

April 19/90

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure

Rural Development

Ordinary Expenditure -- Vote 43

Item 1 (continued)

Mr. Koskie: -- Thank you, Mr. Chairman. Mr. Chairman, and Mr. Minister, I want to continue to pursue a number of items in respect to the submissions that have been made to the provincial cabinet and to you.

And in a brief, SARM (Saskatchewan Association of Rural Municipalities) calls on the government to -- something that we talked about earlier this afternoon -- to encourage lending institutions to enhance land leaseback arrangements to original farm operators that can show viability, by extending the time span of the leaseback and exploring the possibility of buy-back arrangements on some parcels, with a lease on the balance. That is a presentation or a part of the brief that they presented to you.

And you may have also received a number of briefs from individual RMs, as I have, and making submissions going beyond even this extending the leaseback. They're calling for the purchase of the farm site at 50 per cent of the value. They're talking about, in their brief, being able to purchase back machinery at 50 per cent of the value. They're talking about a write-down in respect to the land so that it's at 6.5 per cent of the assessed value, so that if they're going to purchase it, that it be set at that value. In other words, a write-down.

But in this particular one, it says that encourage lending institutions to enhance land leaseback arrangements to the original farm operators that can show some viability, by extending the time span of the leaseback and exploring the possibility of buy-back arrangements of some parcels, with a lease on the balance. Now I've heard the Premier saying that he has gone to Ottawa, and I heard that he went to the meet with the bankers -- him and Mazankowski. And I know that you were saying that's a good idea. I guess what I'm asking, Mr. Minister -- I know you'll say it's a good idea -- I guess what I want to know is what has your government done? What in fact . . . what actions have you taken? Are there any results that you can report to the RM's who have made this submission to the provincial cabinet?

Hon. Mr. Hardy: -- Well first in regards to the write-down of the farm to 50 per cent of value and the machinery to 50 per cent of value, whatever else was in that presentation: one RM had made a presentation to the advisory committee that I have set up, the advisory committee which is made up of six ADD (agricultural development and diversification) board members selected by the ADD boards themselves, one from SUMA (Saskatchewan Urban Municipalities Association), two from SARM, and one from Saskatchewan Women's Institute, didn't agree with that and they advised me not pursue that any further, as they felt it would cause more harm than good.

In regards to extension of the time-leaseback arrangements, you can say I agree with you. Well I do, and we have encouraged both the banking institutions and certainly farm credit to do that. With lands branch we have already made arrangements where, if they had made a purchase of properties and were having some problems, we would allow them to go back into a lease arrangement with all the money they paid into as credit, and we have really looked after any of those that had any problem that way. And they've all . . . I don't think there's any left that haven't been satisfied to that manner. So the lands that we lease ourselves as lands branch, we have done I think a reasonably decent job of dealing with our lessee holders.

In regards to the financial institutions, certainly we have made representations to them. We have made representations to farm credit. I've had meetings with both farm credit, farm security board, the Farm Debt Review Board, and they've all made representations to both the financial institutions and to farm credit. So all we can do is put pressure on to see if they will do that for us.

Mr. Koskie: -- Well, Mr. Minister, again, you know, all we can do is put pressure on. Mr. Minister, the fact remains that you have a Tory government here and you have a Tory government in Ottawa, and you continue to put forward the myth that you're backing the farmers. And when I ask you in respect to a presentation of a brief and a concern of SARM to you, you say you have made representations; that's all we can do.

Mr. Minister, can you indicate to me whether you have made any public statements denouncing the banks or financial institutions from taking a reasonable position as is set out here in the SARM, extending the lease? Have you made any public statement in respect to condemning what . . . or the reluctance of Farm Credit Corporation? And if you have, Mr. Minister, it would be news to the people of Saskatchewan, because it seems to me that no matter what the federal government does, whether it's GST (goods and services tax) or whether it's taking oats out of the wheat board or whether it's taking the rebate on gas to farmers or whether it's increasing the transportation costs, you simply have not fought on behalf, or at least vocally on behalf of the farmers of the province.

So you've made representation. Have you made any public statements? Can you file any documentation as to your presentation on behalf of the representation that has been made by SARM? You keep saying, yes, we made representation. What I want to ask you: can you file tonight in the House any press statements that you have made indicating indeed that Farm Credit Corporation has been approached and that you categorically criticize any lack of movement on behalf of the Farm Credit Corporation to in fact extend the lease?

Have you challenged the banks publicly, that's the question. It's not enough to stand there and say, oh well we made representations, you know, and the Premier was down and Mazankowski talked to them and everything is . . . we've done all we can. The thing is that the situation requires the top effort, Mr. Minister, not just glib answers that we've made

representation.

Can you present any documentation as to whether you have, in fact, made a presentation and the nature of the presentation to Farm Credit Corporation vis-a-vis the area of concern as raised in the brief of SARM? Can you visibly provide to the opposition your brief, your position, any statements that you have made in order to substantiate that you really are out there making representation? Or is it . . . are you just mouthing the Tory line: we're doing all we can; it's really the federal government's fault.

Hon. Mr. Hardy: -- Mr. Chairman, I have spoke at many, both rate payers meetings last night again at Rosthern and the RM of Calder. I have spoke at the SARM convention. I don't know if it's carried in news conferences or not or news presses or not, I don't . . . that's the decision only the press makes. But I can say that the two things that we don't need is to get so confrontational that the credit to all the ones who do need it dries up. And you can get to a point where it's just straightly confrontational, and you will never achieve any kind of a write-down.

The second thing that I will say is that many, many of the financial institutions in this province are credit unions. And I believe that working with them is very, very important and if you put pressure on one, you put pressure on all. And I think that the credit unions in this province have done an excellent job and they're working well with us. I think a lot of the banks have started to make an effort at least. I believe they can do a great deal more, but I think we do a lot more through consultation than we can through confrontation, particularly when it comes under federal jurisdiction. It is tough. We have no authority and cannot exercise any authority over the federal banks. We can over the provincial credit unions and I don't believe that would be the right place to go.

In regards to farm credit, I think every one of us in this legislature, at least on this side, one time or another has either spoken about the need or . . . more than once and many times, in regards to the interest rate that needs to be set and farm credit could be the leading institution to do that. I said earlier I went and appeared before the Standing Committee of Agriculture in the House of Commons and I made a presentation to them on exactly that, and certainly you have that presentation or it can be made available to you.

So we've done those and that's important. But at the same time we can't get so confrontational that we dry up the credit that is needed for those 80 per cent of the farmers who use those banking institutions to operate their farms and their small businesses. So we have to work with it. We're bound by federal legislation. Federal government has to make some moves in the area of farm credit, I agree with you. And I believe by continuing to put pressure on we will get a lot more done, and I believe that we can get some long-term leasebacks and hopefully with lots of pressure we can get some reasonable interest rates made available to our farmers.

Mr. Koskie: -- Well on what facts do you base your conclusions at the end of your comment that we believe we can get some long-term leasebacks? What are the facts that on which you base that conclusion? That's what I'm

asking you. How far have we gone? What is the response of the federal government in respect to Farm Credit Corporation? Those are the questions the farmers have to know. Can you provide some of that detail?

Hon. Mr. Hardy: -- Mr. Chairman, first of all, as I said earlier today, that I don't attend all the meetings that the Associate Minister of Agriculture attends, nor do I attend all the meetings that the Minister of Agriculture, which is the Premier, attends. I don't pretend to do that because the Department of Rural Development is a delivery of services out there.

I've tried to answer the questions to the point where I have went as the Minister of Rural Development and to some degree to what we went as a government. I can't speak for the Associate Minister of Agriculture nor the Premier in the detail end of it, which he's really asking me.

When the Minister of Agriculture or the Associate Minister of Agriculture is answering agriculture questions, I am sure they will have lots of both answers for you and detailed information of what they've done in regards to discussing and lobbying and pressuring the federal government and the FCC (Farm Credit Corporation) into getting what we believe is a reasonable response for our farmers.

Mr. Koskie: -- Mr. Minister, I'm only using your words. You said that we have reasonable prospects of being able to get longer-term lease backs arrangements. All I'm asking you is: on what facts do you base that? On what evidence do you base that general statement? That's the question.

Hon. Mr. Hardy: -- Well, Mr. Chairman, first of all, in the regulations under farm credit, they can go to six years which is certainly a reasonable length of time. Now if we -- to ten years he could change the regulation. I believe that would be reasonable and it would be acceptable. On top of that, Mr. Chairman, I have a lot of confidence both in our Premier and the Associate Minister of Agriculture to get the job done. And they will do as good a job as anybody in this province to getting the job done -- much better, Mr. Chairman, much better than was ever done before when the other folks were in because it . . . when they had 22 per cent interest. And I sat right where the member from Quill Lakes is sitting now and asked the same question, and you know what the answer we got is -- nothing we can do about it.

We're saying we believe there are some things we can do about it and we'll try hard to do those.

(1915)

Mr. Koskie: -- Well I'll tell you, I wouldn't want to depend on my livelihood as a farmer on your representation or the concreteness of the results that you got, Mr. Minister, because they're just flap. All there is, is a wagging of the tongue with no substance.

I ask you whether or not you could bring forward any reasonable, concrete response from the department, from Farm Credit Corporation and/or the

federal government, and/or the financial institutions, primarily the banks, indicating that they are considering a timetable within which it may be brought to bear.

And you say, well I don't attend all the meetings. I didn't ask you that because I don't think your presence would add an awful lot. But the real fact is this, farmers out there want to know whether you're just whiffing wind or whether there's something coming -- can't wait much longer. And I guess that's the question I ask. Or is it, are you basing it solely on that sweeping statement that confirms everything, that if the Premier and the associate deputy minister are doing it, a job will be done better than anybody else.

Well I'll tell you, ask a lot of farmers across this province, and they're getting less and less comfortable with that answer.

Mr. Minister, I want to turn to yet another in respect to the brief that's been presented by SARM, and these are right at the crux of the problem that I initiated at the beginning of the estimates. And there also they call for lower interest rates.

You say that you've made a submission. And I guess what I want to ask you is can you tell me how successful you and the Premier have been in getting the Royal Bank or the Bank of Canada to listen to you recently. The interest rate has been set at 13.61; it's expected to increase -- I think tomorrow -- to 13.75.

I went through the rates that Farm Credit Corporation have been doing. There have been over four increases within the last year. The last four months there have been four increases in the interest rate, a total of 2 per cent in Farm Credit Corporation -- increasing faster than even the Bank of Canada rate.

And so I ask you, Mr. Minister, is this another area that we say, and your evidence is that we're doing all we can. We've sent the Premier down -- and what's that other fellow's name, associate deputy minister -- and they're doing all they can.

What I'm asking you, Mr. Minister, we have a difficult situation, as I think you indicated too, an increase of a percentage of interest rate is astronomical on the debt of agriculture. And so I'm asking you then, what actions have been taken by your government in making representations to the Minister of Finance and the Prime Minister? I'm asking you what communications that you have gotten back. I'm asking whether you have communicated with the governor of the Bank of Canada.

I'm asking you whether your government has proposed any other proposal. If they want to cut down inflation in eastern Canada, in Toronto or Montreal, is there any other proposal which would alleviate the high interest rate here in western Canada? Those are the questions.

You indicated that you got nothing out of Farm Credit Corporation in respect to extending the lease term. You basically have got nothing except

increases in respect to interest rates. You got nothing in respect to asking them to retain the tax rebate to the farmers on fuel. You got nothing in respect to a number of other issues and the increase of transportation costs.

On this very vital interest, Mr. Minister, what are you doing? What in fact has been done in respect to the representation made by SARM? What is the state of the communications, and what is the likelihood of interest rates being reduced in the immediate future?

Hon. Mr. Hardy: -- Mr. Chairman, I don't know. I can't say what the interest rates will be in the immediate future. I have no idea if you're talking about the Bank of Canada rates. I know what they are in Canada. I know what they are in the United States, and I know there's a great deal of difference.

He asked me, what have we done in regards to making representation to the Bank of Canada governor in regards to all the other things that go with it. That's being done through the Premier and through the Associate Minister of Agriculture. That's their role as agricultural ministers. They have been doing that on a continuous basis.

I want to make mention that he asked, what about the interest rates? And I mentioned a moment ago that I can remember seeing there when they were 22 and 24 and even 25 per cent in some cases for operating loans, and I asked him what the Blakeney-Trudeau government was doing at that time, and they basically said, nothing. We can't do nothing, and you just have to wait for it to change its style or until it goes down. Nothing we can do.

That was in the really good economic times, never mind when we've had four or five years of drought. So you know, in respect to that . . . So I look at that. He asked what we done at provincial level in regards to interest rates, and I read this list off yesterday.

I could read a bit of it today, but certainly something like livestock cash advance; the interest subsidy of \$74 million over the last five years. You look at the livestock investment tax credit, whether feeder lots and all that of \$36 million. We look at ACS (Agricultural Credit Corporation of Saskatchewan) capital loans where we write the interest rate down. It's almost \$75 millions.

Irrigation assistance, we're putting in irrigation, and a lot of the farmers along the irrigation belt over there, \$22 millions. Provincial stabilization, \$122 millions. The green feed program we brought in a couple of years ago to help farmers in the area get feed, put up their own feed, and many combinations of it, both through crop insurance and other feed that wasn't insured under crop insurance, \$10 million. And we had the livestock drought program here last year which covers about . . . the year before was \$17.7 million. We also had \$1.224 billion in crop insurance payments that's been put into this province over the last five years.

And he asked, what has happened? What have they got from the federal government over the last while? Well nothing's perfect but I'll tell you

something, we have got quite a few dollars out of them. The total amount, if you look at the western grain stabilization, has paid out \$1.9 billion. That's a 3:1 contribution, and it's paid back 10 or 12. That's helped us in times when it's been tough. That's a price guarantee . . . I wouldn't say guarantee, but certainly an assistance in price.

The agricultural stabilization, \$32 million. Special grains, Canada grains programs, we have \$858 million in this province that was brought in specially, and the Premier the leading agent at bringing that one in, the person who was responsible for bringing both those programs here, no doubt about it in anybody's minds in this province. Certainly wouldn't have been got under the former administration with the former federal government. Never. Never was and never would have been. The Canada drought assistance program, \$335 million.

So there's a whole list of them here I can read off. So there's a lot of money has come into this province over the last five years, both from provincial coffers, at a provincial level, with interest subsidies and assistance, and certainly special grain payments, western grain stabilization, crop insurance, and all the rest.

When you total them all together, Mr. Chairman, you're up about almost \$8 billion. That's a lot of money to bring into our province. Now some of it would have come just on its own because that's the way it's set up. Much of it wouldn't have come without certainly some lobbying and a lot of pressure being put on by our Premier to the federal government. It would have had to be a federal government like we have today to get that. And it's important that we recognize that they have done a great deal. They can do a great deal more and should do a great deal more, but we've got a lot of dollars out and we need those dollars and we need some more.

Mr. Koskie: -- Everything's wonderful, Mr. Minister. You've done a great job except that you've got 20,000 farmers ready to lose their farms.

You said you made representations for lower interest rates. Now I want to remind you, Mr. Minister, again that we asked you to join with us in a motion condemning our . . . at least asking the federal government to reduce the interest rate. A unanimous motion addressing interest rate.

I want to read that motion that we presented to this House, and asked leave to present . . . leave to move it:

That this Assembly condemns the Government of Canada for its high rate interest rate policy which is causing great hardship for Saskatchewan farmers, and further, that this Assembly urges the Government of Canada to rewrite Farm Credit Corporation farm debt to reflect realistic land values and to ensure that the FCC interest rate be no more than 8 per cent on (that) farm debt.

I would have thought that was a positive support. I thought it would have been a reasonable representation; that you could have this on to the Minister of Finance or the Prime Minister and it would have been recognized. I would have thought that the problem was of a nature that

here came the opposition and the government, moving, knowing the devastation that high interest rates have on the farm economy and, in fact, on the whole economy of Saskatchewan and particularly small business. And the problem is, Mr. Minister, you refused it just like you refused the motion that we put in condemning the institution of the GST. And what I'm saying here is you're not sincere in wanting to solve the problem.

And your government came out and you're going to go with a consensus of working people all working together to build this province because of the magnitude of the problems. And when we attempt to be positive and bring forward a motion that you should be able to support; one motion that you brought forward in agriculture we were able to support and hopefully it will help.

So I think the question has to be asked: what's sincerity? And no matter how much you float around in figures, the problem is, Mr. Minister, that both the provincial government and the federal government . . . they have poured some money into it, there's no doubt about that. They absolutely refuse to address it on a long-term basis and an analysis of the problems that are confronted in agriculture. And as a consequence, now you're hiding behind the fact. You're going to say that 10,000 farmers can go under because now you have to protect the taxpayer. What a farce.

When you gave away 5 million, 55, 5.5 million to one French Canadian business man and gave him a cheque-book and said here's your sole signing power and he took off with it . . . And the other priorities that you have demonstrated in this House.

Mr. Minister, I suppose you tried on this one too. SARM brief to the cabinet also calls for your government agency to seriously investigate the cost of farm inputs. Now I don't know if you'd want to tackle that one or not because that's the multinational corporations that run these insecticides and weed-control chemicals. And I think the records would show that they support your party pretty good and obviously you have never challenged them throughout the years.

But at least SARM has asked whether or not you would at least turn it over. That would be the last department I would turn it over to, but at least they asked whether you would turn it over to the Department of Consumer and Commercial Affairs in order that they would do an investigation into the cost of inputs and to determination of whether or not the farmers of Canada, indeed of Saskatchewan, are being fleeced by the chemical companies.

I wonder, Mr. Minister, whether or not you have done all that you could in respect to this representation?

(1930)

Hon. Mr. Hardy: -- Mr. Chairman, in regards to cost of chemicals, I think we're the first government to support a plant to come into this province, a new plant that is being proposed, a farmers' operated and owned facility. A man called Ken Goudy at Melfort put together a chemical called triflurex,

which is a treflan which was used in canola and in some of the other products, flax and that were for weed and wild oat control. We supported that.

He's now looking at . . . he calls the new company he's got, Focus on Inputs. Through ADF (Agriculture Development Fund) and through other areas of government we have been assisting him, with about the 15,000 that they have signed up now, on bringing a generic chemical for Roundup which will give us a cheap, very cheap type of weed control chemical which will control grasses as well as broad-leaf weeds to our province, which certainly will have a great effect on the cost of chemicals to our farmers.

We also have for the first time, we have Hoechst here now in Regina producing chemicals for our farmers. With the new free trade agreement they're working with the Department of Environment federally and provincially to allow chemicals that are approved by the specs required by the Department of Environment Canada and Agriculture Canada to allow chemicals to come from the south side of the border into Canada and into Saskatchewan, which will reduce our cost of chemicals. So we're working with them to get a fair price for our farmers.

Now some of the chemicals, I believe, are very high priced and they have to . . . but we also have an advisory board member, Margaret Cline, I met with today, and some of the other members of SWAN (Saskatchewan Women's Agricultural Network) were in today. We talked about chemicals and the use of chemicals to make them both environmentally safe and to allow our farmers to have access to cheap chemicals.

So we've been doing a lot of things, Mr. Chairman, in regards to looking at the cost of chemicals for our farmers. So we're working on it, and certainly in the area up there where the member from Humboldt comes from, the member from Quill Lakes comes from, generic Roundup, Focus on Inputs are looking at it and will have done a great deal of work and hope to have it in production, I believe, by 1993.

Mr. Upshall: -- Thank you, Mr. Chairman. Mr. Minister, just seeing that you brought up the Focus on Inputs issue, I know that through ADF there has been some money put in and the focus group has worked closely with Atomic Energy Canada in order to get product specific registration; they have a retainer on the Dana radar base. And I would ask you, Mr. Minister, aside from the ADF funding that was put in, what amount of money is your government, through your department or any other department, going to be putting into supporting the Focus on Inputs group to establish a plant at Dana?

Hon. Mr. Hardy: -- I understand that they put together a group of different departments that are looking and working with Focus on Inputs to see what is needed, how the financing could be put together. SEDCO is involved and they're working together very closely with Focus on Inputs to put the financial structure in place so that Focus on Inputs will be able to go ahead when they have . . . there's a few things left they have to do.

So I understand, to the best of my knowledge, that we've been working with

them and that financial package is being put together with them using all the means we have available to us as a province.

Mr. Upshall: -- Mr. Minister, can you tell the House today how much money the Focus on Inputs group is asking the government for? Are they asking them to match a certain amount of money put up by the Focus group? Could you tell me whether or not, or tell me how much money they're asking for and whether or not you're going to comply with the amount required to get this plant operating?

Hon. Mr. Hardy: -- No, Mr. Chairman, I don't know how much they're asking for. The lead agency has been Economic Development and Diversification as well as Department of Agriculture; they've been the two lead agencies and I don't know what has been requested or where it's at right now.

Mr. Upshall: -- Mr. Minister, what is your department doing? Is your department involved at all in the Focus on Inputs group at Dana with regards to the environmental aspect of having a plan up there? Surely I know there's been some representation to myself from farmers concerned about the possible environmental impact of a plant, and I think that it's very important that we have studies done.

Is the department of rural affairs going to ensure that the . . . make representation to the Department of Environment to ensure that the environmental aspect of this plant . . . impact studies are done to ensure that there's no snags when it comes to actually putting the plan forward?

Hon. Mr. Hardy: -- I'm sure, Mr. Chairman, without even having to do that, these people, Ken Goudy and the people involved, the 15,000 farmers that are involved, would absolutely insist on the environment being protected and safe, and that would be part of any proposal when you're looking at chemicals. So that's an automatic. And it'll have to be done to make it environmentally . . . it'll have to be environmentally safe before it would be approved even from our end, for funding.

Mr. Koskie: -- Yes, thank you, Mr. Chairman. I want to pursue a couple of other topics here, Mr. Minister. In respect to some of the briefs that . . . the brief that has been presented to the cabinet. And the SARM brief in plain and unmistakable language asks that the cost of financing education be gradually shifted off the property and off the land base. And as you know, during your tenure in office there has been steadily shifting more of a burden for education onto the local ratepayer, and that trend continues to the recent provincial budget.

And I think you'll be aware, Mr. Minister, in your own area, in the Tisdale School Division, that there's going to have to be something like an 8.8 mill rate increase and that the funding has been decreased. And the Saskatchewan School Trustees Association tell us that the provincial government's operating grants to school boards in '81-82 amounted to almost 54 per cent of the school boards' costs. Half-way through your government's first term in office, you had cut back your share -- it's under 50 per cent of the total cost of education. And if you continue that trend much longer, the province will be only covering a third of the cost

of education.

I guess what I'm asking you, because the submission says to the cabinet "to initiate ways to remove or at least phase out the cost of education and social programming from farm land." I wonder, Mr. Minister, have you made as much progress in this as you have in fighting the GST and as much progress as you have made in getting effective cut-back in high interest rates? So would you, in fact, then detail to us what progress you have made in respect to this?

Hon. Mr. Hardy: -- Mr. Chairman, when it was presented on the floor at the SARM convention, the person making the presentation said we shouldn't even have it here because we don't have an alternative. Without an alternative it's hard to take anything to the provincial government. So I guess my answer to that is they did present it at the floor. They didn't have an alternative way of financing education, and they haven't proposed to us an alternative way of financing education. And I think that would, you know, speak for itself then.

Mr. Koskie: -- Have you ever sat down and thought whether there might be another way -- your government, your cabinet, your back-benchers? I wonder whether you have any proposals of your own that might address it or do you want SARM to write your policy total? So I ask you, Mr. Minister, that brilliant think-tank back there that you have surrounded yourself with, have you any -- have they come up with any brilliant ideas in respect to alleviating the pressure on rural land tax base for education?

Hon. Mr. Hardy: -- Well, Mr. Chairman, I don't think that was an appropriate comment he made when he talks about the people that work for the Government of Saskatchewan. I don't believe that. I wouldn't say that about anybody; I don't believe that's fair.

An Hon. Member: -- Don't blame your civil servants.

Hon. Mr. Hardy: -- Well that's what he inferred and that's not appropriate. That is exactly what he said, and I just want to . . .

An Hon. Member: -- You're not telling the truth again.

Hon. Mr. Hardy: -- I always tell the truth. Anyway, I just want to say that we have worked with both . . . as the Department of Education has worked with the boards of education around the province. I know it's a problem for the farmers. I know it's a problem for business people. I know it's a problem for small businesses in this province.

At the same time we do not . . . and you can say whatever . . . We don't have an alternative to raising the additional 3 to \$400 million. I don't believe we can tack it on to the wage earner. I don't believe that that can be done.

And so therefore there's 2 or 3 places that you get money from. You get it through taxation, you can get it through royalties, or you can get it through income tax or that kind of stuff. That's the only areas you get

your money from and that's the only areas any government gets it from. So I don't know; we don't have an answer. I just say we don't have an alternative way of financing education tax on property, and until we do have a way of doing it there's no other alternative.

Mr. Koskie: -- Well that's a brilliant answer again. You threw up your arms and said, well he can't address that one. Well I think there are some ways that you could address it, Mr. Minister. I think you could, because a couple of years ago, and when they brought in a budget here you know what the minister of finance, the then minister of finance, the present Minister of Justice did? Well he said we had to have a level playing field for the corporations. And he levelled her right down, and he cut her down from 17 to 15 per cent while he increased the tax on ordinary individuals by increasing the flat tax. So you levelled her off for him, Mr. Minister. You found a way to level the field for him. You were innovative there. I don't think you were innovative; I think they got to you. They financed you. You represent them. You're the puppets of big business; that's what you are. They pull the strings. Obviously, you're going to concede to them.

Well I'll tell you there's another way that you could have got it, because you know what you forgave the opportunity in this province? And it's totally clear, Mr. Chairman. In 1982, the total oil production value was \$1.2 billion, and under the scheme of royalties that was in place under the Blakeney government it took in over \$700 million to the coffers of the provincial government, and in 1985, under better prices of oil, the total value of oil was at \$2.4 billion. And do you realize, Mr. Chairman, that they opted to go for a little less revenue out of twice the production value and they gave it to the oil companies?

I guess if you start to opt and you cut out corporations and you cut their tax, I guess if you cut back royalties to the big corporations, I guess if you support high interest rates so that bankers make their money, I suppose you start cutting your options, Mr. Minister.

But the last budget, Mr. Minister, I think you're aware -- I don't think there's any fact, any dispute to the facts that while you presented a budget here saying that, oh great increase for education . . . Well you start talking to the school boards across this province. You go into the Humboldt constituency, a rural school division which covers a large portion of my riding, and what do they find? A massive increase, that they had a cut of something like \$106,000 -- cut, cut in revenue to rural school division of Humboldt. They are going to have to increase their mill rate by 6 to 7 per cent, six or seven mills.

(1945)

They are also looking at the possibility of having to cut six teachers. And the ministers says, well there's not many ways we can get it. That's true. That's true, Mr. Minister, especially when you're in the pocket of the oil companies and the multinational corporations and the banks. You start limiting your right to revenue. Because if you cut the corporate tax, as you did, you can't get it to replace property tax.

What I'm asking you, Mr. Minister, you indicate here that you have no alternatives. I want to ask you, Mr. Minister, do you take the representations that are made by SARM seriously? Have you called together a committee which are studying the alternatives here, like increase in corporate tax, increase in royalty tax, maybe increase in personal tax on the ability to pay? Have you looked at any of those options, and if not, why not?

Hon. Mr. Hardy: -- Well first of all, Mr. Chairman, I work with SARM all the time. I not only attend their conventions, I attend all their district meetings. I go to ratepayers meetings -- many, many of them. I meet with RMs on a continuous basis, on a continuous basis, either at ratepayers meetings or at their annual meeting. Certainly I go to all of their district meetings. I meet with SARM executive once a month and sometimes oftener than that if necessary. I have two of SARM sit on my special advisory board. In fact Margaret Klein from the Saskatchewan Women's Institute is up in the galleries right now. She's on my advisory board as well. Those things I do all the time.

But I want to go back a little bit. He said the reason that we're not doing it is because we're in bed with big business. That's what the member said. That's what he said. Let me go back and tell you how much increases there was. Under the former NDP government the municipal mill rate and the school mill rate increases -- increases. In 1976, Mr. Speaker, in 1976 the average mill rate increase, municipal mill rate increase by RMs was 17 per cent -- 17 per cent. The school mill rate increase was 15 per cent in that same year. In 1977, Mr. Chairman, the municipal mill rate was 16 per cent on the average across the province, increase. The school rate was 11 per cent.

But then we get to 1978, election year. Do you know what the increase was? It was still fairly high -- 6 per cent for the municipal. Do you know what it was for the school? It was 7 per cent. But now we go back into 1979. You know what the municipal increase was? Average, 12 per cent. Do you know what the school rate increase was? -- 12 per cent. Now just continue on; let's keep on going.

In 1981, in 1980, in 1980 you know what the municipal mill rate increase was? -- 16 per cent. Do you know what the school rate increase was? -- 22 per cent. Now what about 1981 -- 1981 what was it? The municipal rate increase was 11 per cent. And what was the school? -- 17 per cent. Now let's go on from then, and let's just be fair about it. We'll go fair about it.

In 1982 . . . 1983, it's all the same -- 7 per cent, 5 per cent, 2 per cent mill rate increases for schools on the average. For the municipal rate for '83, 6; '84, 4; '85 was actually a minus 1. And '86, what was it? -- .4 per cent. In '87, zero; '88, zero; '89, 2.3 -- that's municipal. School rate increases -- 4 per cent in '86; 4.6 per cent in '87; 4.0 per cent in '88; and 5.4 per cent in '89.

Let's just be fair about it. When they had the best times there was in

this country, in this country and in this world, they were increasing as much as 22 per cent and that's school tax increases, never mind . . . and the municipal at 16.

Now if you were a taxpayer out there you were getting hit extremely hard. They didn't really care at that time. Now because it's 4 or 5 per cent increases, they say we don't care in the tough times we have. So let's just put it in its perspective and be fair about it. Those are facts.

Mr. Koskie: -- Oh boy were you powerful there! Man, did you come on! The only thing is, man, I've got the statistics in respect to the percentage of funding that we did under our government relative to yours, and it's substantiated by the Saskatchewan school trustees. They say that in 1981 it was almost 54 per cent of the total board's costs. And what you have done regardless of all your statistics is reduce it under 50 per cent. And let's face it, what you're doing -- just like Mulroney government did to you -- is to pass down the costs now to local government and the municipalities. And that's what's happening.

I thought, Mr. Minister, you might have come up with an answer to my particular question, whether or not you have set up a committee. And by the way, the reference to those incompetents -- if I use that word -- was not in respect to the civil service. I talk about the hacks that you have hired and the back-benchers that nod their head as this government goes to its death. I ask you, Mr. Minister, have you established, in fact, any committee looking at alternatives to having such a burden of education cost levied against property, and in particular, farm land? That's the question.

Hon. Mr. Hardy: -- My understanding is that Education and Finance have did some of those studies but I don't have them available to myself.

Mr. Koskie: -- Would you be able to go into the moth-balls and find one of those and present it to the opposition some of the alternatives that you've looked at. Would you be good enough to be able to present any of the preliminary, or is just this some more talk -- doing all you can, can't present it but I think we're doing something -- are you able to present any concrete evidence that you're looking at other proposals?

Hon. Mr. Hardy: -- My understanding was that the government finance commission tabled a report in this House on that.

Mr. Koskie: -- What was their recommendations in the report, Mr. Minister? You sit in cabinet.

Hon. Mr. Hardy: -- You could have two choices. You could ask the Minister of Education or you could get the report from the provincial library, from the Legislative Library. It'd certainly be available for you.

Mr. Koskie: -- Mr. Minister, you don't know the answer, do you? That's your problem. Why wouldn't you know in an integral discussion of SARM that has made a presentation to your government in a brief asking for you to look at it, that you wouldn't have any knowledge of it?

Mr. Minister, I'm going to ask you again. Is the fact true that you don't just know; or one, you don't care; or three, you don't want to say?

Hon. Mr. Hardy: -- I understand that the government finance commission never come up with a total answer. They had three or four alternatives that they . . . and those alternatives were all the way from how we'd have to raise individual taxes, on personal taxes, how you'd have to . . . that it would cost for funding or how'd you have to change your property tax base. Those are available in the report if you want to get it at the Legislative Library.

Mr. Koskie: -- Has your department, in conjunction with SARM, done any review on it? Have you brought them in on some of the options in respect to your responsibility in dealing with some of the concerns of SARM over and above this here mythical presentation that you gave, that supposedly Finance did and they couldn't find any suitable answer? Have you done any further work on it?

Hon. Mr. Hardy: -- Our understanding is that we were involved in 1984-85. At the time I wasn't even the minister responsible for Rural Development or for Education or Finance. Although I did see the brief, I'll be honest with you, I didn't read it to that degree that I would know or could report without going back through it again because that's five years ago.

Mr. Koskie: -- Well I accept that you know nothing about that. Mr. Minister, let's go on to another concern of SARM, and I wonder what you have done. This was a brief to cabinet in January and it calls on the provincial government to take immediate steps to ward off the federal government's proposal to change the cost of sharing percentages for the funding of crop insurance. In other words, they want it other than what eventually ended up. The provincial government should take immediate steps to ward off the federal government proposal to change the cost-sharing percentages for the funding of crop insurance. While the present sharing in the federal is 45 per cent, provincial 10 -- this is before they changed it -- producer 45, we understand the new proposal calls for federal 30 per cent, provincial 25, producer 45. And what they say, a more reasonable sharing, in our opinion, would be the federal 45 per cent, provincial 25, and producer 30.

That was the representations that they made in respect . . . to you in respect to crop insurance. I would have thought that you would have again consulted, in your consultative mood, and wouldn't have moved unless you had everybody on side like you're going to do with the Crow benefit rate. And accordingly I ask you: what is the present ratio of cost sharing in respect to the crop insurance, and whether there was any consultation in respect to the farm groups as whether that was satisfactory. And as we know, the share of responsibility of the federal government was reduced substantially, and I want to know why you felt obliged to take more cost onto the taxpayers of Saskatchewan and off of the federal government in respect to the cost sharing of crop insurance.

Hon. Mr. Hardy: -- Mr. Chairman, I can get into this or we can have crop

insurance at the next one coming up, so we could do either way. I'll say, just to be brief, that last fall I had 13 meetings around the province, had in excess of 4,000 producers out . . . farmers out to the meetings. We went through the whole series of things including how the financing would be put in place, the cost sharing of it, what their thoughts and views were on it. All the changes to crop insurance which have been major and I believe very, very positively received by the farm groups out there this year.

We have changed from area coverage which was an optional, to individual coverage which is enhanced, and 90 per cent of the farmers are changing over because of a large, a much better, and a much better enhanced coverage out there, in some cases at a much better rate. Been very, very well received in that end of it. We've brought in a lot of things under crop insurance and I'll certainly get into them when we bring crop insurance up.

The funding has not been finalized yet with the federal government. We've made presentations to the Senate by the president of crop insurance here about three weeks ago, in regards to some of the Bill that was being passed, in regards to such things as, one of them was the funding arrangements; two, the set was how and what would be in and out of crop insurance; three, if we were going to be cost sharing in the funding, then we would have equal say, not just the federal government through their regulations, and some other series of things which I'll bring up as we get into crop insurance.

But the agreement has not been finalized with the federal government. And we had tentatively agreed on cost sharing provided. We got a much enhanced crop insurance program, a much enhanced, to give the farmers and producers a wider range of coverages, a better coverage, and certainly make it more optional for them. With that we agreed verbally and at meetings that we've had that we would go 25-25 federal-provincial, 50 per cent producer, the federal government and the provincial government cost sharing the administration; the federal and provincial government cost sharing the reinsurance fund, which is a very major part particularly in the last few years, and also cost sharing the federal government refunding immediately any reinsurance that's issued by the provincial government instead of waiting for a year to get it back. So there could be some cost savings for us and enhanced crop insurance coverage for the farmers when it's all put together, and that's what we're working towards.

(2000)

Mr.Koskie: -- Mr. Minister, last year, in respect, I spoke to the then Minister of Finance and he indicated that part of the acceptance by the federal government of invoking or putting into place the drought payments, that they had been demanding that they be cost-shared by the provinces. I think you'll agree that that was the position of the federal government, that indeed that you put in a cost sharing in the drought payment that went out to the farmers. You know, that disastrous one, that one that was cooked up during the federal election and they didn't know exactly where they were going. And there was a demand that the provincial government in fact make a contribution to it, and the Minister of Finance indicated here

that in lieu of the provincial government making a deal to take on greater responsibility in the cost sharing of crop insurance, that that was credited towards their contribution in so far as drought payments.

Now are you aware of that, or is that interpretation wrong, because that's the interpretation that I got from the then Minister of Finance, the now Minister of Justice, and that in fact you had to make the commitment because you didn't come up with the cost sharing in respect to the drought program that was instituted by the federal government which they demanded, similar to what they're demanding now, I guess, under the deficiency payment. And that in the end I believe he indicated that he had to come up with one-quarter of the total input of that program, and that a balance was hit and a deal was struck. That you in fact had to assume and cut back from the contribution of the federal government payment towards the administration and cost of crop insurance from 50 per cent to a 25-25 per cent split. Was there any of that involved in the discussion when you say that you tentatively agreed on the respect to the cost sharing of the crop insurance here in Saskatchewan?

Hon. Mr. Hardy: -- Mr. Chairman, the drought program falls under the Minister and the Associate Minister of Agriculture, but certainly there was discussions on that, there's no doubt about it. It was public and I think the Minister of Finance said so in the House last year.

But in regards to crop insurance, we have not come to a conclusion on what we expect in crop insurance, nor have we signed an agreement with the federal government in regards to 1990's cost sharing or how it'd be cost-shared for 1990. My understanding is that the federal legislation which went through the Senate, I understand, and back to the House of Commons, where we did make representation by the presence of crop insurance, in regards to the concerns that we had with the proposals that the federal government had in their legislation. So all I can say is that that's where it sits right now, and the system . . . or we have been on a continuous basis, on a daily basis, weekly basis, talking with the federal government in regards to the concerns we have.

I met with the Minister of Agriculture from Alberta and the Associate Minister of Agriculture from Alberta in regards to crop insurance and the concerns I had, which they had the same, and also the Minister from Manitoba who had the same concerns. We met several times, had phone calls on it. I think it's fair to say that we all agree that what we need is . . . We've come to an agreement of what we believe has to be in it, and none of us have agreed to go any further than that until we have in place what we think is a good, a very much enhanced crop insurance for our producers out there; and that really in the end that we will be the winner and the producer will have the kind of crop insurance that's needed for today's farmer.

Mr. Koskie: -- Mr. Minister, a couple more submissions have been made by SARM that are, I think, important, and this deals with one of the major cut-backs by the federal government again where we didn't hear a squeak out of you or a squeak out of the Premier or a protestation at all.

The SARM submission to cabinet in January calls on your government to pressure the Mulroney administration to reinstate the full rebate on the federal excise tax on farm fuels. I want to ask you, Mr. Minister: can you tell me if you have ignored this recommendation by SARM or can you point to some action on your part that indicates that you're taking seriously the job of representing the needs and wishes of rural Saskatchewan?

In that respect, their submission to you, Mr. Minister, and to your cabinet was:

The reinstatement of the full rebate of the federal excise tax on farm fuels, and we urge the provincial government to lobby the federal government to help bring this about. The action of the federal government in removing the fuel tax rebate represents a significant increase in cost of production . . .

And a very significant one. And at a time, Mr. Minister, this is the serious thing: they may want to make some adjustments as they go along in the federal government, and I can understand that. But at a time of the major crisis in agriculture, what you have allowed is the interest rates in the Farm Credit Corporation to go up, you have allowed them to decrease their contribution in respect to crop insurance, and now what you have done is allowed them off the hook in respect to the excise tax rebate on farm fuels.

I ask you again: have you been as successful as you have been with some of the other major items that they have presented to you to make representations to the federal government? Is there any progress in respect to the reinstatement of the rebate and excise tax for farm fuels?

Hon. Mr. Hardy: -- Mr. Chairman, we haven't made representation. Finance and Agriculture would be looking after that part of it, so I'm not sure where it's at. So it's no use saying anything more about it.

Mr. Koskie: -- Yes, I can understand that it may well be in another jurisdiction. I ask you this then: you got the submission from SARM and I presume that it would go to cabinet. Have you followed up to determine whether any other branch are acting on behalf of SARM? Have you any knowledge that any action has been taken because, after all, you represent SARM and therefore would be reporting I suppose back to them. And I wonder whether you can indicate whether, to your knowledge, whether you've passed that request on and whether you have made any inquiries to see whether subsequent work has been undertaken by any of your colleagues in respect to it. I don't ask you the details of it because it may be under the other jurisdiction, but certainly you should have a report as to whether or not action has been taken, when action was taken, and what action was taken.

Hon. Mr. Hardy: -- Well, Mr. Chairman, I don't know. The presentation was made to cabinet and appropriate agencies would pick it up and follow it up from there . . . I'm sure the Minister of Agriculture will be up shortly here and you can ask the appropriate -- either that or the Finance -- and we'll find out which one was following it up.

Mr. Koskie: -- Mr. Minister, in your tour around the province in 1987, one of the major recommendations that you made to solve the farm financing question was equity financing. The Premier, last year in his budget here in this House, indicated that he was going to set up a model equity financing, I believe, in the Weyburn area, but again this is a representation from an organization which you represent and closely represent. And a written submission, Mr. Minister, again, SARM presented to cabinet January 15 takes a very strong stand against equity financing for farm land. The brief says this on the subject of equity financing: We believe it won't work because it is based on profit motive. Had equity financing been available to farmers throughout the last decade, those farmers would have used it . . . would find themselves without a farm today. I guess, again, I want to ask you, Mr. Minister, have you had any further discussions with SARM? Is there any position as Rural Development minister whether or not it is the intention of your government, and you as minister of rural affairs and a minister who went out heading up a committee of MLAs and cabinet ministers recommending it?

Can you give us an update as to where you stand on equity financing at this time in view of the overwhelming rejection of one of your major recommendations that foreign owners and profiteers should take over the land of Saskatchewan and that the farmers should become a leaseback from foreign owner-owned land? That's the proposition of equity financing and I wonder whether that is still in the mill.

Hon. Mr. Hardy: -- Mr. Chairman, what was recommended there was a pilot project using local farmers. I think it's fair to say we've listened to SARM and even the pilot project hasn't went ahead. So it's fair to say that's where it sits right now.

Mr. Koskie: -- Well the people of Saskatchewan stopped you again. They stopped you in the privatization of SaskPower and they stopped you in selling off the family farm to foreign investors and to those that have no interest in farming.

Mr. Minister, as you know, one other issue of concern, and I think we perhaps have dealt with this, but I have in summarizing some of these major concerns that have raised here by SARM -- and all of them are not entirely within the purview of your jurisdiction, however, they relate back to the organization that you work with very closely -- and in a capsule, I guess, Mr. Minister, it's rather disappointing. In many of the major areas that this government hasn't both vocally, in press, and in organizing opposition to some of the steps that have been taken by the federal government, which is detrimental to rural Saskatchewan and particularly agricultural community.

And I think that has been a basic disappointment because it seems to me that they cut the tax, excise tax rebate on farmers, cost them a sizeable amount of money.

Interest rates. You have made representations but nothing has happened. The GST, which is going to be staggering, absolutely devastating to the western economy and to ordinary people who are getting less and less

income, and you refuse to take a stand in respect to that. I guess in respect to crop insurance, the off-loading of the federal government onto the province, you've been unsuccessful there.

And so in all of those areas, Mr. Minister, we have been very, very concerned. And before supper I spoke to you and I don't want to belabour it entirely but Mr. Minister, it still dismays . . . it's unexplainable, put it that way, that you and your colleagues indicate that you are opposed to the GST, and at the same time, Mr. Minister, you say you are and we move a motion in this House, Mr. Chairman, and your government refuses to give leave even to discuss that issue.

The GST, Mr. Minister, is going to be devastating, not only from the impact of the money that it takes from the ordinary person. It's going to have another devastating effect and that is the increase in the inflationary rate. It's estimated that in the implementation of the GST that there's going to be an increase in inflation from 1.25 to 2.5 per cent and that is massive.

And how in the name of the world, are our farmers and our small-business men going to continue to operate if you have an imposition of a 7 per cent GST, Mr. Minister, increase inflation, which again will drive up the interest rates further. And you will not take a stand here with all of us in this House.

Mr. Minister, I guess you can play politics with it, but I would think that the concern of the situation in Saskatchewan is more than simple politics. In our motions in respect to interest rate, our support of your agricultural motion is indication of our willingness to co-operate as best we can. And similarly on a very important issue, on GST, you refused.

(2015)

Every legitimate . . . We brought a motion into this House before the . . .

Mr. Chairman: -- Order, order!

I'd ask the member for Rosthern and the member for Regina Centre to allow the member from Quill Lakes to make his comments. Order.

Mr. Koskie: -- My concern was not the member from Regina Centre, it was the member from Rosthern that was really interfering, by the way.

I want to say, Mr. Chairman, that we brought before this House, this full Chamber, a motion, before the Speaker of this House, and we asked and the motion as I read before supper, indicated and asked that we unanimously condemn the federal government for the imposition of the GST. Straightforward, direct. And the government undertook to reject and give leave for that motion. That's where it stood, Mr. Minister.

Mr. Minister, we have tried to co-operate in many, many regards. And we've asked you today again, when I brought up the issue and the Chair indicated

that we could not move a substantive motion in the committee. And I concur and I appreciate the ruling of the Chair. But, Mr. Minister, if you had the courage you could have said, one, if you can't bring it in here, that I am prepared to support it if you bring it, I think the Chair would have allowed it.

Secondly, you could have said, Mr. Minister, you bring in that motion tomorrow and I'll guarantee you that every one of us in this side of the House, we have changed our mind and we will indeed support the motion criticizing the implementation of the GST.

Mr. Minister, I think you have disappointed the people of Saskatchewan. And what I'm going to move, Mr. Chairman, is a motion that I believe, seconded by the member from Humboldt again. And it reads, and I think it's a substantive motion, a motion which is acceptable to the Chair. I'll give it to you for your ruling. But it reads:

That whereas the Minister of Rural Development has refused to join with the opposition in the approving of a motion of the opposition that this legislature opposes the imposition of the GST, therefore be it moved that the minister's salary be reduced to \$1.

Some Hon. Members: mHear, hear!

Mr. Chairman: -- Order, order. I find the motion not in order. The preamble of the motion expresses an opinion, and I cite Beauchesne's, Fifth Edition, section 492:

It is not allowable to attach a condition or an expression of opinion to a Vote or to change the destination of a grant. Sir John Bourinot, Parliamentary Procedure and Practice in the Dominion of Canada (4th ed., 1916), p. 428.

Mr. Shillington: -- Thank you, Mr. Chairman. Apparently, Mr. Minister, no matter how widely the opinion may be shared, it may not find its place into the beginning of a motion, but the opinion is widely shared.

Mr. Minister, I've listened with growing annoyance at the hypocrisy of your government on the issue on the goods and services tax. Mr. Minister, you began with the then Minister of Finance who said he thought it wasn't a bad idea. That's a fair summary of what he said. You then find out that the public were vehemently opposed to it, and since then you've been trying to balance between being good . . . between remaining on good terms with your colleagues in Ottawa, your partners in Ottawa I should say, your senior partners, and trying to keep peace at home.

Mr. Minister, you'll get up in the House, as you did today, and you'll say, I'm opposed to the GST and you will list a number of reasons why, most of them valid because you've heard them directly from the public. Then, Mr. Minister, when it comes to actually doing something useful, when it comes to expressing the will of a legislature, Mr. Minister, you do nothing.

I remind you the other day, I remind you, Mr. Minister, it's only about two

weeks ago that we moved a motion under rule 39, which requires unanimous consent. Your government failed to give consent to what was a reasonably worded resolution. I wonder, Mr. Minister, how you can have the gall to say that you're opposed to the GST and yet refrain from taking any steps which would effectively communicate that to Ottawa. I really wonder, Mr. Minister, how you can be that two
_faced about an issue of such importance to the public of Saskatchewan.

Surely, Mr. Minister, you believe that you at least owe the public some integrity. At least you owe them an honest decision. Either you're for it, for whatever reasons one might be for it, or, Mr. Minister, you're opposed to it, in which case surely, Mr. Minister, if you're opposed to it you want to be prepared to express that in a cogent fashion to Ottawa. Every time we've attempted to do that, Mr. Minister, your government has refused to give us leave. Mr. Minister, in light of the hypocrisy which you've shown, which other members have shown, Mr. Minister, I'm going to move, seconded by the member from Quill Lakes:

That the salary of the minister be reduced to \$1.

Some Hon. Members: mHear, hear!

Mr. Chairman: -- Order. I find the motion out of order -- order, order -- because the minister's salary is statutory under vote 19.

Mr. Shillington: -- Mr. Minister, this may be fortuitous. While we write out a motion and put it in the proper order, I want the minister to think carefully about what you've done here today. You've expressed, Mr. Minister, your opposition to the GST in terms far milder than the public of Saskatchewan would express it. And yet, Mr. Minister, you refuse to join in doing anything concrete about it.

If you're opposed to it, Mr. Minister, why do you take all conceivable steps to prevent this legislature from expressing the same view? How could you be opposed to it, Mr. Minister, and yet deny leave to move a motion which would express that in a cogent form?

Mr. Minister, you and your colleagues are going to pay for this hypocrisy and there's no other word for it; that's what it is. When you're within earshot of the Saskatchewan public, you pretend you're opposed to it. When, Mr. Minister, you're out of earshot, or when Ottawa might hear you, you haven't anything to say at all, just, Mr. Minister, as you haven't any leadership to provide to the public of Saskatchewan.

For these reasons, Mr. Minister, you and your colleagues I think are going to pay heavily at the time of the next election.

Some Hon. Members: mHear, hear!

Mr. Shillington: -- Mr. Minister, you can't continue to say one thing and do another and expect the public to treat you as leaders. Mr. Minister, that is just blatantly dishonest and you have been blatantly dishonest on this subject. At least I will say for the former Minister of Finance --

and I'm not a particular admirer of that member -- but at least I will say he was relatively honest in saying he felt the goods and services tax had something concrete to offer. I vehemently disagree with that, but at least I respect his integrity.

You, Mr. Minister, have been much less than that. You, Mr. Minister, have tried to pretend to the public of Saskatchewan you oppose it, but you won't take any concrete steps to express that. I really wonder, Mr. Minister, how you can be so hypocritical as to say you oppose it and then deny leave to move it.

Mr. Minister, I'm going to move, seconded by the member from Quill Lakes, another motion:

That the vote be reduced by the equivalent amount of the minister's salary.

I move that, seconded by the member from Quill Lakes. Mr. Minister, I want to say, if I may, just one comment. If you indicate, Mr. Minister . . . (inaudible interjection) . . . I said I was going to. If the member from Lloydminster would listen to what's being said, Mr. member, you might make some kind of a contribution.

Mr. . . . (inaudible interjection) . . . Well there's the 3-cent man, the member from Wascana, the 3-cent man who has a good . . .

Mr. Chairman: -- Order, order. Allow the member from Regina Centre to make his comments.

Mr. Shillington: -- Mr. Minister, I want to say, Mr. Minister, that the time has come to put your hypocrisy to an end. We're going to move this motion . . .

Mr. Chairman: -- Order, order. Would the member address his comments through the Chair.

Mr. Shillington: -- All right. It's time we put the hypocrisy of the minister to an end, Mr. Chairman.

An Hon. Member: -- He's one of the few who's not a minister.

Mr. Shillington: -- He's one of the few who's not. Mr. Chairman, I say to the minister: Mr. Minister, if you're prepared to indicate to this side of the House that you will join us in moving a motion under Rule 39, if you're prepared to give us that commitment, that we will have leave to move such a motion, then, Mr. Minister, I think this motion could be tabled.

(2030)

So, Mr. Minister, if you're prepared to give us that commitment that you will move, you will join with us, give us leave under Rule 39, or alternatively move such a motion yourself, this could be tabled . . .

Mr. Chairman: -- Order, order. The member is moving a motion and he cannot attach conditions to the motion.

Mr. Shillington: -- The Chairman is quite out of character. The Chairman is mistaken about what I'm doing, Mr. Chairman. What I'm saying to the member is, what I'm saying to the minister is, and I'm going to move it in a moment, but we'd be prepared to join and having it tabled if the minister indicates he'll move a motion condemning GST, in the very words he used earlier in the day, or he will give us leave to move such a motion, Mr. Chairman.

So, Mr. Minister, with that I move, seconded by the member from Quill Lakes:

That the vote be reduced by an amount equivalent to the minister's salary.

Mr. Chairman: -- Order! . . . (inaudible interjection) . . . Anyone can rise at any time to debate in committee. It is not necessary to have a seconder in committee.

Hon. Mr. Hodgins: -- Mr. Chairman, out of deference to the opposition, I'll let the seconder speak now.

Mr. Koskie: -- Well I want to really appreciate the minister from Melfort because actually I was kind of awaiting to hear how he was going to support his position of playing both . . . on both sides of the fence.

And I want to say in moving this motion, in seconding this motion, Mr. Chairman, I want to say that we're dealing here with one of the most regressive taxes that has ever been imposed on Canadian citizens. I can't find any group in Saskatchewan that stands there and will support the Tory regressive tax, the goods and services tax.

I'll tell you, if you take a . . . if you talk to the independent small business, and they have indicated that it's going to be an absolute nightmare for small business, no doubt about it. The cost is horrendous. The implementation, as the minister indicated today, for small business has consequences that will cost them somewhere it's estimated between 1 and \$2 billion just to set up the mechanisms across the country to deal with it.

Farm organizations have indicated that even if the large items are in fact excluded, that the tax under the present system will have to be paid and then rebated, and the cash flow is going to be astronomical at a great disadvantage to the farmers.

Seniors have rallied indicating that this is going to be a terrible tax in respect to seniors. The tax is going to be particularly regressive to lower income individuals, although the federal government indicates that there will be some rebates to those on lower income. But seeing is believing, Mr. Chairman.

The other aspect of this tax is that it's going to have, as I indicated to the minister, a staggering effect upon a rise in the increase in the

inflationary rate. Even in the government's estimate it indicates that it'll be an increase in inflationary rate from 1.25 to 2.5 per cent. And the independent assessments indicate it'll be closer to 2 or 3 per cent.

As a consequence of the implementation of this tax, inflation will increase and the result is a higher interest rate resulting from it. Exactly the opposite of what this country needs. The people are against it. The polls have indicated that 70 to 80 per cent of all Canadians are opposed to this hideous tax that's being imposed by the Mulroney government. And in spite of that, they're marching forward. In spite of the fact that two of their own back-benchers in Ottawa have walked out of the Tory caucus -- Kilgour and Kindy walked out of the Tory caucus -- or at least got expelled from the Tory caucus because they wouldn't support and vote for the goods and services tax.

The federal government has also introduced closure to a debate in the House of Commons. And the only rescue that we have is in respect to this hideous tax supported by Tories here in this legislature. And the member from Wilkie I'm sure is totally in agreement with what Brian Mulroney is doing.

I say, Mr. Speaker, Mr. Chairman, that this tax should be stopped. The people of Canada have spoken, the people of Saskatchewan have spoken. And I say that the minister has an obligation to stand up for rural Saskatchewan and indicate that he will take a stand with us to oppose this tax. And that's what we gave him the challenge to do. We gave it to him today. We gave him an outing, an option. And I say to you, Mr. Minister, the people of Saskatchewan will know that the Tories here in Saskatchewan are saying, let it go ahead, just as the minister said. We can't stop it. It's going to go ahead. Let's see if we can modify it.

But we say that's not good enough. I think that a unified voice from this Chamber would have an influence. I think it would in respect of interest rates and I think it would with GST and I think it did on agriculture. But some reason, the Tories here in Saskatchewan, while mouthing publicly that they are opposed to it, absolutely refuse to take a concrete stand and to have all the elected officials of this legislature join together in the condemnation of this very vicious tax. Thank you, Mr. Chairman.

Some Hon. Members: mHear, hear!

Hon. Mr. Hodgins: -- Thank you, Mr. Chairman. Mr. Chairman, I think if we examine this motion put forward by the NDP, I think one has to take a look very, very closely at what this motion says, and what the symbolism is that you might attach to such a motion.

Here we have, Mr. Chairman, a Saskatchewan economy that I don't think is any big surprise to most reasonable people, that is in some reasonably difficult times. Mr. Chairman, here we have a situation where our farmers are about to go and plant the crop for the year. Spring seeding is about to take place. And, Mr. Chairman, I think you would have to agree with me that there is a large number of farmers out in Saskatchewan today that are having difficulty coming up with money to put the crop in.

I think it would be safe to say, Mr. Chairman, that this government, this administration, this group of members on this side of the House that represent most of rural Saskatchewan, would be totally dismayed and find totally unacceptable a motion of this nature tonight, that would actually cut back funding to the Department of Rural Development.

Mr. Chairman, I am shocked. I am disappointed and I am amazed that an opposition in the province of Saskatchewan because they wouldn't support and vote for the goods and services tax.

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Mr. Chairman, I am shocked. I am disappointed and I am amazed that an opposition in the province of Saskatchewan in these difficult times, for whatever reason, would propose a cut-back to rural Saskatchewan.

Now, Mr. Chairman, the members opposite can say well this has to do with the GST. Well indeed the goods and services tax is a major issue confronting this entire country, a major issue that affects business people, individuals, farm people, city people, the whole spectrum not only across this country but across this province.

Now, Mr. Speaker, for the members opposite to use that out of context in this particular application and zero in on the Department of Rural Development, and say, well we don't care about rural Saskatchewan, and here is living proof where they would actually cut back the expenditures to rural Saskatchewan. Where have the members been, Mr. Chairman? Where have the members been when this administration has time after time after time expended more funds on rural Saskatchewan in various programs?

Here is the minister in fact, Mr. Chairman, who is well respected across this entire province. You go to one, you go to any rural municipality and every rural municipality in this province, Mr. Chairman, regardless of political affiliation of the members, I believe has a significant amount of respect for our Minister of Rural Development.

I remind you, Mr. Chairman, that here is a minister, Mr. Chairman, that has been the founding minister of such things as the rural development corporations. Mr. Chairman, here is a minister who has been in charge of the major change in restructuring when it comes to rural service centres all across this province, widely accepted as a much needed change, Mr. Speaker, providing far better and far wider ranging services to our farm families right across Saskatchewan.

And here is an opposition that says no once again to agriculture. Here is an opposition that once again is showing their true colours, Mr. Chairman, true colours that they do not really care for rural Saskatchewan. And furthermore, Mr. Chairman, an opposition that does not understand rural Saskatchewan.

It is beyond me, Mr. Chairman, that that member, that that party, that the NDP Party in these times would propose a cut-back of any nature to rural development. Mr. Chairman, I am very, very shocked.

Mr. Chairman, I'd say here is just something that the opposition has dreamed up, spur of the moment, let's use the GST as an example in this specific situation to make a cut-back to rural Saskatchewan. Mr. Chairman, members on the government side of the House have fought long and hard and stated their positions well on the goods and services tax. Mr. Chairman, our Minister of Finance, our Premier has stated the position on the goods and services tax, I think very articulately.

Mr. Chairman, I believe that this motion is totally unacceptable not only to members on this side of the House who primarily represent rural

Saskatchewan, but to the entire populous of Saskatchewan who would be shocked and dismayed, in these particular circumstances, at any political party who would nonsensically propose to make a cut-back to rural development. And, Mr. Chairman, I wanted to share those remarks with you before we look closer at this particular type of a motion.

Some Hon. Members: mHear, hear!

(2045)

Mr. Hopfner: -- Thank you, Mr. Chairman. Mr. Chairman, I just want to join with my colleague, the Minister of Environment, in a few remarks to this particular motion that's before us in this legislature here this evening.

We've spent about two hours now ridiculously joking and clowning around trying to come up with some sort of a motion that could be presented to the Chamber through rules of this House, through different procedural moves. And I want to indicate to you, sir, that that's just exactly . . . And I want to point out to the people of this province, the people that would be watching this proceedings here tonight, that this is precisely the types of child's games that we put up with in this Legislative Assembly from session to session. We're dealing with nothing but radicals in this province, radicals from members of the opposition. The Leader of the Opposition can't control these people. In fact he even has to be ashamed of what these people mean to and represent, how they represent his party throughout this province.

I want to indicate to you, sir, that when we look at the question of the GST and that particular motion, I as a government member, sir, have been one of those members that have been travelling in this province, speaking out against the GST in its complexity, Mr. Chairman. I want to say that I joined Kevin Avram and his association, Saskatchewan Association of Taxpayers, in Lloydminster, in my own riding, speaking out against the complexity of the GST. We had a house full of about 400 people at that particular meeting, and I will tell you, it was one of the largest gatherings in the province of Saskatchewan.

And I want to say to the members opposite that the people that came out to that meeting were serious. They too were against the complexity of the tax system here across this country. They are upset with the tax system we have today in place, the thirteen and a half per cent which we are dealing with that is hidden. They're upset with the tax system we have today, and they are also upset with the tax system, with the GST, the way it has been presented. And that is basically the arguments that are out there on the street.

And members opposite know this very well, but there isn't any one of them have the courage to admit to anyone else, other than because of the political rhetoric that government members on this side of the House have taken that exact stand, because that is the truth, Mr. Chairman. That is the truth.

Many more of my colleagues here have taken the same stand that I have done.

And being we've taken the stand as government members, the people of Saskatchewan, realizing that we've taken that stand, also realize the fact that we do not vote. We do not have the final vote, and yet members of the opposition say, well they're your Tory cousins in Ottawa. Well so be it. If they're Tory cousins in Ottawa, well they're Tory cousins that aren't listening to these Tory cousins of theirs in regarding to the complexity problem.

And I want to indicate to you sir, and members of the opposition, I want to indicate to members of the opposition that although they may be Tories in Ottawa, there is not such a thing that says you don't have a disagreement in a marriage. You don't have a disagreement in any kind of family relationship with your children or anything else. Maybe you people are something perfect. Maybe you don't live in the real world, but I want to indicate to you that in the real world there are disagreements in a marriage. There are disagreements with your own family.

Mr. Chairman: -- Order, order. The question before the committee, be it resolved that the vote be reduced by the equivalent of the Minister's salary, I believe that I have allowed wide-ranging debate from the mover and his seconder, and I would ask members now from both sides of the House that they should bring their comments back to the motion that is before the Assembly, or before the committee.

Mr. Hopfner: -- Thank you, Mr. Chairman. I was just rounding off to come back to that very point, is that basically, Mr. Chairman, is when there are disagreements between governments and whether they are from the same sort of party symbol, that it doesn't always suggest to the fact that we do always agree. We do have some disagreements and some very major disagreements. And I say to you, sir, that it's because of the GST and the members opposite, that's why we have such a motion here in front of us on the floor of this legislature right now.

And I want to indicate to you, sir, that when that motion is tabled, it's a motion again, as the Minister of Environment has said earlier, that it is a motion and it is a motion condemning every one of the civil servants and every one of the individuals that are in the Department of Rural Affairs -- every one of them. And against every program, every monetary program that is out there helping rural people in rural Saskatchewan, farmers, small business people, schools, hospital facilities, the whole thing. It all knits into one big basket out there because everyone is affected. Everyone is affected.

Our minister here has been standing in front of this legislature explaining the programs in rural affairs and they made fun. And they laugh now, Mr. Chairman. And it's too bad that the cameras can't show those people joking and laughing and not taking any of this serious. They're laughing at rural Saskatchewan; they're laughing at farmers; they're laughing at everyone.

And I say to you, sir, we had people from all over Saskatchewan in the galleries today. We had everyone of the benches filled in this gallery from people from rural Saskatchewan, all over Saskatchewan. And I say to you, sir, that they make a joke of that type of visitation to this

Assembly. These people are here. They're wanting this Assembly to work on their behalf. They're wanting this Assembly to have a responsible opposition to keep departments honest.

So they come before the people whenever the departments of rural affairs or any other departments or any other minister in this Assembly come before the people, that's right here in this legislature. They're before the people of Saskatchewan.

And I want to say that because the members of the opposition cannot find any dirt and filth, then all of a sudden then they've got to try and create something. They've got to try and create an atmosphere out there from people that may be watching tonight, that this government is for the GST, that this government is for this and that, when we've opposed it. Actually to tell you the truth, Mr. Chairman, this government and my back-bench colleagues and my other minister colleagues here, have been more of an opposition in our caucus than what we've seen as opposition here in front the people of Saskatchewan in this legislature.

And so be it to the media. I give the media a lot more credit for being the opposition here in getting answers for the people from the government. Answers that these people refuse to ask because they're positive, positive remarks, positive program -- positive programs.

Ministers talked about the road program in rural Saskatchewan. Well I'll tell you something. Our government had introduced a heavy-haul program -- a heavy-haul road building program first in its . . .

Mr. Chairman: -- Order. I've asked the member from Cut Knife-Lloydminster to keep his comments relevant to the motion that's before the committee, and I would ask him again to keep his remarks on the motion.

Mr. Hopfner: -- Thank you, Mr. Chairman. I appreciate that. I guess we do get wrapped up and carried away with the . . . And I apologize to you and I apologize to the people that may even be watching this proceeding.

But I want to indicate to you, sir, that I do ask the members of the opposition to really seriously take their deliberations on this floor of the legislature through a motion such as that and consider it as being just that, a joke.

And let's get back to some seriousness and quit the clowning around and trying to find different ways of writing up a motion here. And let's get through the estimates; let's get the officials back to their departments; let's get them so that they're able to work and serve the people of this province, and forget about the politics. Thank you.

Mr. Lingenfelter: -- Mr. Chairman, I just want to say a few words to enter the debate on this motion, which would ultimately reduce the minister's salary to \$1, which is a very proper form of protestation within the British parliamentary system. The government House Leader may not understand this, but this is a proper form of protestation that takes place in many legislatures across Canada, and in the Parliament of Canada, and in

committees.

And I want to say to you, Mr. Speaker, and through you to the Government House Leader, that this happens hundreds of times in the history of Canada. This is not something unusual or unwarranted. This is done from time to time when ministers refuse to take their responsibility, as the minister has here in this committee today. And on behalf of the people of Saskatchewan we have moved a motion that would reduce his salary to \$1 as . . .

Mr. Chairman: -- Order. The motion, the motion before . . . Order. The motion before the committee is:

Be it resolved that the vote be reduced by the equivalent of the minister's salary.

Order, order. The minister's salary is under vote 19. It is statutory. It is reducing item 1 of the rural development estimates.

Mr. Lingenfelter: -- Yes, Mr. Chairman, I agree and what is intended here is that the salary of the minister, the indication here is that the equivalent of the minister's salary -- which is exactly what the motion says

-- would be cut back, to send a signal to the government and to the minister that that reduction would be the equivalent of his salary.

I think you understand that, Mr. Chairman. I'm sure you do, because this is a very standard form of motion. In consultation with yourself in the Chair -- we consulted with you when we were writing the motion -- to get the intent of reducing the amount in the budget of this department by the equivalent of the minister's salary. Now you understand that; I'm sure you do because we consulted with you when we were writing the motion.

Now I want to say the reason why we were doing that, and consulting with you in doing it, is in order to show the people in Saskatchewan how disappointed we are in the minister of rural affairs for his inaction in dealing with the GST, the goods and services taxes, which has been introduced and passed in total opposition to the majority of people in the country, and with their tacit approval -- not with their opposition, but with their approval.

And we have many statements in the press by the Premier of this province early on where he indicated he was in favour of the GST. We know that; everyone knows that. That's public document. That isn't my word, or the Government House Leader's word; this is public document that the Premier of this province supported the GST in the initial stages.

It was only after the polling indicated that a few per cent of the people in the country approved of it that he then changed his mind. But it was already too late. He had given his commitment to the Prime Minister of the day, and I say that is the reason that we now have the GST, because of the people on that side of the floor.

That's why we moved the motion. It's a serious motion and it deals with a very substantive issue, the goods and service tax, and why we and the majority of Canadians and the vast majority of the people in Saskatchewan are opposed to that.

I say as well that the reduction that we move in this section is nothing in comparison to the reduction that is taking place in the budget in general, in this department. In both of the ordinary expenditures which is reduced by \$2.1 million, and in capital expenditures which is reduced by \$2.2 million, there shows no concern for rural Saskatchewan. And I say if anyone should be concerned about cut-backs to rural Saskatchewan it should be the Government House Leader who stands in his place and sanctimoniously worries about whether we're in favour of cut-backs.

(2100)

Well I say to you, Mr. Chairman, and through you to the member who spoke, the Government House Leader, that your reduction of \$4.3 million will do much damage to the department of rural affairs. That's your decision.

Some Hon. Members: mHear, hear!

Mr. Lingenfelter: -- Mr. Chairman, what seems strange to me is that while we have a government that is allowing the grid road system in this province to fall into rack and ruin -- and anyone from rural Saskatchewan knows this, that RMs are not pleased with this government, and are not pleased with this minister, and this has nothing to do with the people who advise the minister. This has to do with the Finance minister and the Premier who allot the money to this department, are very concerned about the grid roads.

In my RM, the roads have never been in a tougher situation. That's not because of the RM. That's because they lack the money to build roads and to buy gravel. It simply is a huge problem and I'm sure you, Mr. Chairman, who come from a rural area, get calls from some of your constituents who worry about the condition of the grid road system in this province. It is in bad, bad shape. You know that and I know that.

And it's unusual that at a time when we have the road structure, the infrastructure of the rural department in this kind of condition, highways in this kind of condition, that both in Rural Development and in the Department of Highways we have major cut-backs this year, by this government, by this Tory government. And yet they claim to be the supporters of rural Saskatchewan.

Well I'll tell you that in the next election we're going to make a point of this Premier, the Minister of Agriculture, the Premier, as well as this minister of rural affairs and what they have done to rural Saskatchewan because it's a disaster. It's a disaster.

Some Hon. Members: mHear, hear!

Mr. Lingenfelter: -- Now I just wanted to put that on the record, Mr.

Chairman, because there seem to be some confusion, both from the Government House Leader and maybe from the Chairman about what was the intent of this motion.

Mr. Chairman: -- Order, order. The member is out of order to bring the Chair into the debate, so I'd ask the member to refrain from that.

Mr. Lingenfelter: -- I didn't mean to say that you were confused. I meant to say that there may have been some confusion in the minds of the members of the government benches as to what the intent of this motion was.

The intent of this motion was to send a clear signal, by reducing the amount of this vote equivalent to the minister's salary, to tell everyone in Saskatchewan how disappointed, and also to bring to this legislature on behalf of the people of rural Saskatchewan, that at least someone is standing up and defending rural people in Saskatchewan.

Some Hon. Members: mHear, hear!

Hon. Mr. Swenson: -- Thank you, Mr. Chairman. I just wanted to enter into the debate for a few minutes to discuss the motion put forward by the members opposite. I think that the members opposite should come clean with the Assembly tonight and realize that they probably messed up a little bit in the timing of their motion. The member from Regina Elphinstone is right; it is a common parliamentary practice to, at times, bring forward a motion to reduce the minister's salary to one dollar, but that should be done at the appropriate time, during the estimates of that department.

What the opposition have effectively done, as the House Leader has pointed out, is that they have reduced the vote of the Rural Development department by the equivalent of the minister's salary. And all that will do is, obviously, bring hurt to people out there, and they should've get their act together before they put together a motion such as that.

Mr. Chairman, I think it's important when we talk about the area of rural development, that members opposite have not so far in the debate of these estimates talked about any of the pertinent issues that have been out in rural Saskatchewan.

They've refused to talk about the 23 rural development corporations which have come about in this province under this administration. And I must say that a lot of the work with those particular rural development corporations is because of that particular minister and the staff that he has in his department. People that have been very proactive in rural Saskatchewan, helping them set up these rural development corps so that people in rural Saskatchewan can have some of the opportunities to develop diversification and infrastructure that people in urban Saskatchewan have taken for granted for a number of years through other departments and incentives.

They've refused during these estimates, Mr. Chairman, to talk about the 54 community economic development committees that have resulted because of the work done by that particular minister and his officials out in rural Saskatchewan. They've refused to talk about the new rural service centres

which have had wide agreement from farm commodity groups, from people that have used the traditional crop insurance system, have used the traditional ag rep system. These people have said this is a smart idea to draw these particular entities which have been services to rural people into one particular area, in effect get one-stop shopping to get access to computer facilities, Mr. Chairman, to have the ability down the road to be patched into some of the universities, into some of the experimental farms that we have in western Canada.

This concept has been widely accepted by people in rural Saskatchewan and indeed in urban Saskatchewan. And I think of the new rural service centre which was recently opened in Moose Jaw. And by and large the community as a whole, both urban and rural, have said this is a good idea, and it has come under the initiative of that particular minister and his officials.

They forget to talk about the 43 ADD boards, Mr. Chairman, which are out there in rural Saskatchewan. They forget to talk about the nearly 12,000 volunteers who are entirely through this entire structure that I've been talking about. These volunteers are working on behalf of rural Saskatchewan with their time, their effort, their money, because of the initiatives of that minister and his department. And yet the members opposite refuse to talk and ask questions about these initiatives. That is where the money is being expended by Rural Development to help people in rural Saskatchewan.

Do we get any questions from the members opposite in regard to any of the things mentioned, Mr. Chairman? No. Instead they bring forward a motion in this legislature to cut back on the number one vote of the department and deny funds to people in rural Saskatchewan, deny funds to those 12,000 volunteers who are out there to develop the infrastructure of rural Saskatchewan and save our towns and villages and develop things that we know are necessary on the value added sector in order to keep rural Saskatchewan healthy.

That is the kind of motion we get from the members opposite. That is the level of understanding that we get from members opposite in a motion such as that. And it is truly a shame, Mr. Chairman, truly a shame, as has been pointed out by my seat mate, has been pointed out by the House Leader, that we in this Assembly have to put up with those kinds of motions. If they're going to make a motion, do it in the right place and get on with it.

Mr. Chairman, there are many more things in rural Saskatchewan that this minister can take an awful pile of credit for. I can think of a gravelling program over the last number of years. I can think of lots of things that are happening out there because of the initiatives of that minister and his department. Everyone in it should be commended for those initiatives.

I don't know of too many departments in government in any administration that are able to drag together, bring together the number of volunteers that are working in the various areas that that minister has responsibility for. And I think that all of those volunteers out there would be ashamed of this Assembly taking the time that we are, debating a motion such as the one brought forward by the members opposite. Thank you, Mr. Chairman.

Some Hon. Members: mHear, hear!

Hon. Mr. Hardy: -- Thank you, Mr. Chairman. Seeing that the debate started over how much I should be paid and then went into the GST and now suggesting that we reduce the amount of grants to the administration of rural development by the amount of my salary, I thought I should just mention a few things that I think are appropriate here this evening.

We have went through almost six hours, Mr. Chairman, of discussion here in this Legislative Assembly over the last two days in regards to Department of Rural Development. And yet only two questions have been asked directly regarding to all the things that we do in the department.

Now I know that some of the other things that have been broached have been broached by associations and by the opposition that certainly has a bearing on the agriculture industry out there. But if you go through all the questions that's been asked, in all fairness to everybody here, you'll find that there's only been two questions asked in regards to the department. I've had staff people here for two days prepared to answer some of those detailed questions and I would like to mention some of the areas that . . . The member from Thunder Creek spoke about a few of them.

Just to mention a few of the areas that I think are important out there, we have set up 52 rural service centres across Saskatchewan to serve the people of rural Saskatchewan, not just the farmers, but everybody out there. They're designed to serve the community. For the first time in a long time we really have communities starting to work together. We have set them up; they're across the province; we have put into those very professional people. There's 90 professional people through those 52 offices -- 90 people.

We have taken the department or the government to the people instead of people having to come to the government. It is the first time that has been done. And I say thank you to all the staff for doing it.

It isn't a minister that does that, it's the quality of people that operate these rural service centres; it is the quality of people that make it happen. Government doesn't make that happen, it takes people to make that happen. It takes real people with a real goal and a real vision for rural Saskatchewan. That's what it takes. It isn't whether we reduce somebody's salary or increase somebody's salary, it takes a commitment. Those people have a commitment with the rural service centres, and if you ever went to an opening, and the member from Quill Lakes has just left, but he . . .

Mr. Chairman: -- Order. I'd ask the minister not to make referrals to members' absence or presence in the Assembly.

Hon. Mr. Hardy: -- Sorry, Mr. Chairman. The member from Quill Lakes has been to two of the openings there and he knows quite well, as well as the rest of us, that they are very well received. They do and are there to serve the people of Saskatchewan.

There's a lot of things in those rural service centres, Mr. Chairman, that have been put together for the people to be used. And I say that I would like to get into some of that because I think it's so important that the people of Saskatchewan know that they're there, know how they can use them, know how they can make it a better place for their community, certainly lots of information linked

together. I mean there's a whole series of things that we can do with that.

I look at the RDC (Rural Development Corporation) program, and I talked about it earlier, and the member from Thunder Creek mentioned it. We have 23 RDCs signed up now; that's communities working together. RMs, towns, villages, and in fact one city is working, and the city of Melfort is involved in an RDC, and they want to look at their area. How can we develop our area, how can we build our area together, not just by themselves, but build it together.

Really important and I could list you at least 25 or 30 industries related to what the people out there are doing, those volunteer people who work for no wages, who work because their commitment is to their community. That's what RDCs are about. I have ten more groups of communities that want to sign RDCs in the next few months; that is communities across this province working together.

I look at such things as the economic development committees that are under the Department of Rural Development. That's urban communities working to bring retail and wholesale and business to the area, all part of a structure, all part of that structure of making their community a little stronger.

I look at our ADD boards that were set up. We have 43 ADD boards. I think the member from Thunder Creek mentioned that. We have 43 ADD boards out there. Their role isn't just to serve agriculture. Their role is to serve an area, their community, to work together, to bring industry to it, to bring service to their community, to look at the whole structure in there within their ADD districts.

And that is important, Mr. Chairman, if you're going to look at the whole picture of rural Saskatchewan. So there has to be a picture out there of how you can do it. We've got a lot of stuff put together. Every RM, every RM now have appointed an ADD committee. An ADD committee forms part of the ADD board and just think of that structure: the ADD committee, the ADD board, and I have an advisory committee which I saw one of the members sitting up in your gallery.

Those are the kinds of things that restructure and rebuild and make rural Saskatchewan a strong place to be. Those are important parts of our department. Those are what the 400-odd people who work in the department work to achieve and accomplish. We didn't come in here to debate politics or get into that end of it. That isn't what this should be about. It's about interest of our community, interest of our province, and interest for the people that they serve.

I want to talk about about lands branch. No, I never heard one question on lands branch and a lot of people lease land out there. If I remember right, it's about 12,000 lessees we have, somewheres in the neighbourhood of 12,000 lessees out there.

(2115)

We have 9 million acres of land that being leased by lessees out there, 9 million acres. And we have been working with them, one on one in many cases. And the department, the lands branch here, I say to them, they've done a fine job, each and every one of them across this province in making those people, those people available to the lessee out there. We have 58 community pastures in this province. Those community pastures serve our farming industry. We have -- I'm sorry, 54 community pastures; I said 58 -- 54 community pastures. And I'll just give you an example of some of things that we do. We have 22 million acres of range land in this province -- 22 million acres of range land. A third of that is administered by rural development.

We have 127 grazing associations. Just to put it into perspective, we also have some PFRA (Prairie Farm Rehabilitation Administration) lands out there. So just to put it in its perspective, I want to say to everyone here, if you take money from rural development, any part of money from rural development, you hurt rural Saskatchewan. And that's what they're doing.

The motion isn't to take wages from me; the motion is to take money from the administration end -- the people who make that happen, the people who work for people in rural Saskatchewan. They work for them. They don't work because of them, they work for them. And it's a whole attitude out there and you have to realize and be there to know how important they feel just serving those people out there in rural Saskatchewan. Each and every one of them feel very important, Mr. Chairman. They feel important because they are a part of a process that is building rural Saskatchewan.

And I say that there's many other areas that we could talk about, detailed areas, if they want to get into it. And I say, Mr. Chairman, I don't know what else a person could do in rural Saskatchewan as we structure that together, except to continue to work with the 12,000 volunteers that's in place now; to work with our client services out there; to work with the rural service centres; to work with crop insurance who are also part of this whole package; to work together to make it a better Saskatchewan.

We can do all the debate in here -- six hours of debate -- on political procedure. That isn't what we're all about. We're about building and making rural Saskatchewan a better place to live.

Some Hon. Members: mHear, hear!

The division bells rang from 9:18 p.m. until 9:40 p.m.

Motion negatived on the following recorded division.

Yeas

Shillington
Lingenfelter
Koskie
Brockelbank
Upshall
Simard
Kowalsky
Anguish

Goulet t
Hagel t
Lyons t
Calvert t
Lautermilch t
Smart t
Van Mulligen t
Koenker t

--16 R

Nays

Schmidt
Hodgins
Maxwell
Hardy
Kopelchuk
Martens
Meiklejohn
Martin
Hopfner
Swenson
Neudorf
Klein
Pickering

Sauder t
Toth t
Petersen t
Wolfe t
McLaren t
Baker t
Swan t
Muirhead t
Johnson t
Gleim t
Britton t
Gardner t
Saxinger t

-- 26 R

Some Hon. Members: mHear, hear!

Mr. Anguish: -- Thank you, Mr. Chairman. Mr. Minister, you would admit that the main contact for rural municipalities within the government would be your department, and I'm wondering if you view your department as representing the best interests of rural municipalities in the province?

Hon. Mr. Hardy: -- You asked, am I representing the rural municipalities? The answer is yes.

Mr. Anguish: -- Could you tell us, Mr. Minister, when the Department of Highways has a gravel pit and Department of Highways no longer want to utilize that gravel pit or the Cabinet is willing to take that gravel pit away from the Department of Highways, has it not always been past practice that it would first be offered to the rural municipality in which the gravel pit is located, sir?

Hon. Mr. Hardy: -- Mr. Chairman, we do the surface lease; Energy and Mines does the quarry lease.

Mr. Anguish: -- I asked, Mr. Minister, if it is not the usual practice that when Highways releases a gravel pit that the rural municipality in which the gravel pit is located has the first option to utilize that gravel pit.

Hon. Mr. Hardy: -- Mr. Chairman, for a group that just voted against rural development, I have to say that I'm surprised at the concern they have over RMs, but I will say this: that yes, it is normally the practice of a rural municipality to have access to gravel if the Highways don't want it.

Mr. Anguish: -- Well, Mr. Minister, were you at the cabinet meeting where there was an order in council passed, taking away gravel pit number 73K66 from the Department of Highways and awarding it to one individual, private individual, without prior consultation with the Rural Municipality of Meadow Lake, sir? Were you at that cabinet meeting where the order in council was passed?

(2145)

Hon. Mr. Hardy: -- Well my understanding is . . . I have to go back and look at whatever the order in council number was, 877 or whatever it was, in regards to . . . I assume you're still talking about the one at Meadow Lake.

My understanding is that the RM has access to all the gravel that they want from that same pit. And that was an agreement, part of the agreement where it was part private and part RM. They have access to all they want.

Mr. Anguish: -- That's not true, Mr. Minister. If you're that familiar with the situation of sharing gravel in the pit, you would certainly remember whether or not you were at the cabinet meeting where an order in council is passed by the cabinet that you're a member of, taking the Highways gravel pit number 73K66 away from the Department of Highways and awarding it to a private individual without prior consultation with the Rural Municipality of Meadow Lake.

I ask you very simply, sir, if you can remember the details you've just espoused here, you certainly could remember whether or not where at the cabinet meeting where you seized the gravel pit from the Department of Highways.

Hon. Mr. Hardy: -- Just for . . . What I've been informed here by the staff, is that the land was owned by highways, was transferred, was sold to, or a quarry lease was issued by Energy and Mines to Wagman, but before the RM would give their approval to have lands branch issue the surface lease, they went through community planning and they have access under agreement, through Wagman, to have access to the gravel.

So yes, Energy and Mines . . . or Highways did issue the permit through Energy, or Energy and Mines issued it through Highways, or however you want to put it, to Wagman before they contacted the RM, but that has since been rectified before it was given approval under department of lands through community planning.

Mr. Anguish: -- You told me earlier, Mr. Minister, you represent the best interests of rural municipalities in this province. In fact, when Energy and Mines sent out the notice that the gravel pit was being taken away from the Department of Highways, that it went to the wrong RM. They sent it to

the RM of Beaver River and not the RM of Meadow Lake.

I go back to my question, Mr. Minister. I ask you very simply, if you have this kind of detail on the gravel pit situation that was not owned by the Department of Highways -- it was leased land. In fact, the land was located on 14-61-21 west of the third. What I'm asking you, if you represent the best interests of rural municipalities in this province, were you at the cabinet meeting where the order in council was signed taking away the gravel pit against the wishes of the Department of Highways and placing it in the hands of a private individual, sir? Were you at that meeting?

Mr. Hardy: -- Well first of all, whether I was at the cabinet meeting or not is not to be disclosed at this place or any other place. That's confidential, first of all, and I don't think it's appropriate to even ask. Second, it wasn't taken away from Highways. They had no need for it, no requirement for it, and I told you it went through the process. Highways, before it could be given a surface lease, had to be turned over to the Department of Rural Development to the lands branch. Then before it could be then issued a surface lease it had to go to community planning which the RM had an input into, and which was resolved at that time, their access to the gravel. So yes, we did look after the RM's interest when we found out about it, and it had to come through us and community planning and the RM, and it's all been satisfied.

Mr. Anguish: -- Sir, you only looked after the RM after they came to Regina to their convention -- the Saskatchewan Association of Rural Municipalities -- and requested a meeting with ministers of the Crown. Mr. Minister, you do not represent the best interests of rural municipalities in this case. You might be correct in your process that you've laid out here tonight, but that process was not followed. In fact, if the rural municipality had not come and lobbied here in Regina, they would have had no access to gravel from that gravel pit.

I ask you, Mr. Minister, in the detail that you have here this evening, why would the Department of Highways want to turn over a gravel pit to a private individual that has an estimated million yards of gravel in the gravel pits, sir. Could you answer that for us?

Hon. Mr. Hardy: -- First of all, that's Highways' question and they will tell you why they want to do it. And I'm not even going to speculate why they want to do it. Maybe they didn't require it, maybe there's other reasons for it. And certainly with all fairness to Department of Highways, they have sufficient gravel there . . . I just was double-checking with the department officials here. We still have the surface lease that we haven't turned over yet to Wagman so that it hasn't even officially been turned over. Just in the process of being done, although it is going to be done.

Mr. Anguish: -- Mr. Minister, who represented Mr. Wagman? I didn't bring his name up in this conversation. I don't know why you would bandy his name about in this legislative forum. I don't know what kind of political mileage you would want to make out of that. It's you that mentioned the name. But since you mentioned the name, I ask you, who represented Mr. Wagman in terms of attaining the gravel pit in his name and not the name of

the rural municipality?

Hon. Mr. Hardy: -- I assume, Mr. Chairman, that he had a lawyer to do it. I don't know who he had to do it, and if he's talking about a Mr. Wagman, I don't know who Mr. Wagman is. I don't know who a lot of the contractors in this province are.

I can say this much, that it's been done through the process that was set up. The RM was fully aware of it. They have, as every RM knows, as every RM in this province knows, always access to come and talk to me. If I'm not aware of a problem and if there is a problem, we always sit down and resolve it in a way that is reasonable, sensible, and to the RMs -- in most cases, and I think in all cases, to their satisfaction.

Mr. Anguish: -- Why do you think, Mr. Minister, a minister of the Crown would phone the secretary-treasurer of the RM and lobby them not to take the gravel pit and accuse them of going into the sale of gravel?

Hon. Mr. Hardy: -- Well that's an interesting comment he just made. He said a minister of the Crown phoned the secretary. If he is referring to me, that's absolutely not true, and I don't know why he would say that. Accusations seem to come pretty easy if that's what he's saying, and I would like to have him say that outside of the House, not in this House.

Mr. Anguish: -- I did not say you, Mr. Minister. I don't know why you'd be so sensitive. I addressed the question to you. I asked you as to why a minister of the Crown would phone the rural municipality and accuse them of going into the gravel selling business when they have every right to acquire gravel pit number 73K66. Every right they should have had to that gravel pit. They only found out about it after Mr. Wagman was awarded the gravel pit by order in council of your government. No courtesy extended the RM. If you represent the best interests of rural municipalities in this province, why weren't you on top of that situation? Why did the gravel pit go to a private individual and not the Rural Municipality of Meadow Lake, sir?

Hon. Mr. Hardy: -- Well I'm just checking. To the best of the knowledge of the officials here today, there was no order in council turning that land over to anybody because it's not required an order in council. There was an order in council went through cabinet that I'm aware of, that went through for the site for the Millar Western mill to go into Meadow Lake, which is going to create a whole bunch of jobs up there and do value added to forest industry.

I'm aware of that one, but I'm certainly not aware of one going to in regards to that gravel pit, an order in council that is, going through. Now the department officials said, as far as they know one was not required, and I am not aware of one going through in that order.

Mr. Anguish: -- Mr. Minister, why would you bring up Millar Western in regards to a gravel pit? Is there any connection between the gravel pit and Millar Western? I never mentioned Millar Western. You're now bringing up Millar Western. Why would you bring up Millar Western when we're

talking about a gravel pit that's several miles away but in the same rural municipality? You categorized your orders in council by rural municipality in the province, sir.

Hon. Mr. Hardy: -- First of all, when you asked me about an order in council, I said the only order in council that I know went through cabinet was for a site for Millar Western mill, and that was part of that package which brought industry to the North, jobs for both our native people and people of the North, and certainly value added to a forest industry up there. That's what I said, number one.

Number two is that in regards to where the gravel pit is located, I'm told by my officials that an order in council was not required and I am not aware, personally aware, of an order in council going through in regards to that gravel pit.

Mr. Anguish: -- Well thank you, sir. I appreciate that information. Now let's get down to the gravel pit. Why was the gravel pit not offered to the Rural Municipality of Meadow Lake, as opposed to it being offered to a private individual? You stated earlier, Mr. Minister, that standard procedure would be for a gravel pit -- once Highways has released it -- to go to the rural municipality in which the gravel pit is located. Why has this happened? Has your department got an explanation as to why the private individual gets the gravel pit and not the Rural Municipality of Meadow Lake?

Hon. Mr. Hardy: -- Well I think I explained to him a couple of times. I'll try it one more time. We do not issue quarry leases, number one. We issue surface leases which allows the quarrying to take place. Before we issue a surface lease, the RM has to have community planning approval. Those are the three processes that it goes through. They have been through those three processes now in regards to the gravel pit.

Whether Energy and Mines wishes to or don't wish to release the gravel, you would have to ask Energy and Mines.

Mr. Anguish: -- You, sir, represent the best interests of rural municipalities in the province of Saskatchewan. You stated that on the record here this evening.

Some Hon. Members: mHear, hear!

Mr. Anguish: -- Why would you stand by, Mr. Minister, and allow a private individual to get a gravel pit that has an estimated one million yards of gravel in it, when the rural municipality wanted it. The due process was not followed. They were not notified of the transfer of the gravel pit from Highways to a private individual. Why did you not intervene and make sure that the RM's voice was heard when they finally found out that the gravel pit was being turned over to a private individual, why did you not intervene so that that RM could obtain the gravel pit that they so deserve?

Hon. Mr. Hardy: -- Well, I'm not going to go back over it again, except to say that to the best of my knowledge they have never made a representation

to me in regards to that, the RM of Meadow Lake.

Certainly, I can give you the other facts that are here. So I don't know . . . And they never came to me in regards to that concern that you're raising here today.

My comments to you are three. One, Energy and Mines does the quarrying lease. Two, Highways owned the property. Three, that before we could issue a surface lease it had to be turned over to us; and four, before that surface lease was then issued, it had to go through community planning of the RM of Meadow Lake. Those have all been done.

Mr. Anguish: -- Sir, your department had knowledge. You've admitted that tonight because you had to approve at least one stage of the transfer of the gravel pit. At least that's what I understood you to say. Are you saying that your department would not bring to your attention a procedure that is unprecedented or at least, at the very least is very unusual? The procedure in the past has been that gravel pits turned over or released by the Department of Highways go first to the rural municipality. If the rural municipality doesn't want it, then it can go elsewhere.

So are you telling us that no one in your department brought to your attention that there was an unusual situation occurring where that RM of Meadow Lake was not even aware that a gravel pit was being taken away from Highways and turned over to a private individual? Are you telling us, sir, that you had no knowledge of that?

Hon. Mr. Hardy: -- What I'm telling you is that before we get . . . All we basically do, I went through the four steps. And before we give the final . . . all we give is approval to the RM of Meadow Lake's planning and community planning by-laws. That's what we do. We give approval to that, which allows it to go forward. So what we have done and will be doing, because the RM of Meadow Lake has passed it under their by-laws, we're giving approval to that to let them go ahead and have the surface lease for the quarry. So it's the RM of Meadow Lake have made the decision, not the Department of Rural Development.

Mr. Chairman: -- Order. Being near 10 o'clock the committee will rise and report progress.

The committee reported progress.

The Assembly adjourned at 10:02 p.m.