

EVENING SITTING

COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure
Rural Development
Ordinary Expenditure — Vote 43

Item 1 (continued)

Mr. Engel: — Thank you, Mr. Chairman. Mr. Minister, you sent over your staff salaries and their names. In the last year since April 1, have there been any increases in staff over . . . since last year this time, or are these . . . And what about their salaries? Have they changed, have they stayed the same, or can you give me a comparison with last year? It says, starting salary. Can you go back to the year or is this . . . The dates that you have in brackets, like you have starting salary August '85, August '85 and January 6th. Is that the day these people came on employ with you, or is that the day a salary change took place? Could you explain that to me, please?

Hon. Mr. Hardy: — Mr. Chairman, that's the date they came on with us.

Mr. Engel: — Does your Department of Rural Affairs have a Legislative Secretary?

Hon. Mr. Hardy: — Yes, we do.

Mr. Engel: — Can you give us his name . . . constituency?

Hon. Mr. Hardy: — John Gerich from Redberry.

Mr. Engel: — What duty does this member have, and how much additional salary does he receive as a result of holding this title as Legislative Secretary?

Hon. Mr. Hardy: — Mr. Chairman, I'm not sure. I think it's . . . I'm not sure exactly what it is. It's paid through the Legislative Assembly, so I don't know what it is for sure.

Mr. Engel: — I suppose basically . . . I was wondering if there's . . . how much additional expenses you've incurred to date and what you expect will be involved as far as over and above the \$6,000 plus he gets. You know, like how much travelling . . . It's 7,000 now. How much extra travel and meals and other expenses do you anticipate he's going to have for that?

Hon. Mr. Hardy: — Well, Mr. Chairman, I'm not sure, but we don't anticipate very much. Just whatever a Legislative Secretary would do if they go out to speak at some SARM (Saskatchewan Association of Rural Municipalities) meeting or at some ratepayers' meeting, or something like that. But not very much, just whatever has been under the normal procedure.

Mr. Engel: — I agree that during Saskatchewan's history we've had as many as three or four. In fact I've had the privilege of being Legislative Secretary for a while, but how would you need 12 — you know — or 13? I'm wondering . . .

Mr. Chairman: — Order, order, order. That's not relative to this discussion.

An Hon. Member: — Relevant, not relative.

Mr. Chairman: — I said it was not relative to this discussion. Would the member please contain himself and let's get on with the discussion.

Mr. Engel: — I wasn't talking about . . . Mr. Chairman, if you think it's not relative to a department . . .

Mr. Chairman: — Order. The number of secretaries is not relative to that department. You asked if there was a Legislative Secretary, so that's fine. But as for any more, there is no relationship between that and this department.

Mr. Engel: — Mr. Chairman, it takes four Tories to do the work of one NDPer, so I suppose it's not relative, and I won't talk about needing 12 secretaries where three could do the job. I won't talk if that's relative or not. All I'm saying is that you're either paying them too much money or he hasn't got enough to do because, you know, you said to him he isn't going to do that much for you. How many meetings has he attended since he's been appointed, on your behalf?

Hon. Mr. Hardy: — Well probably, Mr. Chairman, about 20 so far since the first of the year. He travelled with us on the farm input cost committee, and he went to approximately — and I'm not sure of the exact number — but he goes to wherever . . . Sometimes there's two or three in an evening and he takes in one of those, so probably he would be 20 or 25 meetings. I'm not sure the exact number, but in that neighbourhood.

Mr. Engel: — Does he use his own transportation or does he have a government vehicle?

Hon. Mr. Hardy: — He uses his own transportation.

Mr. Engel: — Can you give me a breakdown on what his additional expenses would be and a list of the duties he's attended up to this point, so that we can see, according to the chairman, whether it's relative or not? You have 12 of these birds running around the country, and I'm wondering if they're earning their keep.

And I think it's important to show to the people of Saskatchewan how big and arrogant this government really is, Mr. Chairman. I think we've got a situation here where they're using a program that was designed way back and has been implemented through the parliamentary tradition where overworked cabinet minister would receive a Legislative Secretary to help them when they carried a whole long list of duties.

And I think that when you have the largest cabinet in Saskatchewan's history and then you have 12 additional staff people running around spending money, I think there are programs suffering. There are programs suffering because you're not doing it. So I will appreciate it that you don't have the list of meetings that you've attended with you, but could you make those available?

Will you give us the assurance that you will make that available to us?

Hon. Mr. Hardy: — We'll make that available and send to them the cost of whatever they were. It wasn't very . . . It would be very insignificant in dollar values.

The other thing that I should just mention that, I do have Co-operation and Co-operative Development. And there's a lot of co-ops around the province who request either the minister or Legislative Secretary to attend. And so we get a great number of requests, especially in the spring, this time of the year to attend, and it is sometimes two and three an evening — and the SARM meetings and the annual ratepayers' meetings. So we do get a lot of requests and there is a load out there, a lot of work to be done.

Mr. Engel: — We're talking about the department of rural affairs. You're saying the same secretary applies to co-op development as well?

Hon. Mr. Hardy: — Well he certainly helps them with that. That's correct.

Mr. Engel: — Does the Legislative Secretary have a secretary and personal staff? How many people are involved in that office?

Hon. Mr. Hardy: — No, he has nobody — just the Legislative Secretary. Anything that would be typed would be done in my office for him if it needs to be typed or whatever, or through the department. He works with them.

Mr. Engel: — How much time of the department's secretary would you say is appointed to him or appropriated to him to do the extra typing and the political letters he's writing and the work he's doing?

Hon. Mr. Hardy: — I don't know. I couldn't answer that. Just whatever is needed. If a speech needs to be typed up or a letter needs to be written, that's all.

Mr. Engel: — Well, that makes quite a bit of difference, Mr. Minister. There's eight of us, there's eight of us get one and a half or so — one staff and a part-time in our office. And we have to go outside to get letters typed and all. And you have the appropriation of how many there are. And then you have a Legislative Secretary who can then go into a department and I'd wonder if you could give us a breakdown about how much of an additional secretary's time, how many extra perks the legislative secretaries are getting that are not available to the opposition who are busy and who have a lot of places to go and a lot of meetings to attend to and things to do — that we don't have those extra perks and those extra little advantages where we get our mileage paid and all our expenses paid, like your legislative secretaries do.

So I think the point I'm making, Mr. Chairman, — and I'm making it, and I'll leave it at that — as another example where your government is misusing a program that was designed to be meaningful: where three or four legislative secretaries would serve a cabinet, and those people would be responsible to a number of ministers and

actually earned the 6 or \$7,000 — \$6,000, they got in those days.

Today they have it assigned to them as likely a role where there's just extra pay involved. And I think it's a situation where, if you don't have a specific task or specific assignment where that person does, I think the taxpayers are asked to carry quite a little bit of load of big government that really isn't what you advertise and what you campaigned on when you decided to run for office.

I didn't see any ads saying that, we're going to have a larger cabinet than the Blakeney government or the Tommy Douglas government or the Ross Thatcher government . . .

Mr. Chairman: — Order, order. I fail to see where the member is staying to the topic. He's just wandering all over the place, and I am going to insist that you remain on the topic.

Mr. Engel: — I understood, Mr. Chairman, and Mr. Minister, that the topic is rural development — talking about rural development. And we're talking about the administration and amount of government involved in running this Department of Rural Development. And if you fail to see the relevance of how many elected people are involved in running this kind of government, and you don't want me to talk about that area, there are many, many other areas we can talk about.

The people of Saskatchewan know why we're not in an election in the last couple of months. And I think it's relevant because of the big government we have. The arrogance of this government, the arrogance of trying to keep us in line — and don't talk about anything that's politically sensitive; let's stay on the topic. So I'll switch to a new topic when they're hollering from the seats, particularly members that aren't running again — let them holler and bray away from their seats. I don't care. I can handle it, Mr. Minister.

I would like to ask you a number of questions that relate to your department in areas that you are involved in. A lot of attention has come to our office particularly from the constituencies . . .

An Hon. Member: — In a brown envelope.

Mr. Engel: — The member from Moosomin says in brown envelopes. Not all of it comes in brown envelopes. Some people are prepared to come and talk openly, in fact in this case, they even went to the press. And it's an article in the Leader-Post, Tuesday.

Mr. Chairman, the member from Moosomin is braying away from his seat and I don't know if they get involved in estimates or not. Maybe he should. I can remember years past when government members would get involved and ask a question or two in estimates. But if the member from Moosomin does not be called to order, it'll just show the impartiality of the Chair who he doesn't show when those guys are braying away and trying to interrupt the proceedings of this House.

But I was going to talk to you about some correspondence

and some mail, and some postcards that you've been getting, and let me just read a little bit out of the Leader—Post, April 15, 1986, Tuesday, Leader-Post, "Extended ferry service sought."

Postcards have begun arriving in Rural Development Minister Neal Hardy's office in a campaign to have the government study ways to provide year-round service at the Riverhurst ferry crossing on Lake Diefenbaker.

Lorne Sheppard of Lucky Lake, has taken the project on by himself, but he feels support is growing. Currently, towns on the west side of the lake are cut off from Moose Jaw and Regina for three to five months of the year, forcing people to travel about 48 kilometres further in the winter.

Those on the east side have to go around the lake by way of Central Butte to reach Outlook, where many farmers do their business, Sheppard explained in an interview Monday. That doubles the distance to 160 kilometres. Also, offices of the District 16 Agricultural Board, the agricultural representative, of the land's brand and irrigation branch of the Department of Agriculture are in Outlook.

And so these people from Lucky Lake, Beechy, and area are isolated there because they don't have extended ferry service. Can you give me a brief run-down as to some of the options the department has studied or is looking at to provide year-round service to these people? I know a number of examples I could cite. In Kelowna is a popular floating bridge; there are some instances where they have used air to keep the ice melted so a ferry could continue running. Have you looked at some options to provide these people the necessary crossing?

Hon. Mr. Hardy: — Mr. Chairman, I'm told that we're looking at four different systems. The air-bubbler system which was installed back in 1982, or '62 rather, in Buffalo Narrows, where now they do have a bridge or culvert in. So that's one that we're looking at, and we've already done some testing on it for 20 years now. We're looking at the cost feasibility of a bridge. We've been looking at a floating bridge and doing some cost figuring on that; also looking at a hovercraft. We're looking at those four different areas that we may well, in fact, do some costing on it.

(1915)

We've got about 300 . . . You mentioned we had about 300 letters or names on petitions that have come in. I've sent a letter back to each one individually stating exactly what I've just said here.

Mr. Engel: — How much would you expect a project like that . . . In what dollar frame would you say it would be feasible to go ahead with it? What is the department suggesting that . . . How much is it worth spending to try and provide these people with some service?

Hon. Mr. Hardy: — Well, Mr. Chairman, you know it's pretty hard to set a figure on what you think would be the

right amount to go with. I suppose it would have to be, first of all, to get all the figures together. A bridge would be very expensive, as you are very much aware. And I don't have a figure on it, but it would be up in substantial amount of millions of dollars. The air-bubbler system would probably be much less, and the other two are certainly being looked at. And I really don't know.

What I would like to do is get all the figures put together and some cost analysis of what it may cost, and we'll have some good ideas on the cost; sit down with, first, the Department of Finance to see if we can afford it, or the government can afford it; and then talk to the people out there and see how much need is out there.

We're also going to do a survey this summer on the use that would be used, or look at during the survey the use that could be made if there was a 24-hour service in there. And I know some of the people out there have put together some information on what they think, and we'll be talking to those and others in the area in regards to how much it would be used. And that would be a better cost-fact figure in the economic terms to see what you'd put in.

Mr. Engel: — Well, that answer sounds to me as though you have no intentions of doing anything. You haven't studied and come up with a figure that say that this would be feasible to spend this much, and you're on your fifth year in office, and those people elected representatives to sit on your side of the House with the intention of getting some service. And I think that a community the size of Lucky Lake to come up with 300 letters to you, I'd suggest every family is concerned, and it's a big, big issue. Those are the people that are saying, look, we'll never get nothing done with these fellows unless we get an election. The new technology is there and it's time something is done . . . (inaudible interjection) . . .

On the studies you've conducted . . . if you can hear me over the shouting of the member from Maple Creek, the Minister of Consumer Affairs, that is. She's trying to drown me out along with her sidekick, the member from Moosomin, who's not running again, are getting very, very loud her. The bingo minister isn't slowing down at all.

But, Mr. Minister, would the hovercraft studies that you've looked at, would that be a year-round transportation crossing that would do on thin ice and thick ice, and so on? Is that safe? What studies have you done, and how far along are you as far as studying the hovercraft is concerned? Let's take one of these at a time.

Hon. Mr. Hardy: — Mr. Chairman, I understand that about six or seven years ago, they looked at a possibility of a bridge across there at Riverhurst, and they . . . at that time it was deemed to be cost prohibitive. So it wasn't done. That don't mean to say that it shouldn't have been done or couldn't be done now, but at that time. I understand it was in the neighbourhood of \$20 million in estimate, and that was a rough estimate.

The floating bridge is one that we're looking at. The air-bubbler system — the problem that they're trying to work out or looking at some in Ontario, is that the water

fluctuates about 30 feet from high to low during the winter-time. It can fluctuate that much, and it's hard to set a bubbler system in place that may be safe. So they're looking at that. And you know, that's about all I can tell you.

Mr. Engel: — I guess you talked about all the other things except the one I asked you about. the studies you've done . . . You've said you've been looking at it, and all I asked is: have you, when you were looking at a hovercraft, have you decided, or have you come up with a safety factor? Is that an all-year vehicles? Is it good on thin ice, is the specific question I asked you.

Hon. Mr. Hardy: — I don't know, Mr. Chairman. That's just one of the areas that we're looking and doing some research on it. I don't know if it's safe or not and I don't know the cost of it.

In this just sort of a . . . And I've only been minister as you know for five months, and it just come up here in the last two or three months that I was aware of it. And the department's been aware of that need out there for a long time, but never really done any extensive studies on it or really looking into it other than a few years ago when I believe the former government was in at that time.

So we're going to look at these alternatives and so some cost analysis on it, and the safety factor has to be looked at, definitely.

Mr. Engel: — I think the point I'm trying to make is you . . . If I would have settled for the first answer you gave me, Mr. Minister, you said you were studying three options: a floating bridge, keeping the ice open, and a hovercraft, and then a fourth one is likely a bridge. The first one I talked about is a hovercraft: you tell me now that you have no studies, no option, no intention of looking at that any further. After the longest term in office of any government in post-war years you have nothing on a hovercraft.

An air system, I understand, was ready to go and would likely have been built in '82 if you guys wouldn't have formed a government. The studies were done and the thing was in place. There was one operating in Ontario. I'm personally familiar with what's happening here, and I raise this issue as one of personal interest. The floating bridge, like you say, with fluctuations in the water, I think was written off as long as six years ago already because of the drastic changes in the depth of water, like you say.

So I think, Mr. Minister, when you use the old handle that you tried to get by with the first three years you were in office: well we're studying it, we've got a study team out. You know, when we talked about this in the session earlier tonight, that you appointed a committee, you appointed yourself as chairman to look at the farmer's input cost, you appointed the rural law committee seeking fair tax system. You know, after you've been in office more than four years it's not time to study; it was time to demonstrate some action.

And here's an example where a Mr. Sheppard single-handedly took you guys on and said, look, we need some action; we want to get out of there; we think

we should be treated the same as anybody else in Saskatchewan. You've got the offices in Outlook where we deal with our ag rep and we deal with our people and why should we have to travel 160 kilometres when we could get across an all-season, all-weather road.

I think the people of Lucky Lake, Beechy, and area in around there are concerned that an election isn't being called so this matter can be dealt with. There are so many things that you're slipping up on, Mr. Minister, that it's really disturbing.

A brand-new area, another area I'd like to talk to . . . And there's about three specific ones here I want to quickly touch on, and then I understand one of your own members has a question or two for you.

But, Mr. Minister, I would like to know what the status of the resort development project proposed by Boris Mamchur, M-a-m-c-h-u-r for Redberry Lake is. Does your department intend to continue to require an environmental impact study before the project proceeds, or do you have any concerns about wildlife habitat or water quality if this 125 cabins that are proposed as part of the Mamchur project go ahead on the south-west side of Redberry Lake? What is the status of that one? Can you give us some information that maybe you and your members have?

Hon. Mr. Hardy: — I'll just answer your one about the bridge — just a little more information on that one at Riverhurst — and then I'll answer your second question.

There had been no studies done previous on that area. There had been a lot of requests over a number of years, and I'm sure you're aware of it, in that area. And basically, we had been answering — and I'm sure it goes back many years — that it was just cost-prohibitive. And that's where it had been left.

But we are looking at it. Like I mentioned earlier, the air-bubbler system has some problems because of the fluctuating of the level of the water; and the bridge is certainly one that has a cost factor to it.

In regards to question, your last question there, in regards to Redberry Lake. Mamchur had appealed to the Provincial Planning Appeals Board and they had a hearing on May 8th, and they haven't brought in a decision yet. And so I don't know where it stands there. But the reason that it hadn't been approved to date, one of the reasons anyway: he hadn't completed an EIA, an environment impact study, in regards to the lake — or parts of it he hadn't completed anyway. And so therefore his approval hadn't been given.

Mr. Engel: — Well according to a *Star-Phoenix* report of May 9th . . . And I was interested in that date you mentioned, that the hearing was held May 8th. But according to this one here:

Redberry Lake resort developer, Boris Mamchur, trying to get his proposed cottage development back on track, argued Thursday the government rejection of his project should be overturned.

He said that the minister has no authority to reject his application.

The government wanted Mamchur to do an environmental-impact assessment. Zatlyn said, (I guess that's his lawyer) and when he didn't respond just as they wanted, Rural Development said no. However, that department doesn't have the authority under the Planning and Development Act, and as such, the six-member appeal board headed by Saskatoon Planning Director Bert Wellman should give the development tentative approval.

Any further update on that, or any reason why you're holding that one up? Or is that in competition with other developments at Redberry? What is the story there?

Hon. Mr. Hardy: — Well, Mr. Chairman, an answer to the question is that that was Mr. Mamchur's opinion that he should have been allowed to go ahead, and that's why he took it to the planning appeals board on May 8th. And like I said, they haven't brought in a decision yet. The Department of Rural Development only follows the community and planning Act, and that's how it's set out. And we've got to abide by the laws and rules and regulation that's set out by the Government of Saskatchewan, which those have been there for quite a number of years.

So there's nothing wrong with it. It's just that this procedure they're going through, if the planning appeals board rules that the Department of Rural Development is wrong, that is the law and we'll abide by it.

Mr. Engel: — Since 1982, has your department or has the government removed any land in the Redberry Lake area from the critical wildlife habitat designation? Is there any of that land you've taken out?

Hon. Mr. Hardy: — I'm sorry. I missed part of the last part of your question. Could you say it again?

Mr. Engel: — Since 1982, has the provincial government removed any land in the Redberry Lake area from the designation that's called critical wildlife habitat?

Hon. Mr. Hardy: — My understanding was there was some removed. I wouldn't know the description of the land on that.

Mr. Engel: — We're aware of that, Mr. Minister. Now another topic that we'll pursue on another day, Mr. Minister: I would like to know about how much land that your department has been allocated, or that you have the responsibility for from the federal government, regarding CP and CNR rail right of ways.

(1930)

Hon. Mr. Hardy: — Well, Mr. Chairman, there has been . . . I don't have a breakdown whether it's CN or CP right here with us. We can get it for you and send it over to you — which was which. There's 17 lines have been completed. That's 365 miles, or about 5,600 acres . . .

An Hon. Member: — Being abandoned, you mean — being abandoned.

Hon. Mr. Hardy: — . . . that's been completed and that's disposed. The disposition of the right of way has been completed, and that's been given out to the farmers. There's another 36 lines, or about 8,650 acres, 552 miles, that's in the process now of being allocated out to the farmers through their local boards there.

Mr. Engel: — What process do you use? Do you sell it, or do you transfer it to the adjacent owner, or what process is used?

I could see where there'd be a different approach when you've got 58 miles of track from point A to point B through farmers' lands, but when the land that's in town, is there a different allocation process? How do you allocate urban versus rural?

Hon. Mr. Hardy: — I'm just not sure how to answer that question, except that most of the rail lines are going through rural Saskatchewan.

As you know how they're selected, they're selected by the local R.M. council. They pick a delegate from their own council and put on the advisory committee who does the allocation, total allocation. The only time there's . . . If there's some dispute and they can't settle it, then it comes back to an appeals board. And they make the final decision on it.

As the government, we have nothing to do with who gets it or who shouldn't get it. It's strictly by the local R.M. councils whose delegates are on there and make the total disposition of all the lands to the farmer at no cost.

Mr. Engel: — Just as a point of interest, is there . . . From your former offices as Environment minister, and also as member now, Minister of Rural Affairs, is there any restriction you place on the CPR-CNR when they abandon a grade? Can they leave it in the rough like that, or do they have to do something with it?

What are you demanding of the railways when they move out of a line that has made them millions and millions of dollars in the past, and all of a sudden they just pull up stakes? What do you make these guys do when they leave the land?

Hon. Mr. Hardy: — Basically, they just leave — they pick up the track. It's allocated over to the federal government who give it to the provincial government for allocation to the local farmer.

To date, that I'm aware of, there's been some that's been retained for wildlife habitat because it's — specifically they don't want it disturbed; the people in the area don't want it disturbed; and some for roads, but most of it goes back to the farmers. And most farmers to date have sort of, would want it not . . . You know, there's been a sort of a, not a problem, but certainly an area there that the farmers would like to take that land, as you know farmers would like to have it. A lot of it cut through quarters of land or whatever else, and they're working it all in, and so we haven't had no problems with the farmers in allocating it

back. They've been very happy to get it back. But the railroad just give it to the federal government; they in turn said the provincial government, you can do what you want with it. We're just allocating it back to the farmers, however that advisory board decides it should go.

Mr. Engel: — You don't have any land-use policy in place for something that would demand that this would be partially flattened down, or left in an order that could be usable rather than an eyesore — going through what an abandoned grave looks like. I think I know when the Red Coat Trail was being rebuilt, and a lot of the highway there, when a portion of the highway was abandoned, the contractor that was building the new stretch of road picked that grade up, levelled it out, and you can't see where the old road used to be.

And I think when you have valuable land, and land is a resource, that is something you should be demanding especially if the railways that are abandoning small communities, by picking up as many lines as you've allowed to go by the wayside. I think the least they can do is flatten it out so it can be used rather than leave a narrow steep little grade, and when the bridge is knocked out there is sharp cuts. And in many cases all I've seen done is put a couple of fence poles in with a plank across. And a sharp cut there and then that grade is open for using as a speedway or whatever. And I can see future trouble if you don't have some restriction or some land use policy in place.

I can see here's another reason where it's time for a change of government to get some people in there that have long term in mind, rather than just a short-term profit if the railways pick up what they can salvage and leave the rest to the people of Saskatchewan to absorb the cost and worry about. Have you any comment on that or how you think it should be handled?

Hon. Mr. Hardy: — Mr. Chairman, we signed an agreement with the federal government in regards as to how this abandoned rail lines would be allocated, and that was signed back in 1977, so it's . . . we're just living up to an agreement and I believe it's a fair agreement. I don't see nothing wrong with it.

The farmers I believe will make good use of it. They will probably keep it and put it back into the shape that is presentable to the eye, and some of the areas, like I say, may be left because of wildlife habitat requested by the wildlife federation and some biologists. So we're doing that specifically because of requests. The rest I believe the farmer will put it in pretty good shape and I think the agreement all of us signed in '77 is a good agreement. I believe it's fair, and I think it's good to give it back to the farmer the way we're doing it.

Mr. Engel: — Well, I disagree. I think that in light of the Tory government's position in Ottawa, and particularly your government's saying to Brian, keep up the good work, Mulroney, and pat him on the back, I think it's time . . . (inaudible interjection) . . . If the shouting member from Weyburn, Mr. Chairman, could be called to order I could continue my question. And I see I'm touching a pretty sensitive . . . I guess my colleague says he wasn't only shouting, he was hollering at the top of his voice,

because if I can hear him he is being very loud.

Mr. Chairman, the point I want to make is that if you fellows are left in control there's going to be a massive erosion of steel out of Saskatchewan, and that's putting it mildly, because I think that the railways are anxious to move out of their branch lines and there will be many, many miles.

And I think that one of the restrictions should be that the land would be brought back to the same condition as it was before the railway was graded up. I think the gravel and cinders at the top should be hauled or put in the ditch and the grade spread evenly cross the area and left reasonable and responsible.

When you do finish using something, you don't just drop it and leave, you leave the land in good order for oncoming generations. And I think that . . . here's another example where you're placing a charge on future generations and further causing hardship to people that can least afford it, and letting the railways get off scot-free — letting the railways get off scot-free.

There's another issue that I want to raise with you, Mr. Minister, in the Department of Rural Affairs. And that has to do with hobby farms and people on small acreage and the R.M.'s ability to tax or not to tax. And I suppose the straight, short question I'd have for you: do you favour R.M.s having the right to taxation information on financial records to establish whether someone is primarily a farmer or not? Or how are you going to determine what his primary source of income is? Have you thought that thing through, and what is your position on the hobby farms and the locations on rural areas that are springing up that really aren't a source of income, but is likely somebody making a large income elsewhere? Have you a situation of how to handle that kind of a situation?

Hon. Mr. Hardy: — Well, Mr. Chairman, that's been an ongoing problem for the last 20 years. I'm sure the member is aware of it. And it's one that's been hard to define. What is a farmer and what is a hobby farmer? And I know many governments have tried. I'm sure that . . . I sat on a local community planning group that tried, back in the '70s. It's a tough issue to deal with, and we've asked the law review committee to look at that and try to bring back to us some of the thoughts of the local R.M. people and how it could be defined or should be defined.

I'm not sure that we would have an answer. I'm not positive we'd have an answer. But we'd like to hear how they would define it, because this is an issue — it's something like many other issues. It's hard one to really draw line on and say: what is a hobby farmer and what is a farmer? So if the member has some ideas of how he maybe thinks that we could do it, I'd be pleased to hear them.

Mr. Engel: — Well I'm going to tell you, we'll show you how to do it after the next election. Let's do it that way, okay?

The second question, Mr. Minister: I know you're having problems on governing and how to do it and expecting

the opposition to run it for you. We'll do it when we get our chance.

The second area I want to talk about is, there's been a desire expressed by some R.M.s to change the election procedure. Suggestions include election every three years to coincide with urban voters in the hope that turnout could be increased. And the other aspect is allowing all permanent residents over 18 to vote, regardless of whether the land is owned by them. Have you given some thought to amending The Municipal Act as far as elections are concerned and making it to a three-year term, rather than a two-year?

Hon. Mr. Hardy: — Well, if the rural law review committee was to bring back and say three instead of two, I suppose we'd look at it. But the one thing I'd like to make clear is that as a minister, I'd be hard pressed to change them all at one time.

I could see some problems out here in rural Saskatchewan, if you do it. And I would have to be convinced that we should change them all, as they do in the urban Saskatchewan. And so maybe they would bring it back, and maybe the R.M. council at a SARM convention would decide that's how they wanted it handled. Then I suppose we'd have to take a serious look at it. But until then, the two or three years would be an option I suppose that, you know, you could always look at. But whether it would all be changed at once, I would be hard pressed to be convinced to do it.

Mr. Engel: — Mr. Minister, another area that is of quite a bit of concern — and I know the present Minister of Highways has lost one voter that gave me his story on . . . He was cleaning wheat; and he loaded up his load of grain on a Sunday evening, I guess, to get it in early Monday morning to clean. And during the night the load ban went on and it cost him 1,200 bucks for that load of grain.

If the Minister of Highways were in, he'd likely smile and know who I'm talking about, because there is a has-been Tory that is really upset with how weak the announcement was as to the load bans were coming on Monday morning. And he just was busy and didn't heed that particular announcement. I don't know if it was a Monday or a Wednesday or a Tuesday or what, but the night before, he wasn't home listening to his radio or didn't happen to see it in the paper. There's the one extreme.

The other story I hear from R.M.s and particularly those that got involved in paving and that have paved their super-grid roads and some of their roads, and that is this business of enforcing load limits on municipal roads. R.M.s don't have the police force, and the RCMP has not been too interested in enforcing load limits.

What is your department's position on helping R.M.s protect their roads from heavy truck damage, both in spring when there's frost coming out of the ground plus all year long when many, many, many farmers are overloading single-axle trucks even more than the larger units because of the lack of rubber on the road? Do you favour returning the authority to set weight limits to the

rural municipalities themselves? Should they have the authority, rather than have someone else dictate what the load limits should be on their roads?

And I hear R.M.s discussing that quite vocally with me. And they're coming . . . this is one of those situations . . . Like you asked last time what my ideas was on that; I was being facetious. But on this one, there's a real problem. And I'm not sure we've improved it by placing the authority in a central location rather than letting the R.M. dictate what the weight limit should be.

Hon. Mr. Hardy: — Well certainly the R.M.s have a lot of latitude there. As you know, they can go along with the ban if it's put on, or they can exempt themselves from a ban. The reeve has power the same as a policeman if he wanted to use it, although I've never heard of one doing it. I know there's a problem out there. They do have RCM Police that are assigned to rural Saskatchewan. And the enforcement of a lot of them, a lot of the roads where there is oil surface, I believe, is a problem.

At the same time farmers are reluctant as their own elected representative to enforce it too much, because it's usually their neighbour or their friend or whatever that's travelling on it, and a lot of times themselves even, it could well be. So I don't know. Farmers I believe in a lot of cases use a lot of discretion when they're hauling on the roads. I think maybe some of the problem is from traffic that's coming from outside the area through their areas, in my area there there's some problems.

(1945)

And another major problem in my area, although we do live up in the bush land, in a forested area, where, if it's a rainy day, and it's often, that we don't have any oil surfaces, grid road systems. But if you live off of that, four by fours and stuff going in to hunt or going into camps really tear them up a lot and they've tried to enforce it up there to some degree.

Mr. Engel: — The question basically wasn't so much to do with the enforcement of the ban in spring, but with setting the load limits. Apparently right now the rural municipalities are saying — and according to an article that I have here from the *Star-Phoenix* by Heather Macdonald on January 30th:

Rural municipalities want to regain their authority to set road weight limits.

And apparently even your chairman of the law review committee made that statement:

This information comes from responses to questionnaires distributed to the municipalities by the committee.

Basically, at the start of our estimates tonight, I was wondering, do you have an interim report, or is the Chairman just speaking from what he's heard at some of the meetings, or where is it at?

I could go through more of this article here, but I think the concern there is that a certain grade is built up; it wasn't

really compacted, or not enough of a gravel base put on. The R.M.s do a better job of their rural oiling, I think, than a lot of the highways that just put that eggshell treatment on. I like the hot mix they put on, where they get a nice 2-inch layer on there. And that will hope up pretty good if you can do a reasonable maintenance of heavy loads, and especially closer to the edges of it.

And I think, from some of the R.M.s I've talked to about, that got into oiling in my riding — and there's only three of them — that suggest that they'd like to set the limits. I think Coronach is unique in that they have very heavy equipment on their grid road down around the mine site. But that's an exceptional road because SPC originally took it over and built and maintained it. So it's not quite the same as if the R.M. is totally responsible for that access road to the mine site which is . . . I'm not sure what you'd call it; it's an abortion between a highway and a grid road.

But the other oiled highways in my riding are ones that are quite a bit of concern. Basically because either the R.M.s have their own packing and maintenance equipment, and that they look to outside help to have them patched; and so they're quite concerned about load limits that are being used on those roads. And I'm wondering, should there be some flexibility that if an R.M. decides that the maximum load we want to place on a certain road is so much per inch, and instead of going to the 500 pounds for instance like you do on highways, they might want to set theirs at 350 or 400 pounds to protect their expensive pavement. And I'm wondering if there's some flexibility there; if there's some change we could make that would allow each R.M. to dictate their own load limit.

Hon. Mr. Hardy: — Mr. Chairman, that's called an industrial road system, that one you're talking, into Coronach. If there's weather conditions or road conditions that they think would damage the road, the R.M. council has the right to set load limits on there. They have that right. And they also have the right to set load limits or road bans on during weather that is . . .

An Hon. Member: — Like now.

Hon. Mr. Hardy: — Like now, yes, if they wanted to. And they have that right to do it. So it's up to the R.M. council. We leave it at their discretion because a provincial government cannot go out and look at every road and every R.M. so we allow them to make their own decision, which they have the right to do and the power to do.

Mr. Hopfner: — Thank you, Mr. Chairman, and Mr. Minister, I know that, and I respect the fact that you're new in the portfolio of Rural Development, but I know also that your officials are well versed with my constituency, Cut Knife-Lloydminster. Mr. Minister, in fact the government does have a heavy-haul road program and that program fits into my riding.

I do have some problems, Mr. Minister, with the fact that in light of the heavy oil situation and heavy traffic in my riding, I'm wondering in light of the letters that you have received and I've been cc'd on, what your response was to the north-west region, the group of R.M.s in my particular region, in regards to maybe enhancing that program, the heavy-haul program.

Hon. Mr. Hardy: — Mr. Chairman, in answer to the hon. member's question: in that area we recognize that there's a real problem up there with the amount of oil traffic that's been in your area, especially in the last year or so. And so what we've done, we've allocated it sort of separately so it's actually double the allocation they can do to build, or use to build in their area now.

It's probably not enough, but it's a lot more than it was, and it will allow them to build considerable amount more of road at the high quality standards that they would build at the heavy-haul, high-traffic volume road standards that we're asking for.

Mr. Hopfner: — Mr. Chairman, Mr. Minister, yes, I recognize the fact. I do have some problems though, and we do as R.M.s, and representing the R.M., we do have problems with a shortage of gravel up in our area. It's becoming a thing of the past, and it's going to be come a thing of a long haul situation for our area. And I'm just wondering if your department has or is looking into any programs to help specific areas such as my area, where there is such shortages.

Hon. Mr. Hardy: — We have two programs that we're looking at in two R.M.s up in your area. We're looking at a dust proof type of a commodity that was brought out at that . . . that was presented to us at the SARM convention. I don't have the name of it.

We're going to do two roads up in two different municipalities in your area to see how that will work for dust proofing, because there's a lot of dust in your area, as you know.

And the other one we have now is a gravel find program. In other words, we will help fund up to whatever your allocation is, whatever your grid road system percentage is, that would be to help you look for new gravel or more gravel in your area, because we know there's a real shortage up in some areas, and other ones such as Nipawin has the same problem, Carrot River, Arborfield. There's others in different areas that have problems trying to find gravel. We have that gravel research program which will help some to look for more gravel, but we don't have anything other than that.

Mr. Hopfner: — Well, Mr. Chairman, Mr. Minister, it's appreciated for those type of programs, but the types of conditions that my R.M.s have run up against in the types of lands, that we are in a fairly fruitful area, farm land area, and rightfully so. There'll probably be a lack of gravel.

What I'm asking you, Mr. Minister, are you or your department looking into the fact of assisting R.M.s that, anywhere in the province then, that if there is no gravel within their areas, instead of the assistance of finding it, will there be an assistance to help transport gravels to maintain the roads that are being pounded out by the heavy traffic in those particular lines?

Hon. Mr. Hardy: — As you know, we brought in that regravell program, which would help them on a short-term basis this year and in continued years, if we keep the program in place. And it's cost-shared 50-50,

whatever the cost may be to bring in the gravel from wherever you need to bring it, whether it's crushed or however. And that's on all designated road systems, and that would also apply to any roads in the area that's main farm access, primary grid, other than the oil surfaces.

We do have the heavy-haul, high-volume assistance that we put out, and that does in fact allow up to a 3-inch layer of oil surface that we cost-share about 80 per cent, in the neighbourhood, main farm access plus 20 per cent, which can run as high as 80 per cent cost-shared, to try to help some of those areas up there that are having problems both with gravel and the heavy volume and high-traffic areas.

Mr. Hopfner: — Yes, Mr. Chairman, Mr. Minister, I agree, and it's a very worthwhile program, and I thank you and your officials for initiating such a program. It has been well received by all the R.M.s; I mean, they were ecstatic about it. And this is the first time they've been actually heard in many, many years.

But, Mr. Minister, what I am trying to establish is that: are you and your officials in the future looking at instituting any new policies in regards to emergency road funding? It's a point where we're running short of gravel, which I've indicated. The cost of maintenance is sky-rocketing for the R.M.s — shortage of gravel.

Would it not be cheaper, Mr. Minister, for your officials, your department, to maybe direct dollars for these particular type of R.M.s into channelling more road repairs, enhancing that program on a per-year basis so they can get into that 3-inch topping, more 3-inch topping, and therefore lessen the burden of having to look or probably have to haul the gravel for a long distance?

Hon. Mr. Hardy: — Well I certainly appreciate the points you make, and certainly a couple of years ago we went to an enhanced maintenance system. And now we went into an enhanced gravelling type of a system, which helps somewhat on a short term. And we're certainly going to have to rationalize how we can put together the new or designated road system in this province.

We're going to have to go out and take a look. The delivery points have changed, other than your area. Elevator systems have closed; rail lines have been abandoned. The roads that were used previously may not be used near as much now, so we'll have to take a whole look at the province of Saskatchewan in general, and then look at the areas that need it and in fact do more work in those areas. And we may well have to look at more high-volume or high-traffic-count roads that need the blacktop. It may be the answer up there. We're looking at that now.

This is a test or sort of a pilot project to see if it's accepted first by the R.M.s, accepted by the public, and is it good return for a dollar. In our view so far, it's been all three. But, you know, we'd like to do a little more testing on it. But over the next few years we definitely have to come with a whole new type of a designated road system.

Mr. Hopfner: — Mr. Chairman, and Mr. Minister, yes I agree. And I thank you for that type of an answer, because

then I know that I can tell our people that we can look forward to better things from your department. I do have some problems, as of the way the roads were built some years ago, with the fact that the compaction of the roadways had not been there before. They've brought topsoil in, and they built roads out of topsoil and everything else. And there is some problems with that for us to do to catch up — to catch up.

Mr. Minister, your answer has brought me into the other subject that I wanted to raise with you, and that is also a problem in my riding and on the roads, in regards to the inconsistency between the Alberta and Saskatchewan weight system. Mr. Minister, is there any direction that your department is taking in being able to lessen the costs for our truckers, farmers, oil industry? Is there any direction your department is taking, along with possibly the Department of Highways, into the fact of, when they turn off the major arteries onto the rural roads, that the weights that our Saskatchewan contractors are bringing in from Alberta, instead of having to unload 6 metres of oil or whatever, that they're going to be able to be consistent and to make it a much more profitable situation for our truckers, our contractors?

(2000)

Hon. Mr. Hardy: — Certainly I understand, we're aware of it, that there is a problem out there where folks come in from Alberta, and there's weights even in Alberta to Saskatchewan. I understand Department of Highways has been working with SARM and with our department and with the Alberta department. In Alberta they have counties, so they have a little different system set up and it's a little easier to control. It's just not one R.M. here; like, we have a lot of R.M.s to make up one county, and so it's a little different system.

But yes, there is a concern there and it needs to be addressed. And I understand the Department of Highways are looking at it now to see if they can in fact work with Alberta to set up a sort of a uniform type of a system, so it would be the same across. Some of the grid roads are not built, as you said, the standard that's needed to take a high volume, so I suppose there'd be some concern by the local R.M. . And again it goes back to the local R.M.'s discretion, what they'd like to do.

Mr. Hopfner: — Well, I'll be looking forward to some of those developments in the future also, Mr. Minister.

Mr. Chairman, and Mr. Minister, I was wondering if you could explain to me when the road bans go on, if that is the responsibility of the R.M.s to enforce the road bans, and if so is there a platform or certain type of legislation or something, R.M. legislation that they go with, or is each R.M. allowed to have a road ban on here and a road ban on there for six weeks and one other R.M. have a road ban on for four weeks, etc. This also has been posing a problem on my truckers out there.

Hon. Mr. Hardy: — It's similar to what the member from Assiniboia-Gravelbourg asked. They can . . . Each R.M. can in fact set their own weight limits when they have a road ban on. The only ones that could enforce it . . . Like I said earlier, the reeve could. He has the authority to, but

they never do. I've never heard of one ever doing it, and I don't think I'd want to do it if I was a reeve. The traffic officer, if you have a local officer, he can. And there is RCM Police who is designated to rural Saskatchewan who can enforce it. Now that is the only one unless they wanted to hire a traffic officer of their own which they have the right to do if they so wish. But I've never heard of them doing that either.

Really it's a local traffic officer if there's one in the area, or any traffic officer, or the local RCM Police could in fact enforce it because there is some assigned to rural Saskatchewan as well as just urban Saskatchewan in every depot.

Mr. Hopfner: — Mr. Chairman, and Mr. Minister, I guess . . . Well if you haven't heard of it, I have, and it has happened in my riding, it does pose a problem where if the boundaries of the R.M.s where you can haul 3 or 4 or 5 metres of oil or more in one R.M. and then you drive into the other, and all of a sudden there's a surprise thrown upon you that you're overweight, and there's no dumping station. Do we have any uniformity, I guess, is my question?

Hon. Mr. Hardy: — Well, to do that they can, like I said earlier, they could set their own weight limits or they could issue a permit to operate at whatever weight they decide to allow that person to operate on. But there is a problem because each R.M. is only about nine townships in size and because of that, and because the area up there where you've got heavy oil traffic movement from one R.M. to another, there in fact could well be differences in the weight limits in one R.M. to another during types of seasons like spring, or heavy rain time when they decide to put a ban on. Normally it's the spring season when the breakup is on and the road bans come on. The rest of the year they're usually basically all the same.

Mr. Hopfner: — Well, Mr. Chairman, Mr. Minister, I guess I probably what I'm suggesting is that although what you have answered may be correct, it still poses a problem on the firms operating out there, and it is a costly problem. It is either by ticket by the provincial body if they are policing it, or it's a problem with the R.M.s.

Now what I'm asking is that the road bans are put on and off in one R.M. to another and there's no uniformity there. There's no real guide that our truckers can go with. Are we, and you and your department officials, are we working towards getting these areas together and developing some sort of a policy that we could live with?

Hon. Mr. Hardy: — One thing we've been doing over the last few years is trying to get the R.M.s into a block so that wouldn't happen. We've been working on it. The odd R.M. has the right, and they've used it to sort of opt out of it and say, I'm out of it.

If you had a specific area up there, we could talk to the SARM, executive of SARM, and maybe work with them to try and see if we couldn't resolve it by doing . . . maybe putting in some more heavy-haul, high-volume roads, or whatever is necessary to do it to work with them. Because there is a concern by a lot of the people using it up there, where they use it day after day, that there should be some

uniformity to it. And we realize that, and it's been getting closer together and a lot of areas go in in blocks now and we don't have that problem. There is still the odd area that we have one or two R.M.s who has the right to opt out and don't stay in it, and so there is a problem. But if we know about them, we can sometimes sit down and work it out with them.

Mr. Hopfner: — Mr. Chairman, Mr. Minister, well in closing I would, as I'm sure the members of the opposition will not agree, I would just like to say to you and to your department, keep up the good work, and congratulate them. And I'm looking forward to some of these enhanced programs that we've just been talking about. Thank you.

Some Hon. Members: — Hear, hear!

Mr. Koskie: — Well the last few words of the member from Cut Knife-Lloyd congratulating the minister had the minister blushing. He was so embarrassed to be congratulated for such a dismal effort. Everybody in the province knows that it's less than an adequate performance. But what I was to ask you, Mr. Minister, specifically here in respect to super grids, could you indicate the number of miles that were built during the last year?

Hon. Mr. Hardy: — In '85-86, our fiscal year, which was '85 construction year, there was 440.2 kilometres built.

Mr. Koskie: — And can you indicate whether there has been any adjustment to the funding formula, that is the amount that the province puts up versus the amount that the R.M.s put up? Has there been any increase in funding in the formula, or is it the same as what it was before?

Hon. Mr. Hardy: — It's the same as the program started quite a few years ago.

Mr. Koskie: — What, basically, just for my understanding here, what basically is the formula of the contribution of the provincial government versus the R.M.?

Hon. Mr. Hardy: — It's 10 per cent over whatever they'd be allocated under main farm access allocation, plus 15 per cent for anything over \$15,000 a mile above that. So it's main farm access percentage. And as you know, they vary from R.M. to R.M., plus 10 per cent, plus 15 per cent for any costs over \$15,000 a mile.

Mr. Koskie: — Can you advise me whether or not any of the super grid have been incorporated into the highway system . . . well, over the past, since you formed government? Are there any municipal super grids that have since been incorporated into the highway system?

Hon. Mr. Hardy: — We don't have it with us. It would be with Highways, but we'll get it for you and send it to you afterwards if you like. The deputy minister believes there was one north of Gull Lake that was take over by Highways. But there may be other ones. We'd have to check it and see — since 1982.

Mr. Koskie: — Where is the one located that you're talking about?

Hon. Mr. Hardy: — My understanding is it's north of Gull Lake up to Cabri.

Mr. Koskie: — Are there any plans at the present time for incorporating any other super grids or any other municipal highways, road system, into the regular highway system? Have you got any of that under consideration for this year?

Hon. Mr. Hardy: — As you know, Mr. Chairman, we get a lot of copies of requests sent to the Department of Highways requesting take-overs of main farm access, or grid, or primary grid, I assume. But we haven't . . . We don't have a record of it because Department of Highways would have that, and they're the ones requested we do. We do sometimes get a copy of the letter sent, but the R.M. councils generally send a letter to the Minister of Highways, and request to take it over.

Mr. Koskie: — You're saying that you don't, you haven't kept any records of that, are you? You're not appraised of any roads that have been incorporated into the highway system.

Hon. Mr. Hardy: — Well, we'd have the record of the roads incorporated into the highway system in the office, and I said we'd get it for you.

We'd also have any copies of the request that's been sent to Highways, that's been copied to us. We'd have them too. But they'd be over in the office. We'd have to get them for you. We'd have no problem getting them for you, but we just don't have them with us tonight.

Mr. Koskie: — Would you provide us with that information please, as soon as possible?

Hon. Mr. Hardy: — We'll put it together and have it sent over to you in the next few days.

Mr. Koskie: — Okay. In respect to the R.M.s we had put into place, in 1981-82, or '82-83 budget I guess, some capital grants for the R.M.s. I believe that the capital grants have since been done away with. Is there any plans for incorporating or providing some capital funding for the R.M.s?

Hon. Mr. Hardy: — No, Mr. Chairman, not in this budget.

Mr. Koskie: — One of the other thrusts that you were talking about when you spoke to the R.M. convention, Mr. Minister, was helping to attract industry to rural Saskatchewan. And that all sounds attractive.

(2015)

I was wondering what efforts have you taken to put that program into operation. Have you taken any steps? Have you done evaluation of . . . can you tell us more about what you mean by assisting in bringing more industry to rural Saskatchewan? What are your concepts that you were purporting to put forward at the convention?

Hon. Mr. Hardy: — Well, we did just get the details put

together here now, so we'll be bringing in to have ready for the House a rural development corporation, which will in fact allow communities — not only R.M.s but it's designed for R.M.s — but R.M.s, hamlets, villages, or even towns, to become part of a rural economic development corporation, where we would do funding to help them see what's needed out there.

And they would do it on . . . It would be funded by us, or partially funded by us to help them look at what's needed in the area; how it could be designed in the area; to find out what businesses are not there, and could be put there, such as short-line distributors, or just everyday usage type of businesses; also looking at what could be brought in in the line of processing or manufacturing and tied along with economic development and trade.

We'd like to put . . . It's just sort of a trial run. We have four communities now who have spoken to us that they'd like to take a look at going into it and working together as R.M. councils, towns, villages, hamlets — working together for the betterment of an area, not just necessarily their own town. They'd run it themselves.

We're putting together all the information that we have in regards to what small business, whether it be welding shops or whether it'd be processing that's in Saskatchewan, Alberta, Manitoba, and the northern States. That'll be available for these people. We have a slide presentation that we've put together that we're taking out as a trial run to see how they would feel about it.

We're looking at four areas: Wood Mountain down in the southern part of Saskatchewan, I'm sure you know where it is; we're looking at Zenon Park; another area, we're looking at Moose Jaw, where a city is involved; and also P.A. planning district, up there wanting to take a look and see how it works. So we've got four communities interested.

We have most of the stuff put together now to get it off the ground and running. We've been a couple of months working on it. We want to have the information available for the communities so they can in fact have something to draw on. Because, as you know, if you go out into rural Saskatchewan, really you don't have the ability to look into and find what might be available for your community. And we'll have some initial start-up type of a fund. We'll also have some ideas for them to look at. And then we'd look for more ideas from them.

But it will be something run as an area development, not necessarily in any one particular R.M. or any particular hamlet or village. We'd like to incorporate it as an area because, as you know, farmers deal in the towns and villages as well as the hamlets and live in rural Saskatchewan.

Mr. Koskie: — Well you know, this may be a noble direction to be following in attracting industry to rural Saskatchewan. But it seems to me . . . Are you co-ordinating the efforts of your department with some of the other departments? Because surely that has been a thrust of Tourism and Small Business. Certainly talking to the board of trade and the chamber of commerce

throughout my constituency, certainly they have been doing that. And they have been doing an assessment. And most of the towns around, and communities, have completed an assessment. And I wonder, are you in fact co-ordinating it, or is this some more hype? It's going on, and no results.

I mean, as I have said more than once that, as I look throughout the rural Saskatchewan. I see a lot of manufacturing and farm equipment manufacturing and other processing that were there during our term. And as I go throughout Saskatchewan today, under your administration, I just don't see the efforts other than many businesses which have closed down.

I go into Humboldt and I can find four or five businesses that have closed down. I can go into communities in my area, and implement dealers who have had to close down. I see the manufacturing — any manufacturing that is being done was established under our regime. If I look at all of the communities, and go to just about every community in my constituency, and there is some manufacturing going on — and I'll tell you, it hasn't been started under your office. And here again, I think, is some more hype.

You got it advertised in your Tourism and Small Business that you're going out to communities and you're getting new businesses started. And you've taken up the torch too and start announcing. But again, it's just like your major megaprojects. Fertilizer plant — they announced they're going to have a fertilizer plant. And when you read through the press release, it was to enter into an agreement to look at the feasibility.

And all I can say, Mr. Minister, is that rural Saskatchewan is not impressed with your efforts to bring any manufacturing. Certainly many of the small communities have lost businesses during your term of office. And I'll tell you, it's not a great effort that you have put in.

I want to ask the minister, in respect to the heavy traffic roads, and I think the member from Cut Knife-Lloyd was referring to some of that in his constituency . . . But I take it that you have a general policy of application where special grants are given where a road is designated as heavy traffic, for special grants to the municipalities for upkeep where the road is encountering very heavy traffic. What is the . . . Have you got that in place as a general policy, and could you indicate the nature of that policy as it applies to the municipalities.

Hon. Mr. Hardy: — Mr. Chairman, I'll just give him some of the information. I'll send a copy over to him, so he has it as a copy.

The high-volume roads are a minimum of 250 vehicles a day. The route should not parallel a highway by less than 6 miles. These routes should interconnect with highway network and provide an intercommunity service. And road lengths will be considered how, ever stub high-volume roads will be discouraged. That means little, short ones. We try to get it on a long type of a haul, where they're hauling from elevator to elevator or from farm to elevator, or where the area in the north-west up there where they have a lot of oil surface.

I have a copy of it here and if you like I'll just sent it over to you. It's do with all . . . They have the oil access roads, the industrial roads, the gravel haul routes, the grain haul routes, and the high-volume roads. And if you'd just like it for your information, I can send it over to you.

Mr. Engel: — Mr. Minister, a couple of detailed questions on the estimates, and as I look at them . . . When we did Tourism and Small Business, at least they had a line in there that indicated the massive amount of money they spent on advertising. In your department here, I know you must have a communication allowance. You print grid road maps. You're spending some money. Where and under what subtitle would I find the amount of money you spend on communication, and how much do you spend and who is your advertising agency?

Hon. Mr. Hardy: — It would be under administration, and if you'd like, I've got a thing I could send over to you. The grid road maps are \$22,000 abandoned railway right of ways is 9,000; season's greetings to The Rural Councillor was \$310; and a brochure development was \$1,300. A total of \$33,000 for the year, for '85-86.

Mr. Engel: — Did you use an outside firm to handle this contract work for you, or does the department hire it done themselves? Did you have an advertising firm?

Hon. Mr. Hardy: — For this year we have Smail advertising company will do the . . . Smail advertising company will be doing whatever advertising is necessary for us. But we have \$33,000 total.

Mr. Engel: — That is what you have budgeted for this year, or is that what you spent last year, or is it both?

Hon. Mr. Hardy: — I'm sorry. That's what we spent last year. Quite a bit of it, \$10,000, was spent on advertising abandonment railway lines for the farmers in the area; meetings to be held, the public notices; call for proposals and disposal of right of ways. They had to be placed in the local . . . And certainly placed on behalf of the local advisory committee. So most of it was spent . . . Of the 33,000, 10,00 was spent by the local people out there advertising their meetings for the railways abandonment lines.

Mr. Engel: — This year you said you're going to spend whatever is necessary. Should I take that literally and say that you're going to start an advertising campaign to try to turn the rural people around to support you, or how much of this is going to go? That gives you quite a bit of latitude if you're going to spend whatever is necessary. You might spend your whole wad, the whole 86 million. What are you . . . How much is it going to be necessary to spend? It would be nice to be a little more specific than to say we're just going to spend what is necessary on advertising.

Some departments are spending quite a little bit. I know Tourism and Small business went up by almost 30 per cent. How much more do you expect to spend? Did the new maps . . . The \$22,000 was that just . . . If I could get your attention, was that just to change the picture or were there other changes on the map? Did you print two maps last year, grid road maps, or was the new one printed

when you were assigned the ministry? So we had two sets last year, or what's the score on the municipal grid road map.

Hon. Mr. Hardy: — First of all, I wasn't the minister last year. No, it was a heritage year and it was done as a heritage package for people travelling in rural Saskatchewan. And there was only the one map put out.

You asked how much that we estimate this year. And I was just asking, and they feel it'll be about between 15 and \$20,000. A portion of that would be because we've still got a lot of rail line abandonments to advertise and so really the rest would be grid road maps that's put out every year to all councillors and rural municipalities and any place else that's necessary. So that's what it'll be.

Mr. Engel: — Who has the contract for printing the grid road maps? Do you put that out by tender or have you changed who prints that recently? Or is it the same people printing it all the time, or what's the score there?

Hon. Mr. Hardy: — I don't know. It hasn't even been decided for this year yet. I don't know who's going to print them. But the best price will print them. That's what it'll be. It's very little; it won't be very much anyway. It's basically the same every year and it has been for many, many years — the same as yours. I think it's run around 20,000-and-some every year for a lot of years now. And it stays about the same. So I don't know who's going to print them, but the best price will print them, the same as before.

Mr. Engel: — Well not quite the same. I was almost embarrassed with some grid road maps, I'm not sure if that's why the minister was moved, but when they had the big "help" sign across here, that might be good. But most people that carried the maps thought it's just a little out of date. I'm not sure if that hasn't been done since. I don't know if you think that was a part of a gimmick or what you decided to do there. But I would have hated to have my picture on that particular map. But what changes are you planning? Are there tender calls let when you have this determined? You said you'd do it by the lowest price. Do you ask for proposals, or do you call tenders? What do you do? It's a fairly major advertising amount here, 22 to \$25,000.

Hon. Mr. Hardy: — Okay, I understand it's being tendered right now through Supply and Services. And just to give you an idea. I go back to what the unit cost was over the years. And when I said it stayed consistent per map, and it depends how many maps you ordered . . .

In '81 Midwest Litho was the printer; it cost 35 cents. In '82 was Centax of Canada; it was 25 cents. In '84 was Modern Press, was 30 cents. In '85 it was Centax of Canada, which was more; it cost more to print that one — it cost 52 cents. And in '86 we're estimating that it would cost about 35 to 40 cents. So it's staying about the same as it was in '81-82, so that price per map is the same.

Mr. Engel: — Other than the heritage map with the extra pictures and stuff on it, I suppose costs a little addition to print that. Okay. And this is an area where the department . . . (inaudible interjection) . . . Would the member from

Moosomin want to speak, or does he want to continue shouting? Does the department do their own placement, or do you hire an ad agency? I don't remember you giving me that answer?

(2030)

Hon. Mr. Hardy: — Mr. Chairman, it's done through Supply and Services. It's done through Supply and Services; I don't know how it's done there.

An Hon. Member: — Oh, you've got to know.

Hon. Mr. Hardy: — Well I'm just saying who the advertiser . . . or who done the printing before. And it appears it's the same ones you had; it was done in '82. And there's been different ones pretty near every year, and it's out for tender right now, so whoever gets the best bid.

Mr. Engel: — Is the staff . . . have a reason why you're . . . Or I shouldn't word it quite like that. The member from Moosomin's shouting is distracting the debate here tonight.

But I see you have a cut in the amount of staff in the planning and research branch, and a cut in . . . another \$45,000 besides some positions cut there. Can you tell me why you need less people in planning and research? I tried to develop that theme earlier, that this new name for your department, the development of rural affairs — why you would need less people in planning and research. I was wondering, what are you cutting back or what have you completed in that area?

Hon. Mr. Hardy: — Well, Mr. Chairman, I understand that it had been vacant for quite a few years, and it was one of the positions that hadn't been filled for quite a few years, so it was just a position cut without cutting anybody out of a job. And it hadn't been filled, and so it was decided there would be no need for that position. And there was nobody working it and so it was a good position. If you're going to cut a position with nobody working it.

We have people there. We still have almost, well, eight people working; there's 7.9. I'm sorry, 6.4. There's still 6.4 people working there. And we have other branches there and they supplement each other, and it was a decision made because nobody had filled it for a few years.

Mr. Engel: — And what are you beefing up as far as a community planning thing? It looks like about \$100,000 extra over last year. How does that compare? And I didn't bring my Public Accounts with me. How does that compare with expenses? How much was your expenditure last year, and how does that compare with the \$100,000 you're planning additional in community planning?

Hon. Mr. Hardy: — Well, Mr. Chairman, those three positions came over from community planning services branch when the department . . . from urban part of a community service planning branch as part of a realignment. So there's three more people are doing extra

work over in there in regards to resort villages, and . . . Oh, I'm sorry, these three were particularly in regards to Qu'Appelle Valley because they were turned over to Rural Development instead of urban, because of the . . . Now the Qu'Appelle Valley, whatever the group that was set up, is not in place any more, so Rural Development is now doing it. We have three people to help work and make sure it's all put into place, the planning. It came over because of the deletion I guess, or the run-out, the expiry of the term of the Qu'Appelle agreement with the federal government.

Mr. Engel: — Do you anticipate . . . I know both my colleague and the member for Lloydminster-Cut Knife discussed this a little bit here. Do you believe that earth-moving and construction costs are going to stay fairly static? Because I see that area is staying identical to last year — \$2,272,830. That's staying flat there. Do you not anticipate a small increase in actual construction and costs going up? Or are you planning on doing a little less work there?

Hon. Mr. Hardy: — Well, Mr. Chairman, in answer to your question: in '85 the average price for excavation was 87 cents a cubic metre, and that's what averaged out over the system as we went along. We anticipate not much of a difference. But it depends where you're doing your — where the work is being done. And if it's in an area that's pretty easy to get at, and the cost may be down. So it varies from area to area and where the roads are being built.

We expect about the same number of roads being built each year. And some years it may go up, and some years we may get a lot more roads built for the same amount of money because of the cost of excavation is certainly, as you're aware, depends what the ground is like and rocks and muskegs and whatever else. So certainly it could vary, but we estimate it will be pretty well the same.

Mr. Engel: — Another area I was going to talk to you about tonight, Mr. Minister, and that is in the revenue-sharing formula. The R.M.s are complaining that they're not getting quite as good a deal as the urbans did. Do you feel that . . . And can you give me, send it over, the percentage and the amount you've been involved in in the revenue sharing as it's developed over the years, and how that compares with what the urbans are getting?

I was wondering if you could make that up because the argument I'm getting is that the urbans were getting a little better deal there — revenue sharing was increasing — while the R.M.s actually stayed flat or even maybe decreased in light with inflation. So I think there's a discrepancy there in how you're treating our country folk versus the city folk. And I wonder if you can give us a breakdown on that, if you haven't got it with you, because I know it's doing a comparison with the urbans. But I wonder if you've done that kind of a study or if you could get me that number.

Hon. Mr. Hardy: — Well, I don't know what the urbans were and I couldn't really give you that study because I can't really tell you what the urbans was. I can't really give you that study because we haven't done a study in comparison. I did tell you earlier that since 1982 that we

have, in fact, increased revenue sharing under the formula that was brought in by your administration by 24.4 per cent over the last four years. And it has varied from anywhere from 11.5 to 3 per cent, and it has been varying in there. But on the average over the last four years it has been 24.4 per cent total over the last four years, increase in revenue sharing.

And it is revenue sharing. The urbans don't have revenue sharing. They have it added directly to their . . . It's on a conditional type of a grant, so it's a little different. We have conditional-unconditional; we have revenue-sharing formula. It works quite well because R.M.s that are better off get less, and R.M.s that have harder-to-build roads, whatever else, gets more. And it was a pretty fair formula. It hasn't been changed, and I don't believe it will be changed. I think it's a good formula; it's been there for quite a few years. The R.M.s are satisfied with it, and we don't really intend to change it. But, yes, it's been 24 per cent over the last four years.

Mr. Engel: — Well the point I'm making: if the accumulated total for the R.M.s was about 24 per cent, the amount of money that went into helping the urbans maintain a tax level, just as a guess, would likely be more than one-third more than that. And that's the argument I'm getting that the R.M.s have had to cut programs and services to try and maintain the same kind of level of tax increases as their counterparts did in the urbans. And I feel that if you could show that in a paper that I could get another day, not only to satisfy myself but also possibly to make an argument to defend.

Like you said, I appreciate your straightforward comment that the revenue sharing that was implemented and the program that we did work out, it took some hard-nosed bargaining and it took a good selling job to convince an R.M. that we're not going to give you so much money for snow removal, and so much for this and so much for that, but we'll give you a blanket amount to deal with in revenue sharing, which has been very successful. And I appreciate the fact that you would comment and make that assessment. But the key is, how do you measure if it's enough?

And the only measure they have is: are we staying in line with the amount of money that's allocated to the R.M.s in comparison to what the guys are getting and for the services they can provide in the cities? I know that squabbles have arisen, or have come up, and I could even name some of if you like me to mention them. But say an example where a community project was being built, say a skating-curling rink complex or something, and the R.M.s were accused that you're not putting in your share compared to what the urban is contributing. And part of the reason was that the urbans had a richer formula they could work with and were actually getting more help from the provincial treasury that they could put in and kick in a larger amount and look better to the community raising the funds in the rurals. I think you've been a little bit slack there.

I just want to emphasize that point that revenue sharing works good if you keep the fund fluid and not get skimpy and hold it down. I think 24 per cent over four years is a

little bit negligent, is a little bit negligent when you think of the four years, the cost increases, and the inflation rate that's been in place . . . (inaudible interjection) . . .

If the member for Weyburn wants to keep hollering from his seat and talking about things he doesn't know anything about, I think you better go back to counting grasshoppers, Mr. Minister, because that's the only thing you're good at. That's the one comment I wanted to make.

The other question that I had to ask in summing this up: could you give me a list of the people that acted for your department in consultants and under contractual services? If I could have that same list as Tourism and Small Business provided for me, that would be very nice so that we could keep track of how much you spent over and above your staff positions — the consultants and those that were hired under contractual services. I think that would complete my questions. I think my colleague have a few more questions they want answered.

(1530)

Hon. Mr. Hardy: — Mr. Chairman, I don't think we have anybody under contractual services. We do have two consultants hired and I'll send them over to you. One was Mr. Jake Brown, the chairman of the task force on rural development, and the other one was John Marusiak who is now out on the rural law review committee. I'll send them over to you.

Mr. Engel: — How much did you pay those guys, if you want to read it in the record?

Hon. Mr. Hardy: — Mr. Jake Brown got \$7,000 for his, that's '85-'86 contract; and Mr. Marusiak got \$22,000.

I'll just basically respond to your concern about the revenue sharing. I know that revenue sharing . . . We've done, I feel, quite well, and I suppose you're to your own opinion, but since 1980 . . . compared to 1980, and going back from 1980 to the present time, the percentage of revenue sharing compared to what the R.M.s spent in '81 was 32 per cent; 32 in '82; 32 in '83; 32 in '84; and 34 per cent in '85. So it's basically held about the same.

The mill rates, the average weighted mill rates around the province, and that's average weighted, in '80 the increase was 3 per cent; in '81 it was 16 per cent; in '82 it was 11 per cent; in '83, 6 per cent; '84, 4 per cent; in '85 it was minus 1 per cent; and we anticipate about a minus 6 in '86 because of some of the things we've done. So it's been relatively stable I would say over the period of years going all the way back to 1980. I think that's all the questions you asked at that time.

Mr. Koskie: — I just want to review one other matter with you, Mr. Minister. And that has to do with the change in the taxing policies regarding trailer courts, and the trailers within the courts, of course.

Can you outline what particular changes that you have introduced to The Rural Municipality Act which has caused some concern to the trailer owners because there has been a very substantial increase in the amount of tax

that they have paid.

It is my understanding that it was your government that introduced a provision which changed the basis of charging a fee to the trailer owners, and now they are being assessed and a very, very substantial increase is taking place across the province.

And I'd like to ask you: is that accurate that The Rural Municipality Act was amended this past year, in '85, and that in fact you changed the basis of charging the fee to the trailer court owners?

(2045)

Hon. Mr. Hardy: — Mr. Chairman, that was always an option that's been there for quite a few years. I own a trailer court and my trailer owners have paid their taxes directly to the municipality for at least 10 years now.

What we did change, for the hon. member's attention, is that we . . . It was changed. Before, it was based on the square footage of the trailer. Now it's based on the value of the trailer, as per the square footage, because some of the trailers, as you know, were maybe 19 or 20 years old or so, and they had a very low value to them. And a trailer of the same size might be brand-new and it would have a high value. So now it's not based on the square footage. The assessment is now based on the value — the same as your farm or your house.

Mr. Koskie: — Well, has that brought about an increase of charge of fee to the trailer owner as a result of the amendment that you brought in? This is what I'm asking you.

Hon. Mr. Hardy: — Well, to some municipalities. Some places, municipalities didn't charge any fee at all, or didn't collect the taxes, didn't . . . weren't even assessed.

But what it did, it made it more fair. If you owned a new trailer, like you owned a new house, you paid more than if you owned an old trailer or you owned an old house. And it's the same thing.

If your land is only . . . If your land is poor it may be assessed at \$500 or \$1,000. If it's good land, it may be assessed at \$5,000. It's just fair value. And it's just fair. I don't think it changed, other than to make it fair.

For those who were in the lower . . . (inaudible interjection) . . . No. It made it fairer for those who were in the lower income — the lower-income people who in fact had usually the poorer trailers. So what it did was made it fairer for those who were in the lower income type of a trailer, and using the lower income bracket of income. And I think it's fair.

And some would have paid more, and probably some would pay a considerable amount less.

Mr. Koskie: — Well, I don't think you're going to convince the trailer owners up in Prince Albert, for instance.

And I want to give you something from the report here,

and this deals with the driftwood trailer court in Prince Albert. And the member of Prince Albert-Duck Lake was in contact with them. And you know what is happening in respect to the assessments in the driftwood trailer court in Prince Albert? It goes on to indicate that there will be increased taxes by as much as \$160 net year, according to the assessments that they have received.

And in the article it goes on and it says that the change from a licensing fee to an assessment was instituted by the rural affairs . . . by an amendment introduced to The Rural Municipality Act. And I'll tell you when it was introduced, just for your information. The third reading to the amendment, which increased substantially the taxes on trailer owners in trailer courts throughout this province was introduced. The Rural Municipality Act, Bill 90, which was given third reading on June the 6th, 1985.

So don't start saying that you have made an amendment here for fairness because what you have done, just like they are saying in Prince Albert, is increasing very substantially the taxes on the trailers. And don't start . . . This is sort of some more of the Tories' fairness — increase the taxes substantially and say it's fair.

Well I'll tell you, the trailer court owners and the families living in those trailer courts, paying as much as \$160 more in taxes, don't like your fairness, Mr. Minister, because it isn't fair. What you're doing is taxing and increasing the tax burden on lower-income people in trailer courts. That's what you have done.

And why don't you own up to it instead of trying to disguise it in some muted way of saying it's fairness. Big deal. Tory fairness, that's what you're giving us. A hundred and sixty dollars a unit increase, in one trailer court alone, and you say fairness is the way in which you're going. Well I'll tell you, to the families who are living here, low-income families, they don't believe it's fair, Mr. Minister.

And I'll tell you, when you call an election, you'll find out how fair you have been because these people will be voting to get rid of these unfair taxes, which have been imposed by your regime.

And don't start standing around and saying that it was the same 10 years ago. This problem resulted directly — directly — from your amendment last July. and so take blame. Own up to it. Quit trying to deceive the public, saying it's fair when you increase their taxes, as though you . . . It's some kind of a privilege to have to pay more for less.

This is the new Tory way of attacking the low-income families. This is what they're doing. Striking out against those who can't defend themselves, who can't afford mansions and large homes, but have to settle for trailers and the crowded conditions in a trailer court.

And what you have done is impose a very severe increase in taxes. And it was done by your amendment and you can't deny it. And we're sending out the release to every trailer court throughout this province to indicate the unfairness of your government to the families who are living in trailer courts. And I want you to stand up and be a

man and admit what you have done. And it was your amendment, and it wasn't the same for 10 years.

I'll tell you over here in Prince Albert, the member from P.A.-Duck Lake is on the run because he can't get into that trailer court, because you know what those families are saying? They're not saying you're fair; they're saying, get off the premises, you're no good. Get off, you're not fair to the families living in trailer courts.

So I ask you, Mr. Minister: isn't it in fact this so-called Tory fairness that you allude to, wasn't it in fact introduced in the amendment of The Rural Municipality Act in July 6, 1985? That's, in fact, when it was brought into effect, this new Tory fairness. Is that not correct?

Hon. Mr. Hardy: — Well, Mr. Chairman, I'm not going to get into a debate over the trailer assessment. But I'll say this only, that 10 years ago in my trailer court we went on to an assessed value for each trailer in my trailer court, and I have 85 units. They have been reassessed this year, and I don't know how it's worked out. But I do know that under the old system, especially in the R.M. of 461, they were charging less than the R.M. of 491. So there was two R.M.s side by side and had two different systems.

So what they did is they went to the new system when they were reassessed and they all came in under one type of a program for all the province of Saskatchewan. But remember — I want to make it very clear — that the R.M. of 461, in Prince Albert, has the option of abating the taxes and putting them to whatever they want. They always have that option if they feel it's unfair or not fair to the residents. And that's always an option that they have.

The assessment branch that was set up, this reassessment that was set up, was set up 10 years ago, in 1976, by the former administration, to go out and reassess all the province of Saskatchewan. There's bound to be some problems. There is bound to be some problems when you do a reassessment of the entire province; there's bound to be some problems. And some of these problems may have to — some of these things may have to be changed.

We have now contacted SARM and SUMA (Saskatchewan Urban Municipalities Association) in regards to what changes could and should be made, but in fact any time you bring in a new reassessment across the province, you will have some problems.

But in this area, in my belief, is what it does is equalizes the low-priced trailer. It brings it down to where it should be and brings in the higher-priced trailer at its value. Now what it does is give it to the lower-income person, in my view, and the higher-income person may well pay more. I don't know — but what it does — it's a fair way of doing it.

It's the same on all things whether you're assessing your car, your land, your house, your home, whatever it would be, there has to be a fairness there and it has to be honest value.

There's only . . . You can't go by a square footage. I know trailers out in my trailer court — in my trailer court — that would only be worth 2 or \$3,000. I have trailers in my trailer court that would be worth \$40,000. The size, they

may only be half the difference in size. And would it be fair to charge one-half of what the other one is worth — compare 2,000 to 40,000? I don't believe that would be fair, Mr. Chairman. And if this isn't right, well then if he's got an idea, the member may have an idea on how we can make it better. And if he has, I'd certainly welcome that opportunity.

We can go back to the old system if that's what he's suggesting and be — in fact, tax the lower-income one same as you tax the lower-income type of trailer, the same as you tax the better value trailer. And if that's what he'd like, I mean I'd like to hear from him, because whatever it is, whatever you do, will not always please everybody. And I know that. And he knows it too.

And certainly the assessment that was brought in 10 years ago and is just finishing now, a lot of people's been very displeased with it, but there happened to be some changes made. And any time you bring it in, no matter what administration brings in something, there's always some problems that may have to be resolved. And if he has an idea of how to resolve it, to go back to the old one — if that's his suggestion — change it, I'd like to hear it.

Mr. Koskie: — Well, Mr. Chairman, I have a way of resolving it, and that is calling an election and letting the people of Saskatchewan choose a government that will represent them properly . . . (inaudible interjection) . . . That's right. And that will be a solution. And I guess in due course it'll come, whenever you get the nerve up to call it.

All I want to ask you: have you had any representation from other trailer court owners throughout the province, your department, as a result of the change? I refer you here to a specific problem that exists in Prince Albert — the driftwood trailer court. And I ask you, have you had any representation from any other trailer courts in respect to the amendment and the effect that that amendment that you've introduced last year has on increasing the amount of taxes they're liable for?

Hon. Mr. Hardy: — Well, Mr. Chairman, I'm not aware of any from any trailer court in the province in regards to requesting or concerns about the change. I may have missed one, but I've asked the department people and they're not aware of any either. So, no, if it is, if there has been one, I've missed it. But I don't believe there has been any request from any trailer court in regards to the concern about the change of the assessment or the way the assessment is handled.

Mr. Koskie: — There's a cut in staff in administrative services of 1.5 person-years. I wonder if you could indicate what positions were cut.

Hon. Mr. Hardy: — Mr. Chairman, the one person was from my office; we cut one out of my office. And the other one was from a part-time secretary that we haven't been using. So that's the 1.5.

Mr. Koskie: — Just under administration . . . and you may be providing this information, but I want to be clear; and if you are already from my other colleague having asked it. Under administration, do you have any other persons under personal service contracts?

Hon. Mr. Hardy: — No, we don't.

Item 1 agreed to.

Item 2

Mr. Koskie: — Again, Mr. Minister, I wonder if you could explain, you have reduced here under planning and research, from 7.9 to 6.4, if you could indicate what positions were in fact deleted, or were they vacant positions?

Hon. Mr. Hardy: — I did explain it a minute ago, but the member might have missed. I did explain that a few moments ago. The member might have missed it. But was it two vacancies — a full-time research person and a part-time secretary that were vacant. So there were just two vacancies that were cut.

Item 2 agreed to.

Item 3 agreed to.

Item 4

Mr. Lingenfelter: — Mr. Chairman, under the municipal financial management services, under other expenses, the increase there from 436,000 to 89,000, close to 100 per cent increase. What would that be? Is that computers or some changing of systems? Can you explain what increase is taking place there?

Hon. Mr. Hardy: — Mr. Chairman, it's the rural law review committee that was \$47,500. That's total anticipated cost for the total year.

Item 4 agreed to.

Items 5 to 10 inclusive agreed to.

(2100)

Item 11

Mr. Lingenfelter: — This grant of \$6,000, is that for convention, or what happens to that money?

Hon. Mr. Hardy: — It's been a normal fee we've paid over the years just to defray normal operating costs to the association.

Item 11 agreed to.

Item 12

Mr. Lingenfelter: — Mr. Minister, if you could explain here, we have an 80 per cent increase in grants for construction of roads on Indian reserves from 110,000 to 196,000, or about an 80 per cent increase. What is going on there? Is that a change in the grant structure where all reserves will get an increase, or is this a special project? Can you outline why there would be? And I'm not arguing with it, but why you would have an 80 per cent increase in this one area of grants for construction of roads on Indian reservations?

Hon. Mr. Hardy: — It's an area under Indian land entitlements where up in the north-west where the municipalities have given up some of the community pasture for some Indian land entitlements, and the government has agreed to pick up the total costs of construction of 2 miles of grid road to there. The municipality would be totally refunded, and it's an estimated \$86,000. It's an Indian reserve access road leading to the reserve, and it will be totally funded by the Government of Saskatchewan — part of the whole settlement claim.

Mr. Lingenfelter: — As I understand the settlements that are taking place, they're basically financially the responsibility of the federal government. Will that money be rebated by the federal government, or is this money that Saskatchewan government or Saskatchewan taxpayers put in as their portion of this land settlement?

Hon. Mr. Hardy: — There's a total of 6 miles being built. We would get 80 per cent back on 4 miles of it from the federal government as part of the cost-sharing. The 2 miles we'll totally cost-share of our own within the municipality because the municipal roads are our responsibility. It'll just give them access out of that end.

So 4 of the 6 miles being built — 4 miles will be 80 per cent cost-shared by the federal government. The 2 miles remaining out in the rural municipality will be totally cost-shared by the Government of Saskatchewan, Rural Development.

Item 12 agreed to.

Item 13

Mr. Koskie: — This is a new item. I wonder if the minister would outline what this item, grants to community development corporations, is.

Hon. Mr. Hardy: — Mr. Chairman, I outlined briefly what it was. And I was saying that we would have in place shortly for the House a program or a development or a strategy for how we would implement the program.

It is designed to create an area, rural area development, within rural Saskatchewan. In other words, it would incorporate hamlets, villages, if they wanted to come in. But it's designed for hamlets and rural municipalities, and incorporating areas around it so that they would look at the feasibility of setting up where there would be a processing plant, or where there would be just some type of retail outlet, or whether it would be some kind of a distributorship, or whatever.

It's strictly where the government would help the municipalities establish it, and they would be operated totally by the local municipalities when it's set up or by the area development corporation which they will have. We'll call it a rural area development corporation, which will be . . . municipalities. There would have to be at least one municipality in it — certainly we would like to see more — and then some of the small villages and hamlets incorporated. If a town, city, or village wanted to come in and they could make it better for the area, I'd certainly

look at it, but it's designed for rural Saskatchewan.

Mr. Koskie: — And have you set out the criteria by which, you know, you'll give this grant? Is it on a per capita basis or it just . . . What is the criteria under which you make the grants to the community development corporations?

Hon. Mr. Hardy: — Well, Mr. Chairman, the formal proposal is going before treasury board very shortly, in fact new week, I believe. It will be a flexible type of a situation where we will sit down and work with the communities to try and make it better for them, to try and help them establish what is needed in their area. And certainly in areas such as Wood Mountain where they're looking at a major company coming in there to develop something there's a need for maybe services in a town where we can help, or the little village or hamlet. We can also put together the other towns around it, and the municipalities, and look at what is needed in that area for the farming, for the local hamlet person or the local urban folks, as well as the area around it.

Mr. Koskie: — Well saying it's going to be very flexible . . . What I want to know is: you can say it's going to be very flexible, and that may have some meaning; but I think what I'd like to know is, is it going to have a basic fairness to it? Fairness. Because many of the programs that you've introduced, and when you were in Economic Development and Trade — the minister sits there and grins — and I'll tell you, there was many a grant that was given out that other communities couldn't get, only certain ones.

So I ask you, Mr. Minister, you're dealing with this, and it's going to treasury board. What I ask you: when you have established the criteria, will you undertake to send to the opposition a copy of what is approved, in order that we can monitor to see whether or not this is going to be another program for the betterment of the promotion of the Tory party, rather than its main purpose of rural development and development in the rural areas? And so I ask you for your commitment to send over the basic criteria so we can examine it, because this government isn't fair.

Hon. Mr. Hardy: — Well, Mr. Chairman, I'll gladly send him a copy of the criteria when it's put together, as we'll also send out to all the R.M. councils around so they will also see it.

And it will be fair. It is a new area. It will take a lot of work. I believe that there's a need for it. I believe there's more to rural Saskatchewan than just roads and bridges. I believe there's people out there. And I believe it's time that we took a serious look at what we can do to maintain rural Saskatchewan and in fact better it.

So this is one step forward. It's a pilot project. And I would ask them to help as much as possible. If they have any ideas when we send the criteria over to them, if they have an idea, certainly send it back and give us their ideas. We'd welcome them.

Item 13 agreed to.

Vote 43 agreed to

**Consolidated Fund Budgetary Expenditure
Employment Development Agency — Rural Development
Employment Development Fund — Vote 65**

Item 14 agreed to.

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

Vote 43 agreed to.

Mr. Chairman: — Would the minister like to thank his officials.

Hon. Mr. Hardy: — Yes I would, Mr. Chairman. I'd like to thank the opposition for some good questions, and their nice, formal way that they represented them. I'd also like to thank the officials for supplying me with the answers that's needed to keep Rural development a very high spot in Saskatchewan. So I'd like to thank the officials and thank the opposition.

Mr. Koskie: — I want to, Mr. Chairman, if I could have your attention, I want to also join with the minister to thank the officials and to indeed indicate that we appreciate the minister's straightforward approach, working under very difficult circumstances of underfunding, but nevertheless being very straightforward. And so we thank him for the way in which he handled his estimates here this evening.

Some Hon. Members: — Hear, hear!

**Consolidated Fund Budgetary Expenditure
Co-operation and Co-operative Development
Ordinary Expenditure — Vote 6**

Mr. Chairman: — Would the minister like to introduce his officials please.

Hon. Mr. Hardy: — To my left here, Mr. Chairman, I have Bill Reader, deputy minister of the Co-operation and Co-operative Development. And over here, further on my left, I have Carmen Dybwad in charge of administrative services.

Item 1

Mr. Lingenfelter: — Mr. Minister, I ask this question, although I think we already have the answer. The personal staff that you have in your office that you've already given to us, you had a short list of three individuals. Have you got other personal staff in your office that would deal directly with Co-operation and Co-operative Development? Do you have another personal staff, or EA or secretary that would deal with that? And if you have, can you give us that list and send the amounts that they had paid across to us?

The ministerial assistant — the names you've given to me — I'll just quote the salaries that they're getting: one is \$2,266 a month; and another one \$2,696. I wonder in the

past year, have they had an increase in their salaries, and if so can you give me the percentage increase for both of those individuals?

(2115)

Hon. Mr. Hardy: — Mr. Chairman, the secretary, Gloria Bedier, didn't get any in '85 — no raise in '85; in '86 she got \$87 a month. And Jocelyn Davies had no raise since she came in — that's almost two years; and she got \$241 a month in '86.

Mr. Shillington: — Thank you very much, Mr. Minister, we would appreciate the salary of your deputy. You can supply that in writing if you like, and any raises that that individual might have gotten in the last 12 months.

Hon. Mr. Hardy: — Mr. Chairman, the deputy gets \$5,891 a month.

Mr. Shillington: — How about any increases over the last year, Mr. Minister?

Hon. Mr. Hardy: — Mr. Chairman, no; none in '85.

Mr. Shillington: — Mr. Minister, could you give me the details of any new loans guaranteed under the co-op guarantee board?

Hon. Mr. Hardy: — None, Mr. Chairman.

Mr. Shillington: — That in itself raises another issue which I'll get to in a moment. Mr. Minister, can you give me the status of . . . can you give me a list of the loans on which payments on interest or principal are not current?

Hon. Mr. Hardy: — Mr. Chairman, all loans are current with the guarantee board.

Hon. Mr. Hardy: — Mr. Minister, when was the last time that we had a loan guaranteed under the guarantee board?

Hon. Mr. Hardy: — Mr. Chairman, 1982. What was the last one? We have two pending right now — have application in and pending.

Mr. Shillington: — It doesn't strike me as exactly a frenzy of activity, Mr. Minister. I rather suspected that the last two might have been in 1982.

Tell me, have you had any applications which have been refused since April 26, 1982 — to just pick a date out of the air.

Hon. Mr. Hardy: — Mr. Chairman, none.

Mr. Shillington: — Mr. Minister, that leads me to another question: that is, the number of new co-operatives formed in 1985-86.

Hon. Mr. Hardy: — Mr. Chairman, 46.

Mr. Shillington: — And in 1984-85. Do you have that figure with you, Mr. Minister?

Hon. Mr. Hardy: — Mr. Chairman, I could go back to '79-80, there was 28; '80-81, there was 34; '81-82, there was 38; '82-83, there was 41; '83-84, there was 35; '84-85, there was 55.

Mr. Shillington: — And the figure last year: would you give me it again, Mr. Minister.

Hon. Mr. Hardy: — Mr. Chairman, 55.

Mr. Shillington: — Mr. Minister, can you give me, for those last year, can you give me a breakdown into the type of co-ops?

Hon. Mr. Hardy: — Mr. Chairman, the breakdown for '85-86 was: agriculture, 13; forestry, 1; transportation and storage 2; communications and utilities, 1; wholesale and retail, 7; finance, real estate and business services, 7; education, health, and social services, 8; recreation and personal services, 6.

Mr. Shillington: — Do I take it the 13 agricultural co-ops are . . . What are these? What kind of co-ops are they, Mr. Minister?

Hon. Mr. Hardy: — Mr. Chairman, the 13 agricultural are five feeder co-ops, 6 soil conservation co-ops, 1 far, and 1 machinery co-op.

Mr. Shillington: — Mr. Minister, I gather the department still does the inspection of credit unions in Saskatchewan, do they?

Hon. Mr. Hardy: — That's correct.

Mr. Shillington: — Mr. Minister, I don't wish to start a run on the credit unions anywhere, so let's try and avoid mentioning specific credit unions. I would like to know how many credit unions are experiencing financial difficulty, I'll put it that way. I know there's a number which . . . the media have bandied about a number of credit unions which have had financial difficulties. Mr. Minister, I would like to know how many there are. I'd also like to have a list of their names. I wouldn't necessarily want you to give me that list, but I wouldn't mind having a list of the names of the credit unions which are experiencing financial difficulty.

Hon. Mr. Hardy: — Well, Mr. Chairman, there's six that had some problems. They have been worked out and they're on the road to recovery. They're under supervision is all.

I don't really believe I should make the names public for those credit unions' benefit. If the member wants it in confidence, I would send it to him in confidence, if he wouldn't make it public. But I don't think it would be to the credit unions' benefit to make it public here. I wouldn't want to do that for that reason only.

Mr. Shillington: — If you're prepared to supply that, Mr. Minister? I give you my undertaking that it will remain confidential.

Mr. Minister, I wonder if you believe the inspection system is adequate. We've learned, rather painfully, the

inspection system, whatever it may be, for trust companies is not adequate. The problems sneak up on us, and then the taxpayer winds up picking up the pieces and it is enormously expensive. We've learned as well, somewhat to our surprise, that the inspection system for chartered banks is anything but adequate. We haven't yet had the report of Mr. Justice Estey from the Supreme Court on the chartered banks. But I think it's generally agreed that the inspection system by the Bank of Canada — it's not the Bank of Canada, it's the inspector's branch — was not adequate.

I wonder, Mr. Minister — I would appreciate a comment from you on the inspection system of credit unions. If I remember my statistics correctly, about 60 per cent of the banking business in this province is done by credit unions. It's an enormous sum of money. I'd appreciate, Mr. Minister, a comment from you on the adequacy of our inspections. Do we believe that we are as immune as humanly devised system can be from the kind of mess in which we found ourselves with respect to Pioneer Trust, and from the kind of unpleasant surprise that the Mulroney government got with the two failed western banks?

In this province, the credit unions are an overwhelming financial institution. As I say, I believe they have 60 per cent of the banking business in this province. And if the only inspection system is provincial, if I'm not mistaken, the province is a legal guarantor of the deposits on deposit with the credit union system. So there are few items, I think, Mr. Minister, more essential with your department than to ensure your inspection system is all it must be.

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I don't pretend for a moment — and I want to point out in this regard, without casting any aspersions on the credit union — that the inspection system which was set up for the chartered banks just suited the chartered banks right down to the ground. It was a very small inspection system. They said that was adequate because they were basically inspecting themselves. We found out to the tune of a billion dollars, I believe, that a self-inspection system is no inspection system at all. Now I know that we do do something of an inspection system here, but I would like, Mr. Minister, from you your comments on its adequacy since the fiasco with Pioneer Trust. Last year the fiasco with Pioneer Trust really came to a head after the Co-op estimates were done, so I wasn't able to raise this with your predecessor, the member from Saskatoon Centre, last year. But I do want to raise it with you, and I would appreciate your comments on its adequacy, if it's adequate. It seems to be the only inspection system for financial institutions in Canada that is. So if you wish to make that claim, I'll give you an opportunity, Mr. Minister.

Hon. Mr. Hardy: — Well, Mr. Chairman, just to . . . I'm

sure the member knows how it works. I'm sure he's very familiar with it, but there's three levels of security in the guaranteeing of the credit union system. The first one is the credit union itself. Then you have the Credit Union Deposit Guarantee Corporation where they have their own inspectors who do the inspecting, and then you have the registrar where we have our own . . . the Department of Co-ops inspects it sort of like on a check basis. What it does, these inspectors, I'm sure you're aware, have been there for many years. They have been monitoring what's been happening to the banks and being very much aware that they're right on top of everything that's going on within the system. They're working very, very closely with the credit unions themselves to make sure that all deposits are secure. Under the new Credit Union Act it allows our inspector to inspect the Credit union deposit Guarantee Corporation as well as the credit unions themselves. There's sort of a triple or four-way system there of guaranteeing that we shouldn't miss anything, and I don't believe we are.

I believe we have a really sound system. It's been there for years and has been improved on over the years by basically the same inspectors who have been working the system, and I believe they're doing a very good job. I'm sure they've learned from the banking problems that have been across Canada, and we'll keep a handle on it. I can't say more, except I believe it's very, very sound, the system we have, and they're monitoring it very closely.

Mr. Shillington: — Do you have a staff, Mr. Minister, to inspect all credit unions every year? What level of inspection are you doing?

(2130)

Hon. Mr. Hardy: — We do sort of, like a spot inspections of credit unions, but we do more inspections of the guarantee — deposit guarantee corporations, more so than the credit unions themselves, although we have the right to do it, and we can do a spot inspection for any reason at all we believe we should go into there. But we do our inspection on the deposit guarantee corporation which is part of the credit union itself.

Mr. Shillington: — How many inspections, spot inspections, then, did you do?

Hon. Mr. Hardy: — We don't have the exact number, but the best guess is about 70 or better that was spot inspected last year.

Mr. Shillington: — You obviously have the number, Mr. Minister. What you're saying is you don't have it with you. Is that what you intended to say?

Hon. Mr. Hardy: — That's correct. the deputy didn't have it right with him. We can get it for you. But he estimates it was 70 or better.

Mr. Shillington: — Okay. I doubt we're going to finish these tonight. Would you then, Mr. Minister, have that answer for me tomorrow morning? I assume it's readily available during normal working hours by simply phoning the branch, the registry and inspection branch. Would you give me that undertaking, Mr. Minister?

Hon. Mr. Hardy: — Well, if we do finish tonight, I'll still send it to you anyway, regardless.

Mr. Shillington: — Mr. Minister, how many credit unions are there? How many credit unions are there in the province?

Hon. Mr. Hardy: — Mr. Chairman, there's 217 credit unions and 140 branches.

Mr. Shillington: — So what you're saying is that at this rate of going we inspect credit unions, each one, about every three years. Except I assume that doesn't happen, because I assume there's a cluster of some number that you want to inspect every year because they're a bit — some of their operations are a bit dubious. So I assume there's some that get an inspection every year.

I wonder, Mr. Minister, how long it is before you have a complete inspection of the system from stem to petal?

Hon. Mr. Hardy: — Mr. Chairman, as you know we get a continuous paper flow on how they're stacking up and what the trend is within the credit union. The reasons they would go spot check one — and there may be other reasons — but one of the reasons is that if they see the trend changing a little bit, they may decide to go out and do a spot check to see if, in fact, it is true.

At the same time they don't intend to inspect. There may be credit unions they never inspect for years. If they're sound financially . . . the deposit . . . the guarantee corporation says they're in order, the paper flow shows they're in order, and unless for some reason, we may not inspect that particular credit union. There may be other ones we would inspect on a fairly ongoing basis if the trend isn't just right; if they see a trend falling or there's a problem coming. We try to anticipate a problem before it arises and not after, and that's the reason it's done that way.

Mr. Shillington: — Well, Mr. Minister, I wonder if that's adequate. Again, without casting any aspersions on the Credit Union Central or the management thereof, one thing we learned from the inspector of banks that a self-inspection system is not an adequate protection for the taxpayer. Who would have thought — when I say I'm not casting aspersions on the management of the Credit Union Central — who would have thought that the charter bank system needed any inspection system at all. The inspector of banks told the Estey commission that it was basically a self-inspection system supervised by his department. That turned out to be inadequate, Mr. Minister. It seems to me that's basically what you're telling us we have here. And I wonder again, Mr. Minister, if that's adequate. The sums which the province would have to pick-up are enormous — just enormous.

And I wonder, Mr. Minister, in light of the rash of troubles which have hit Canada's financial institutions in these times of Tory prosperity . . . give me a bit of that good old NDP depression and stagnation to work our way out of some of these problems; but we don't have it. We've got Tory governments virtually in provincial and federal governments. So we got this good old fashion Tory

prosperity. It seems to me since we have these economic problems which are impacting in a serious way, which are impacting very clearly on financial institutions, it behoves those who are inspecting the financial institutions to be doubly careful.

I note, Mr. Minister, that your staff in the inspection branch has been cut by one. And I really wonder if that's prudent. I would have thought, given the problems which have beset banks, trust companies and admittedly . . . and, you admit, the credit union system, I wonder if it's wise to be cutting your staff by one. I would think, Mr. Minister, it would have been more prudent to augment your staff.

So I ask you, Mr. Minister, whether or not you think the system you described is adequate? You're obviously going to say it is. But I would appreciate something with more depth in it than just saying, yes, I think it is. I wonder how, Mr. Minister, you think that in light of the difficulties which other areas have experienced, and the taxpayer hasn't picked up any pieces from the credit union system . . . But the cost of a problem to the taxpayers is simply something that can't be tolerated. We couldn't tolerate ignoring the problem, and it's almost beyond the capacity of the province to pick up the pieces. The only option therefore open to us is to make absolutely certain, so far as any humanly devised institution can do so, that the problem doesn't occur. We know, Mr. Minister, as a result, in the light of recent events of the last two years, that the finance institutions we once thought were absolutely unassailable are not. chartered banks are; trust companies in this province which everyone had implicit faith in have gone bankrupt — a trust company which everyone had implicit faith in has gone bankrupt.

And I say, Mr. Minister, we can't afford a mistake. The consequences of some . . . A problem with the credit union system — I'm not suggesting one is imminent — I'm saying the consequences of a problem would be too horrendous to ignore and too large to be dealt with; and if it ever happened, I just don't know what we would do. All we can do is to be dead certain, so far as we can, that it doesn't happen. I wonder, Mr. Minister, if you think you are meeting that standard, which I admit is very, very high?

Hon. Mr. Hardy: — Well, Mr. Chairman, I believe we're meeting that standard. I believe the record speaks for itself. There were six, I believe it was, that we were looking at that . . . checking to be sure there's no problem. Out of almost . . . you must remember, that's out of 217 credit unions and 140 branches. I think that in itself speaks very closely.

We monitor all the rest on a very, very close basis. The Credit Union Central monitors the credit unions themselves out there through their system. We have inspectors who, on a day-to-day basis, if there's anticipated a problem in the area, that monitor. They go out and spot check just to be double sure.

I believe our system is good. It protects . . . The system's designed to protect the deposits of the people depositing money in there. It's also designed to protect the province of Saskatchewan. And I believe that the system that's

been there for many years — the inspectors who are doing the job who have been there for many years — are very competent. I believe they're doing an excellent job, and I believe they are, and have a very, very fine system out there. And I suppose no system is absolutely foolproof, but I believe that it's as close to being that as possible.

Mr. Shillington: — Well in light of the apparent need for more through systems, how is that you're reduced the staff in this branch by one?

Hon. Mr. Hardy: — Mr. Chairman, there wasn't a reduction of an inspector. It was a secretary moved from one position over to another to do work. so that's got nothing to do with the inspection part at all. And that happens within departments; they allocate secretaries back and forth and between one department or another, second them or whatever. So that's how that happened, and it wasn't an inspector.

Mr. Shillington: — Mr. Minister, I didn't follow that. You said there was no reduction in an inspector, you moved a secretary from one to another. Are you saying you transferred a secretary to another branch of the department and eliminated the position?

Hon. Mr. Hardy: — Mr. Chairman, the secretary of the guarantee board moved to another branch and that's — within the department, and that's how that came about.

Mr. Shillington: — Which branch, Mr. Minister?

Hon. Mr. Hardy: — Well it moved to support service in the administration branch.

Mr. Shillington: — Mr. Minister, of the . . . Let me deal then with a different area and that is the co-operative securities board. Can you give me the number of issues which were reviewed upon, and I'd appreciate a list of them as well actually, if you'd supply that to me. If for some reason it should remain confidential I'd be prepared to give you that undertaking. I'm not sure I know why it would remain confidential, but I'll . . .

Hon. Mr. Hardy: — Mr. Chairman, the securities board approved nine issues for a total of \$102,593,200. And it's with some other material in here, but if he really wanted to . . . in fact, I see the member's name on here. But if he really wanted to have the information, I could sent it over to him, but I'd have to get it typed out because there's some other writing on it.

Mr. Shillington: — What, the Minister has some obscenities or some crib notes or something, does he, at the bottom of the page?

I would have to be a good deal more affluent than I am to . . . I don't know how an individual would make an application to the co-op's securities board. I don't know how that would work. But presumably the member from Souris-Cannington knows more about that than I do.

I would appreciate that list, Mr. Minister. If you wish to supply that to me in writing later, I would be prepared to accept that.

Mr. Minister, you have budgeted for co-op development, grants for co-op development, \$152,000 last year, and 150 — if I can find the page again, the book has closed on me — \$152,000 last year, \$152,000 this year. I wonder, Mr. Minister, with respect to that which was budgeted for 1985-86, how much of that was actually spent?

Hon. Mr. Hardy: — Mr. Chairman, there was \$129,500 actually spent in grants last year from the Department of Co-ops.

Mr. Shillington: — I'm sorry, the sound system is pretty good, but I could not hear what the minister said.

Hon. Mr. Hardy: — A hundred and twenty-nine thousand, five hundred dollars actually given out in grants last year.

Mr. Shillington: — Can the minister send me the list of grants that was actually given?

(2145)

Hon. Mr. Hardy: — I could. I could just read that . . . There was only three. One was co-operative youth in Saskatoon for \$5,000. One is Le Conseil, and I don't know if that is the right pronunciation of it, but it's in your constituency, for \$5,000. And one was the University of Saskatchewan in Saskatoon for \$119,500.

Mr. Shillington: — I don't, Mr. Minister . . . I note that that grant to the University of Saskatchewan was also made in the '84-85 year. I saw that in the Public Accounts. What is that large grant to the university for, Mr. Minister?

Hon. Mr. Hardy: — it's a five-year agreement and this is the fourth year of it. It's for co-operative studies at the University of Saskatchewan at Saskatoon.

Mr. Shillington: — When was the agreement entered into?

Hon. Mr. Hardy: — In 1982.

Mr. Shillington: — What date in '82 then, Mr. Minister?

Hon. Mr. Hardy: — I don't know, Mr. Chairman, but I'll get the date for him and send it over.

Mr. Shillington: — Well, there's an issue here, Mr. Minister, and if the former member from Kinistino was the author, so be it. The purpose of those . . . The philosophy once in existence behind the grants for co-operative development was not that we would fund . . . I think you are using these grants for a purpose for which they are not really intended. I'm not in a sense being critical of co-operative studies. It maybe a worthwhile activity, but for many, many years grants in aid of co-operative development was a fund to assist co-operatives in getting going.

The theory was, Mr. Minister, that the co-operative system had a unique value to this province and that it was a worthwhile expenditure of public funds to assist co-operatives to get going in various areas. Thus grants

were given, during the period of time that I was a minister, for a funeral co-op in one area, co-ops for a seed cleaning plant in another, etc. I note that those have disappeared and haven't been in existence since 1982. What you're now using the grants for the co-operative development for is essentially educational purposes. That may, Mr. Minister, be worth while, but it's not what those grants were conceived for.

It strikes me that once again, Mr. Minister, you're using a fund which was designed for purpose A to cover a purpose B.

And I think, Mr. Minister, if you felt that there ought to be additional moneys go to the University of Saskatchewan — I assume the College of Agriculture — then you ought to have found that money in Advanced Ed, and not have robbed this fund. This fund, I think, Mr. Minister, at one point in time had a purpose quite different from what you apparently now conceive it for.

Hon. Mr. Hardy: — Well, Mr. Chairman, the one, the conseil in the member's riding, the \$5,000 that went there was for the development of French within the French francophone sector, so that's one area that we're working on or have been working with the people to develop.

The co-op sector itself has started to take on a lot of responsibility in the development of co-operatives within Saskatchewan. And we're going to work with them. And I know what you're saying — the grant was set up as a part of an overall system to train for co-operatives. And they're continuing to do that, and I believe they will. But they also want to take a very active role in the development of Saskatchewan. And we've been working with them over the last — well the last six months since I've been minister, and before that when Mr. Sandberg was the minister. We've been working with them to, in fact, bring forward more of their own initiatives and their own ideas into the sector. And it's there. And what they're doing now is they're looking at such things as a co-operative venture capital project, and we've been working with them for the last three or four months in regards to that. It would be a new area — or a new era in Saskatchewan if it comes about, and I believe it's a very positive thing.

And those are the areas that we can work with them to make it better for them and for the people of Saskatchewan. And they've been taking on a lot of responsibility of their own. They feel they can handle it; they feel they're competent to do it; we do too. we feel they'll do an excellent job of it as they've proven over the years. And so we're just working with them, and we'll continue to work with them.

Mr. Shillington: — Mr. Minister, if you want to do educational work, if you want to do research — I gather that's what you say it's for, is for research. First of all, with respect to the council, that grant has been in existence for some time. That's not an innovation of this government, Mr. Minister. It's been around for some time. It's not an issue. Nor is it a very large sum of money.

Mr. Minister, the purpose of the fund and the reason why we have voted this fund — at least the reason why

members of the opposition have voted the fund, I think I can say on behalf of my colleagues — is we believe there's a role for assisting new and innovative co-ops in getting started. A funeral co-op, a seed-cleaning plant; new and different co-ops — sometime they need assistance. We do that, Mr. Minister, with respect to the private businesses. The department of industry and commerce — Tourism and Small Business it's now called . . . The Department of Tourism and Small Business and Economic Development do have grants they give to businesses; these are the grants that go to co-ops. It serves much the same purpose.

And you, Mr. Minister, because you don't understand co-ops, nor do you understand their parallel role, nor do you understand — you seem to understand their parallel role with private business, have taken this way and you're using it for something else.

If you want to do research, there's another subvote for that, Mr. Minister. You're using these funds for something that you're taking away from the co-operatives — their seed money. I think you're doing it because you don't understand what co-operatives are about. And you don't believe in them. And Mr. Minister, this is going to be a recurring theme with these estimates.

Here we have an instance of the department, of the minister, taking away money, taking away seed money only the year before an election. The year before an election they'll say any number of kind things about the co-ops. For the next three years they will beat up on them, they will, they will . . . (inaudible interjection) . . . Well, we're going to get the upgrader in due course.

They're going to . . . you take away the seed money which is important to starting new co-ops, important to getting new and different co-operatives started. This is anything but the best year; maybe the best year since 1982. But 55 co-ops is anything but the best year in co-ops.

The Minister wouldn't know — the member from Souris-Cannington who is yelling from his seat wouldn't know a co-operative — screaming from his seat — wouldn't know a co-operative if it left tire tracks in his face.

Mr. Minister, this money and these grants for co-op development is seed money and ought to be used for that. I say, Mr. Minister, that you ought to restore this fund to the purpose for which it was originally intended . . . (inaudible interjection) . . . Now the member from Maple Creek is yelling from her seat, as she has been all night.

Hon. Mr. Hardy: — Well, Mr. Chairman, first of all to make it — first of all, Mr. Chairman, to make it very clear what this \$119,000 was for, it was start-up money for the development of co-operative studies in the University of Saskatchewan in Saskatoon. And it's a five-year program to be sure that it gets set up.

And you're speaking about the lack of setting up co-ops or the lack of co-operative development within the party and within this province. And if you look over the last three years, and over the last four years, there's been more co-operatives set up than there ever was previous to that

in any one year — in '82, 41; '83, 35; '84, 55; '85, 46 — that tells me that, in fact, private sectors, co-ops, can work together as a working group to serve the people of Saskatchewan. And when you go back to — you talk about parallels. I believe that rural development and co-ops can parallel each other in this province in many, many ways. The co-operative sector and rural Saskatchewan are one and the same.

You belong to the Wheat Pool; you belong to the local co-op; you may belong to United Grain Growers; you can belong to a lot of folks out there. But those two, the Wheat Pool and local co-ops, are the two major co-ops that serve most of this province in many, many ways. And they are — they're serving our rural people. And they are parallels; they're the same; you're serving the same people. And that's why I believe that they can be paralleled with each other to better serve Saskatchewan.

Mr. Shillington: — Well what on earth does that have to do with the question, Mr. Minister?

Mr. Chairman: — Order, order, order, order.

The committee reported progress.

The Assembly adjourned at 9:58 p.m.