those who are appointed to serve on the board of the plan. We think that's an improvement.

One of the changes that we're proposing is to offer members the opportunity to purchase a Prescribed Registered Retirement Income Fund, a PRRIF, from the plan. And we're doing this because it'll provide members with an opportunity to keep their monies in the plan after retirement.

And that's appealing to some plan members who are confident in the operations and investment returns of the plan. So that if

you retire, and as opposed to taking your money out of plan and putting it into some private investment fund, some employees have a great deal of confidence in this plan as opposed to any other plan out there, and so we're providing an opportunity for those members to keep their money in the plan.

Now that's a distinct benefit to those individuals because they perceive that to be a benefit and they've asked for that. But I guess in larger terms in the sense that it keeps more money in the plan, and from the viewpoint of having additional assets in the plan and to the extent that those additional assets means that the plan has more clout in terms of its investments, it's good for everybody that's a member of the plan. So we think it contributes overall to the plan.

The other change is — and this is a change that is being provided and that may be of benefit to certain specific individuals — and that is that we want to provide an opportunity for members who are terminally ill to receive a lump sum payment of their accrued pension asset. And this can be essential and a practical benefit for certain members at critical times in their lives.

We see it not having any real material effect on the plan overall. The number of occasions that this might be paid out under these circumstances, we believe, will be limited and therefore should not have any real impact on the plan. But it will be of tremendous benefit for certain terminally ill members who would appreciate having the opportunity of having their lump sum benefit provided to them. And so we want to try to respond to that.

Finally the Bill changes some of the language in the Act, and we don't see that having any real impact on individuals or on the plan itself. It's more a matter of clarity.

In the Bill we talk about interest, and we want to make it clear that where we talk about interest that we're talking about more than interest. We're also talking about return on investments. That is, you know, capital gains over losses, dividends, and interest. And so that we want to speak more broadly about what it is that we see as returns to members of the assets that they have in the plan, but we don't see that having any real impact on the operation of the plan. That's strictly more of a clarification of language issue. And that sums it up.

**Mr. Chisholm:** — The provision on someone that's terminally ill, there is no tax . . . My understanding is that the money would be taxable, would be allowed to come out, but would be all taxable at one shot. So there's no tax break seen in this for someone that was terminally ill.

**Hon. Mr. Van Mulligen:** — Any time that one makes a withdrawal from the plan, the existing tax provisions — federal — would apply. There are opportunities obviously for people to receive payment sometimes as lump sums and to put them into other vehicles such as RRSPs (Registered Retirement Savings Plan) on a one-time basis.

But certainly the tax provisions would apply for those who elect to receive a lump sum payment because they are terminally ill, the same as anyone else would be subject to the income tax

provisions, recognizing that the contributions that people make to the plan, you know, help to reduce the income tax payable for those who make the contribution.

**Mr. Chisholm:** — When you're referring to the fact that you'll be reporting not only interest income but also dividend income, capital gains income, is this simply just for the reporting to the pension plan member as to how his thing did during the year? Because my understanding is regardless of where the growth comes from, it still goes into the pot and becomes taxable when you take it out. So . . .

**Hon. Mr. Van Mulligen:** — We want to change the wording in the Act from where it says "interest" to "investment earnings", because we believe that, at the end of the day, it's a more accurate way to describe the earnings that members can make on the assets that they have in the plan, as I indicated before.

And that's how we will also report now to the members, that not just having earned interest but more broadly investment earnings, including interest.

**Mr. Chisholm:** — Mr. Chairman, my colleague has a couple of questions.

**The Chair:** — Mr. Hart.

**Mr. Hart:** — Thank you. Thank you, Mr. Chair. Minister, I'm interested in the provisions in this Bill that allow for lump sum payments for those people who are critically ill. Is it only persons who are critically ill who are eligible? There are no other provisions for plan members to withdraw lump sums other than critically ill people?

And the reason I ask the question is, in your . . . when you answered Mr. Chisholm's question about who all was included in this plan — and MLAs (Member of the Legislative Assembly) are also included in this plan — and I know some of us have had some discussions about possibilities of lump sum payments due to our special nature of our terms of employment, I guess if you want to put it in that respect.

Has any consideration been given to people . . . to providing provisions other than terminally ill people for lump sum withdrawals?

**Hon. Mr. Van Mulligen:** — Yes, Mr. Chairman. The Act provides that anyone who is a member of the plan and who reaches the age of 50, and I suppose is no longer employed and contributing to the plan, to make a lump sum withdrawal and to take that money and to provide it to some other agency, life insurance or whatever agency it might be, to invest that money for the individual. And then to provide it in various ways, whether it's an annuity or some other investment vehicle that makes sense for their retirement. So there are those opportunities to make those withdrawals when you reach the age of 50.

We want to make this opportunity available to members who have become terminally ill prior to them reaching the age of 50.

**Mr. Hart:** — So to be clear then, an individual . . . once an individual has reached the age of 50 and beyond, can ask to

have a lump sum withdrawal from the plan. Does that lump sum, that amount of dollars, have to go into a registered retirement or a RRIF (Registered Retirement Income Fund) or can it just be taken out in cash. Of course all the tax implications would then go along with it. But has an individual got that alternative to make that type of a withdrawal?

**Hon. Mr. Van Mulligen:** — Mr. Chair, the member's getting at some of the fine print in the pensions that we have. I'm going to let Mr. Smith deal with the details on this one.

**Mr. Smith:** — Yes, Mr. Chairman, an individual can, if they have retired or ceased employment at age 50 or later, take the money in a lump sum out of the plan to a prescribed Registered Retirement Income Fund. One of the options in that fund is to take it all out in cash and pay tax. We'd prefer that they would take the income over their lifetime, but they can take it out and pay cash.

**Mr. Hart:** — Well the reason I ask is, you know, some people perhaps are involved in businesses or other ventures and feel that perhaps maybe that's the best place for their funds. And that's an individual's decision. And, you know, it's good to know that an individual has that flexibility within the plan.

**Hon. Mr. Van Mulligen:** — The answer is yes, that flexibility is there.

**Mr. Chisholm:** — My next question is what are the options right now for a plan member regarding whether you're in fixed income things or equity things, or is there a multiple plans or is it very simple that it's just a choice of one or of two or . . .

**Hon. Mr. Van Mulligen:** — I'll let Mr. Smith deal with that one, Mr. Chair.

**Mr. Smith:** — Mr. Chairman, currently there are two options. There's a Balanced Fund which includes all asset classes and the second fund is a Short-term Bond Fund. The Public Employees Pension Board is currently looking at more options. But currently there are only two.

**Mr. Chisholm:** — I wonder if you could tell me what would represent the eligible equity type of investment to be in a plan.

**Mr. Smith:** — Mr. Chairman, the . . . (inaudible) . . . of the investments are a bit constrained by the Income Tax Act. And we're only allowed to put 30 per cent of the funds in foreign equities outside of Canada. But equities anywhere in the world are an eligible investment, but we do have limits in the Income Tax Act which we have to watch in terms of not exceeding those.

**The Chair:** — Mr. Hart.

**Mr. Hart:** — I just have a few questions surrounding the changes in the board structure. The Bill increases the board members by one, from seven to eight. I wonder if you could give us . . . tell us who's on the board and who they represent. Because in the second reading debate, the Deputy House Leader mentioned that there's representatives on the board from various groups, employee and employer groups. And if you could just perhaps clarify and expand on that a bit.

**Hon. Mr. Van Mulligen:** — The number is actually going from seven to nine I believe. And the Bill itself, I think it's section 3 which talks about the board, and it indicates that there would be one person appointed by the Public Service Commission; one person appointed by SaskEnergy, SaskPower, and SaskTel, that is those corporations have to agree as to who that representative would be. One person appointed by the Saskatchewan Property Management Corporation, SIAST (Saskatchewan Institute of Applied Science and Technology), and Saskatchewan Liquor and Gaming Authority — so those employer organizations have to agree as to who that representative is. And then one person appointed by the Saskatchewan Crop Insurance, the Workers' Compensation Board, and Saskatchewan Cancer Foundation — so those agencies also have to agree.

And then we're also proposing to appoint persons who represent employees. And so there's one person appointed by the Saskatchewan Government and General Employees' Union; one person appointed by the Communications, Energy and Paperworkers Union of Canada; one person appointed by IBEW, the International Brotherhood of Electrical Workers, Local 2067 — which represents in the main employees of SaskPower; and one person appointed by the Canadian Union of Public Employees, Local 600.

So the makeup would be four representatives from employers, four representatives from the employees. And then it's up to those eight representatives to agree as to who the Chair should be — that is an additional person to be appointed as Chair.

**Mr. Hart:** — That's the point I wasn't quite clear on, whether the Chair would be one of the eight representative individuals or whether the Chair is an additional person. Is there any guidelines or requirements as to who the Chair can be or is it just left to these eight individuals to select an appropriate Chair, whoever they feel comfortable with?

**Hon. Mr. Van Mulligen:** — I think at the end of the day, it's someone that has to be acceptable to, you know, the eight members of the board and as to who they wish to appoint to serve as their Chair.

**Mr. Hart:** — But ultimately it's the eight people make that selection and it's left in their hands?

**Hon. Mr. Van Mulligen:** — That is correct, Mr. Chair. Hitherto, or I guess still now until the Act is changed, the government has appointed the Chair of the board. And we feel that it's in the interests of, best interest of the members who are employees and, I think, in the best interest of the employers too, that this matter be left in the hands of the representatives of the employers and the representatives of the employees.

**Mr. Hart:** — Mr. Chair, I think that would conclude any questions that we would have with regards to this Bill.

**The Chair:** — Thank you very much. Clause 1 agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 17 inclusive agreed to.

**The Chair:** — Coming into force. Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Public Employees Pension Amendment Act.

I would ask a committee member to move that we report the Bill without amendment. Mr. Yates.

**Mr. Yates:** — Thank you, Mr. Chair. I move that we report the Bill without amendment.

**The Chair:** — It has been moved that the committee report the Bill without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried.

The committee agreed to report the Bill.

### **Bill No. 16 — The Geographic Names Board Amendment Act, 2004**

#### **Clause 1**

**The Chair:** — Okay. The next item of business before the committee is An Act to amend The Geographic Names Board Act, Bill No. 16.

Minister Cline, would you introduce your officials?

**Hon. Mr. Cline:** — Yes. Thank you, Mr. Chair. And good morning to you and to members of the committee. I am here with Mr. Gib Macaulay, who is the director of mapping customer services at the Information Services Corporation. And behind me is Ms. Kathy Hillman-Weir, who is the legal counsel for the Information Services Corporation. Thank you.

**The Chair:** — Thank you very much, Mr. Minister. Mr. Wakefield.

**Mr. Wakefield:** — Yes, thank you, Mr. Chairman. And good morning, Mr. Minister, and good morning to your officials.

I have very few questions really about this because I think it's pretty straightforward. But, Mr. Minister, would you give me an idea of the purpose of this legislation? — Why it is introduced at this time; what are we trying to achieve with this?

**Hon. Mr. Cline:** — Yes, Mr. Chair, to the member, thank you for the question. The legislation is really housekeeping in nature. It is designed to reflect the fact that formerly the Geographic Names Board was part of the executive government, if you will, and now it is part of the Information Services Corporation.

And the difference is that it therefore has moved from government to being under the auspices of a Crown corporation, and so some of the rules in the legislation that would have applied to it previously no longer apply; one of them being that formerly when it was part of the government

proper you might have a secretary to the board who could be appointed as part of the public service. But now we need to have the ability for the minister to appoint someone to act as secretary of the board, and at the same time to clarify that the members of the board are entitled to remuneration for their services at rates that would be approved by the cabinet.

**Mr. Wakefield:** — Mr. Minster, thank you. I guess the question would be: why is it deemed necessary to move it under a different reporting format, under the ISC (Information Services Corporation of Saskatchewan), rather than leaving it with the department? Is there a reason other than what you've talked about, you know, in terms of hiring a secretary? There must have been a compelling reason to make that change.

**Hon. Mr. Cline:** — Yes. Well that change was made before this legislation came along but the reason for that is that the Information Services Corporation is responsible for mapping in the province as well. It not only has the functions that the land titles office had before, but it also is responsible for mapping of the province and having a record of all of the parts of the province.

And there should be coordination between the people that are responsible for mapping, such as Mr. Macaulay, and the changes to names, making sure that the names are current, dealing with communities with respect to what they think the names should be in case there's a local name that may vary from what the official name is. And just to make sure that everything is in one place and that they're not only doing the mapping but properly naming the places on the maps as new places may be named for war veterans, for example, or as names are changed by the board in response to requests from the community.

**Mr. Wakefield:** — Mr. Minister, is the really . . . the only employee that's affected then would be the secretary and the reporting of the secretary? Is that the only one that we have to consider in this legislation?

**Hon. Mr. Cline:** — Mr. Chair, there really is very little impact in the sense that this will enable us to appoint someone to be secretary to the board. But that person would be a person who's already an employee of the Information Services Corporation, and that person would simply have the required work added to his or her duties without any extra pay or anything like that.

So it just really is technically to ensure that a person at ISC is legally clothed with the authority to act as secretary to the board.

**Mr. Wakefield:** — Thank you, Mr. Minister. Mr. Chairman, I have no other questions.

**The Chair:** — Thank you. Is clause 1 agreed?

Clause 1 agreed to.

Clauses 2 to 9 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend The Geographic Names Board Act,

Bill No. 16.

I would ask a member . . . Mr. Yates.

**Mr. Yates:** — Thank you, Mr. Chair. I'd move we report the Bill without amendment.

**The Chair:** — It has been moved that the Bill be reported without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried.

The committee agreed to report the Bill.

**The Chair:** — I'd ask the minister to thank his officials.

**Hon. Mr. Cline:** — Yes, Mr. Chair. I'd like to thank the officials for being here today and I'd also like to thank the members of the opposition for their co-operation in moving this legislation forward.

**The Chair:** — Thank you.

#### **Bill No. 17 — The Department of Energy and Mines Amendment Act, 2004**

##### **Clause 1**

**The Chair:** — The next item before the House is Bill No. 17, An Act to amend the Department of Energy and Mines Act and to make a consequential amendment.

I would invite the minister to introduce his officials. But before I do, I would like to request of all members that in order to facilitate the action of the cameras during committee that they would remain seated while responding or while asking questions. Minister Cline.

**Hon. Mr. Cline:** — Thank you, Mr. Chair. With me this morning — or this afternoon whichever it currently is — seated to my left is Mr. Larry Spanner, who's the deputy minister of Industry and Resources. And to my right is Mr. Hal Sanders, who's the executive director of revenue and funding services in the Department of Industry and Resources.

**The Chair:** — Thank you very much, Minister. Mr. Wakefield.

**Mr. Wakefield:** — Thank you, Mr. Chair. And again welcome, Mr. Minister, to you and your officials.

When I read through this particular amendment I struggled to see much substance, substantive change. I know that things have to be brought up to . . . I guess so that it's consistent with other kinds of legislation, and I would ask this question. What of substance is in here in your view that required this to be brought forward in an amendment?

**Hon. Mr. Cline:** — Mr. Chair, the most important part of the Bill, which is fairly of a housekeeping nature for sure, is that the Bill, the Act is called the Department of Energy and Mines Act, but we no longer have a Department of Energy and Mines

— the reason being there were two departments, that is, the Department of Energy and Mines and the Department of Economic Development which in March 2002 were merged into one department which became the Department of Industry and Resources. So it's simply not appropriate any longer to have a Bill that says there's a Department of Energy and Mines. And we're simply changing the legislation to reflect the fact that these two departments have merged into a different entity, being the Department of Industry and Resources.

But at the same time, there are functions of course that the Department of Energy and Mines carries out, and they have certain statutory duties and obligations. And those functions continue, although in the other department. So the Act continues to exist as an Act that will govern the Energy and Mines people, but the Act, being the Act referring to them as a different or a separate department, is no longer accurate. So we're changing the legislation to clarify that they are part of the Department of Industry and Resources.

**Mr. Wakefield:** — Thank you, Mr. Minister. Is there any other service or mandate changes that are anticipated in the amendments, or is it just to comply with the change of name of the restructuring?

**Hon. Mr. Cline:** — No, there are no other substantive changes other than in some cases there's language in the Act that is no longer accurate, such as the Act refers to the Department of Intergovernmental Affairs, but that department is now called the Department of Government Relations. So we simply say that where that occurs we need to have the new name.

The other provision is that there may be some other legislation that refers to the Department of Energy and Mines, and this legislation says that if there are other laws that refer people to the Department of Energy and Mines, that that should be deemed to mean the Department of Industry and Resources since that is where the Energy and Mines people are now housed.

**Mr. Wakefield:** — Mr. Minister, because of the requirement to change and comply or to fit better into the renamed structure that the government has arranged, just for curiosity on behalf of the taxpayers, would you be able to estimate how much it would cost to make these amendments? They're not substantive in operational, but what would be the cost to the taxpayers of an amendment such as this?

**The Chair:** — Before the minister answers the question, I think Mr. Hart, you would ask for leave to introduce guests?

#### INTRODUCTION OF GUESTS

**Mr. Hart:** — Thank you, Mr. Chair. Mr. Chair, we have a group of 19 grade 4 students visiting in the east gallery, visiting with us today. They come from the Robert Melrose Elementary School in Kelvington. They met earlier with the member from Kelvington-Wadena who regrets that she cannot be here to introduce them due to prior commitments, so she has asked me to introduce them, and I'm very pleased to do so.

They're accompanied today by teachers, Donna deGooijer, Lois McDonald, and chaperones Jeanette Laduke, Stacey Anthony,

Penny Doratti, and Sandra Pinkerton. I hope I pronounced all the names correctly, and if I haven't, I beg their indulgence and I would ask all members to welcome this fine group here today.

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

**The Chair:** — Minister Cline.

#### Bill No. 17 — The Department of Energy and Mines Amendment Act, 2004 (continued)

##### Clause 1

**Hon. Mr. Cline:** — Yes, Mr. Chair. In answer to the question, I don't think there would be any substantive costs for a Bill like this. You know, the legislative drafting people in the Department of Justice would whip this off in a very short time period. And so, it comes to the House and is printed, but I think the costs would be very, very minimal.

But the one thing I would notice that the merger of the two departments into one resulted in a reduction of about 25 full-time equivalent employees. So that, to have one administration instead of two certainly did result in a substantial saving.

But in terms of the Bill itself, being of a housekeeping nature, I don't believe it would lead to any cost to speak of at all.

**Mr. Wakefield:** — Thank you, Mr. Minister. Mr. Chair, I have no further questions.

**The Chair:** — Clause 1 agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 12 inclusive agreed to.

**The Chair:** — Her Majesty, by and with the advice and consent of the Legislative Assembly of Saskatchewan, enacts as follows: An Act to amend the Department of Energy and Mines Act and to make consequential amendments, Bill No. 17.

Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Mr. Yates.

**Mr. Yates:** — Thank you, Mr. Chair. I would move that we report the Bill without amendment.

**The Chair:** — It has been moved that the committee report the Bill without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried.

The committee agreed to report the Bill.

**The Chair:** — Mr. Cline, would you care to thank your officials?

**Hon. Mr. Cline:** — Yes, thank you, Mr. Chair. I'd like to thank the officials for being here today and helping us, and I'd also like to thank members of the opposition for their questions and all members of the committee for moving this legislation to the next stage. Thank you.

**The Chair:** — Thank you very much, Minister.

**Bill No. 22 — The Saskatchewan Farm Security  
Amendment Act, 2004**

**Clause 1**

**The Chair:** — The next item before the committee is Bill No. 22, An Act to amend The Saskatchewan Farm Security Act. I would ask Minister Wartman to introduce his officials.

**Hon. Mr. Wartman:** — Thank you very much, Mr. Chair. To my left is the deputy minister of Agriculture, Doug Matthies; and sitting behind us is Hal Cushon, assistant deputy minister. On the far right is Lorne Tangjerd, policy analyst with Agriculture and Food; and immediately to my right is Darcy McGovern, Crown counsel with Saskatchewan Justice.

**The Chair:** — Thank you very much. Is Clause 1 agreed? Mr. Stewart.

**Mr. Stewart:** — Thank you, Mr. Chair. Welcome, officials and minister. Mr. Minister, could you briefly go over the change that's being made in this Bill as it pertains to credit unions? And I'm wondering why was this point in time chosen to make the changes?

**Hon. Mr. Wartman:** — First of all, there has been some change in terms of the banking credit union structure in rural Saskatchewan. There has been a withdrawal of a number of the banks, and credit union has picked up a lot of the load out there. And we want to, at their request and also, I think, just in terms of support for producers, we want to make credit much more accessible for them, and we believe that this Bill will help in that front.

The first amendment to section 68 removes the existing requirement for a certificate of independent legal advice to be completed by farmers who intend to waive their exemption with respect to personal property when incurring new debt only.

Currently, independent legal advice is required for farmers who want to borrow funds from a credit union and use exempt personal property as security for that loan. Credit unions have requested the change as it is viewed as an unnecessary delay in the lending process by their clients. And such independently . . . pardon me, such independent legal advice is not required for similar lending by the chartered banks.

A second amendment will allow farmers to waive their exemption for exempt personal property even when existing debt is involved, but only after a certificate of independent legal advice has been obtained regarding the risks of such a step. Currently such waivers are not available respecting existing

debt.

The credit union system requested this change to assist them in making credit available to farmers who are in a position of needing to re-secure portions of their existing operation, rather than forcing them to seek assistance from a new lending institution. From a practical perspective, for many farmers seeking legal advice, independent legal advice, means travelling, and so we think that this should accommodate producers' needs as well.

**Mr. Stewart:** — Thank you, Mr. Minister. So is it fair to say then that this is simply being done to help credit unions finance producers on a level equal to the chartered banks?

**Hon. Mr. Wartman:** — Yes, I would say that was right.

**Mr. Stewart:** — Do the changes have any relation to the new farm programs at all?

**Hon. Mr. Wartman:** — Not directly, no.

**Mr. Stewart:** — Will there be, apart from travel, can you foresee, Mr. Minister, that there would be any financial impact for producers through these changes?

**Hon. Mr. Wartman:** — Well we think that this will enable them to operate with the lowest cost.

**Mr. Stewart:** — Thank you. The credit Act, The Credit Union Act was overhauled fairly extensively a few years ago. Was this an oversight at the time, or is this a demand that's arisen since that, Mr. Minister?

**Hon. Mr. Wartman:** — Well I think primarily there have been changes in the banking operations in the province, and the request came forward at this time. We did a number of consultations to make sure that it was, it was what people were really looking for, that it was supported by people beyond just the credit union system. And we found that in consultations.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Minister, who or which groups were consulted with regarding these changes?

**Hon. Mr. Wartman:** — The proposed changes are supported by the APAS, the Agricultural Producers Association of Saskatchewan, SARM (Saskatchewan Association of Rural Municipalities), and Farm Credit Canada, Farm Debt Review Board, Saskatchewan Wheat Pool, Federated Co-operatives, Canadian Bankers Association, Canada West Equipment Dealers Association, and the Agricultural Women's Network. Credit Union Central is generally supportive but would like complete removal of the requirement for independent legal advice.

Most groups consulted felt that independent legal advice should be retained where existing debt is involved. The Farm Land Security Board did not support removal of independent legal advice on new debt and felt the Farm Land Security Board should be referred matters regarding existing debt. Most groups consulted did not support involvement of the Farm Land Security Board in such personal property matters.

**Mr. Stewart:** — Thank you, Mr. Minister. Mr. Chair, that's all I have, and I'd like to take this opportunity to thank the minister and the officials for their help.

**The Chair:** — Clause 1 agreed?

**Some Hon. Members:** — Agreed.

Clause 1 agreed to.

Clauses 2 to 5 inclusive agreed to.

**The Chair:** — Coming into force, An Act to amend the Saskatchewan Farm Security Act, Bill No. 22. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — Mr. Yates.

**Mr. Yates:** — Mr. Chair, I'd move we report the Bill without amendment.

**The Chair:** — It has been moved that the committee report the Bill without amendment. Is that agreed?

**Some Hon. Members:** — Agreed.

The committee agreed to report the Bill.

**The Chair:** — Minister, if you would care to thank your officials.

**Hon. Mr. Wartman:** — Yes, I would like to thank my officials for being here today and for the work that they've done in preparing this and would like to thank the opposition for their questions and members of the committee for their work on this front.

**The Chair:** — Thank you very much, Minister. The Chair would entertain an adjournment motion.

**Mr. Yates:** — Mr. Chair, I move we now adjourn.

**The Chair:** — It has been moved that the committee now adjourn. Is that agreed?

**Some Hon. Members:** — Agreed.

**The Chair:** — That's carried.

The committee adjourned at 12:14.



