

The Assembly met at 2 p.m.

Prayers

# ROUTINE PROCEEDINGS

## PRESENTING REPORTS BY STANDING, SELECT AND SPECIAL COMMITTEES

### Standing Committee on Private Members' Bills

**Clerk:** — Mr. Britton, as chairman of the Standing Committee on Private Members' Bills, presents the sixth report of the committee, which is as follows:

Your committee has duly examined the undermentioned petitions for private Bills and finds that the provisions of rules 56, 57, and 60 have been fully complied with:

of the trustee board of Saskatchewan Conference of Mennonite Brethren Churches of Swift Current in the province of Saskatchewan;

of Millar Memorial Bible Institute of the village of Pambrun in the province of Saskatchewan; and

of the religious order of the Sisters of Charity of Montreal "Grey Nuns."

**Mr. Britton:** — Thank you, Mr. Speaker. Mr. Speaker, I move, seconded by my colleague from Moosomin:

That the sixth report of the Standing Committee on Private Members' Bills be now concurred in.

Motion agreed to.

## INTRODUCTION OF GUESTS

**Ms. Atkinson:** — Mr. Speaker, it gives me a great deal of pleasure to introduce to you, and through you to all members of the legislature, hundreds of Saskatchewan teachers who have joined us this afternoon for question period.

I am sure that each one of us have memories of a very special teacher or teachers that have made a tremendous difference in our lives. For me, there are four — Miss Douglas, Mr. Culham, Mr. Zultok, and Mr. Goetz — all high school teachers at Walter Murray Collegiate in Saskatoon.

Individual teachers have been important to the cultural, political, social, and educational life of our province. We are indeed honoured to have teachers with us this afternoon. We salute you and we welcome you to the legislature.

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

**Hon. Mr. Meiklejohn:** — Thank you very much, Mr. Speaker. It is my pleasure as well to introduce and welcome all of the STF (Saskatchewan Teachers' Federation) councillors who are with us today.

I know that these people are to be commended for the fact that they give up their Easter break to attend council each year. And this is a time when some very important deliberations are held, policies are set, and directions made for not only the coming year but for years to come, Mr. Speaker.

Having served on council at one time myself, I know of the very hard and committed and dedicated work that these people do, and I want all members to join with me in welcoming them as well here to the legislature today.

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, as well, I would like to introduce a couple of guests in your gallery, and they are the mayor of the city of Saskatoon, Mayor Dayday, and Phil Richards, director of finance, visiting us today and in Regina for meetings. And I would ask all members to join with me in welcoming his worship and Phil Richards to the legislature today.

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

**Ms. Atkinson:** — Thank you very much, Mr. Speaker. On behalf of the official opposition, I also want to welcome Mayor Dayday, who is the mayor of the city of Saskatoon — which is the city I represent — along with Phil Richards, the financial director.

I know that they're probably here to support the teachers in their meeting here at the legislature today, Mayor Henry Dayday being a former teacher himself. So welcome to the city of Regina and to the Legislative Assembly.

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

## ORAL QUESTIONS

### Funding for Education

**Mr. Romanow:** — Thank you very much, Mr. Speaker. My question was going to be to the Premier, but in the absence of the Premier I'm going to direct it to the Minister of Education, or perhaps the Minister of Finance.

Mr. Speaker, as has been pointed out by my colleague and the Minister of Education, the galleries today, publicly, are absolutely filled by teachers from all over the province of Saskatchewan who are concerned. They're concerned about education and they're concerned about the future of the children that they teach, and they're concerned because they've seen, Mr. Speaker, a consistent pattern of underfunding for education over the last eight years.

My question, Mr. Speaker, to the minister is this. In view of the fact that this current provincial budget did nothing to improve the situation — in fact I would say worsen the situation by having operating grants of less than 3 per cent which is less than the 5 per cent inflation rate — done nothing to improve the situation, my question to you, sir, is this: will you give the Saskatchewan teachers, the parents, the trustees, the House today, a commitment that

you will immediately review the government's current spending priorities with a view to freeing up much needed additional funds for schooling, for teachers, for trustees and the students.

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, let me tell the hon. member that education has been a priority in this province for as long as I can remember. There is no difference today than what there was when they were in power. The government of the day has always given as much money to educational spending as they possibly could.

And I think that we always have to keep in mind, Mr. Speaker, that when we are funding programs within this province, whether they be in health or in education or in other areas, that the amount of money that can be put into any budget is going to be determined by the ability of the taxpayers to pay.

We have not exactly enjoyed good economic times in this province in the last few years, as you would well know. And the fact that we are paying, or going to be spending in the coming year some \$888 million towards education, to me, Mr. Speaker, that is a very substantial amount of money going into education, and I can say that we can stack our record up with any other province or any other government in this country.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question for the minister. Mr. Premier, Mr. Minister, you say that the objective of governments has been to devote as much money as possible for education, but I draw to your attention, sir, that on March 12, 1990, the SSTF — the SSTA (Saskatchewan School Trustees Association), STF, LEADS (League of Educational Administrators, Directors and Superintendents), the educators and trustees all said in a rather damning and damaging press release that the funding for education has been gravely eroded by your government, sir. In fact in the words of the president of the STF, Susan Bates, quote:

We have gone through a long period of economic restraint that has left K to 12 education pared to the bone (pared to the bone).

That doesn't sound to me like doing all that you can for education.

My question to you, Mr. Minister, is this: in view of these facts; in view of the fact that there is a simmering contract dispute between the teachers and the trustees right now; in view of this press release; in view of the fact that your colleagues defended a few days ago a salary of over \$700,000 to the president of PCS (Potash Corporation of Saskatchewan, Inc.) because the market dictated it, my question to you, sir, is why doesn't your government apply the same principle when it comes to education and pay to education what the market demands so the students can get their benefit too?

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

**The Speaker:** — Order. I realize that question period is very interesting and, I guess, paying close attention, and they may be moved to respond themselves from time to time; however, I would like to remind you that the traditions of the House don't allow for guests in galleries to participate. And I'd like your co-operation.

**Hon. Mr. Meiklejohn:** — Thank you, Mr. Speaker. The current year and the past year and in decades in the past, Mr. Speaker, we have generally in Saskatchewan tried to keep pace as well as we could with what's happening in other provinces when it comes to teachers' salaries, benefits, payments to school boards, and so on.

That's no different this year, Mr. Speaker, than it has ever been. The fact is that the school boards have received, or will be receiving, a 3 per cent increase in their operating budgets this year, plus Educational Development Fund, some \$90 million which have already been paid out. That was something that was initiated by this government, Mr. Speaker.

And many of the directors of education in this province that I have talked with, and school boards, feel that the budget this year and the 3 per cent is fair. And the only concern that I have had raised for the most part about cuts in programs or cuts in staff is by members on the other side of this House.

Now let's point out quite clearly, Mr. Speaker, let's point out quite clearly that the enrolment in this province has gone down substantially, some 2,260 students in the last year. The number of teachers has gone up by 79. So for them to be saying that we're going to be having cuts and that all the school boards in the province are unhappy, that is entirely wrong, Mr. Speaker.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question to the minister, and quite frankly, I must say, Mr. Minister, I'm amazed at this response.

How in the world is it that you can stand up in your place today in this legislature and say, in the face of a press statement by SSTA, STF, and by LEADS, all of the educators who quickly and properly point out that funding is in fact at a very dangerous level, how in the world can you maintain the position that it is adequate funding?

Take a look at these figures, according to your budget: Arcola school division mill rate, up 11.5 per cent; Last Mountain, up 7.6 per cent; Tisdale, up 8.8 per cent; North Battleford, up 7.3 per cent. Moreover, you're passing the buck from Regina right on to the ratepayers and the local property tax payers, putting the crunch not only on the teachers but on the trustees.

Mr. Minister, my question to you is very simple. In the view of this united demand for increased funding for education — and keep in mind it's not for the teachers and the trustees; it's for the youth of tomorrow. In the face . . .

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

**Mr. Romanow:** — In the face of these shortages, in the face of the fact that we are going to be short-changing our future, short-changing our kids, in the face of all of this, how in the world can you justify \$370 million for Cargill and a cut-back for education like I've said . . .

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I think we see another example of the Leader of the Opposition playing fast and loose with figures. I think that if we consider the fact that the formula today that's used by this government and the Department of Education in funding school divisions in this province is the same as it was when they were in power, and we are looking at approximately a 50-50 split.

I can point out, Mr. Speaker, to the Leader of the Opposition, that in 1982 that the ratio then of provincial . . . the amount of provincial grant that was going in was, I think, in the neighbourhood of 51.1 per cent. Today, Mr. Speaker, it's 50.1. Now that's not a heck of a lot of a difference. And we can give them those figures, Mr. Speaker.

I would also point out to the Leader of the Opposition, when he makes comments about Cargill, and we're not giving Cargill 300-and-some millions of dollars. Again, playing fast and loose with figures.

You know, Mr. Speaker, if the Leader of the Opposition and that party, when they were in power, had been doing a little bit of building and developing some manufacturing and processing in this province, we might have more money for education today.

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

**Mr. Romanow:** — Mr. Speaker, I have a new question to the Minister of Education, and I can only help but ponder, where in the world has this Minister of Education been? We've not had 25,000 people leaving the province of Saskatchewan during our term of administration, as has been the case under your term of administration. That's how much building you've been doing. Where in the world has the minister been?

Here we have the Statistics Canada records which show that the per capita expenditure on schooling and the percentage on education is at the lowest level of all of the governments in Canada. Those are the figures right here.

**An Hon. Member:** — That's not right.

**Mr. Romanow:** — And the minister, the former minister of Finance, says it's not right because he's going to throw in the local property tax base as a part of the figure.

**An Hon. Member:** — You bet.

**Mr. Romanow:** — And they say, yes, you bet. Exactly, they're cutting back on their own responsibilities for education and loading it up on the local property taxpayers and playing the teachers off against the trustees,

and that's wrong. How about standing up and facing your responsibility for the children of tomorrow?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, the Leader of the Opposition insists on using numbers that are inaccurate and trying to mislead this House.

I've sent him a briefing note that I hope he will take some time to read, which clearly points out where we rank as far as spending on education in this country. And we are not last, Mr. Speaker, as the Leader of the Opposition would point out. We, in fact, are sixth in this country.

Mr. Speaker, when you stack that up with other provinces which have much more vibrant economies than ours, I think that we're doing very well to maintain that particular state.

When we talk about the net migration of people from this province, I could also point out, Mr. Speaker, that there were substantial migrations from his province when they were in power, and for the most part it has been tied to what is happening in the agricultural sector.

When you combine with what has happened in the agricultural sector in the last few years to what has happened in uranium and potash and oil, it's understandable why people are leaving. They're leaving to get jobs.

But again, Mr. Speaker, it points out the reason why we have to have more manufacturing and processing in this particular province — paper plants, Mr. Speaker, fertilizer plants, bacon plants, and other manufacturing industries.

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

**Ms. Atkinson:** — Now I wonder where you'd rank that answer on the bell curve, Mr. Speaker. I think, a real failure.

My question is to the Minister of Education. Mr. Minister, the Meadow Lake School Division actually received less in provincial operating funds than it did the previous year. Larry Zemlak, the director of education for the board, is quoted in the *Meadow Lake Progress* as saying that the board may have to make cuts in unspecified areas to make up the decrease.

What would you advise them to do, Mr. Minister? Cut teachers, cram more students into class-rooms, shut down schools? What should this particular local school division do as a result of your underfunding?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, there are two factors that we have to consider when we're talking about operating grants that school boards are going to be receiving. One of them is to do with assessment. The other one was to do with the number of students.

Now I'm sure that if you want to check the record that

you'll find that the number of students in Meadow Lake has gone down; and you'll also find probably, Mr. Speaker, that the assessment has gone up. Those are the two determining factors.

The majority of the school divisions in this province received more money than what they were getting last year. And that of course is to do again with those two very specific reasons — number of students and also what was happening with their assessment rate.

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

**Ms. Atkinson:** — New question to the minister. All I can say is, tell that to the farmers that have seen a tremendous increase in their local school property taxes, Mr. Minister.

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

**Ms. Atkinson:** — I have a new question to the Minister of Education. Mr. Minister, due to your government's underfunding, teachers are deeply concerned about conditions under which they now have to work. Your government is risking the very quality of education for our young people. How long do you expect teachers in this province to continue to do their job of preparing young people for the future in overcrowded class-rooms, without adequate prep time and with insufficient resources?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I think if you consider our schools in this province today, the condition of them, there's been a substantial improvement. There have been a lot of new facilities constructed in the last eight years. There have been a lot of facilities where renovations have taken place. There have been a lot of materials purchased over the last eight years with the Educational Development Fund — some 90 millions of dollars that have been provided. A lot of schools that have been able to upgrade their libraries, put in computer programs and do a lot of other things with regard to efficiencies around their buildings.

Mr. Speaker, I think that our facilities in this province, for the most part — and I will admit there are still areas that we have to continue to address — but for the most part, the facilities in this province are very, very good, compared to what you would find in other provinces in Canada.

I would also suggest that for the most part, the schools that I have been in — and I have been in many of them; I think much more than I can say for some of the members opposite — that there are going to be needs as time goes on, particularly with the core curriculum. And we must continue to work with the teachers and with the trustees to ensure that there are adequate materials and adequate equipment to implement these new programs.

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

**Ms. Atkinson:** — New question to the minister. Mr. Minister, I'm not talking about facilities, I'm talking about resources and prep time and teachers to make sure we

have an adequate education system in the province of Saskatchewan.

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

**Ms. Atkinson:** — Mr. Minister, surely you must know that teachers are being forced to take on more and more responsibilities. They've become social workers; they've become counsellors. They are distributing food and clothing to needy children. They're dispensing medications. They're taking on all kinds of functions that haven't traditionally been teacher functions. It's obvious, Mr. Minister, that our school system requires much-needed funds to put support services in place to support students.

And my question to you, Mr. Minister, is: when are you going to put funding into place so that teachers can do what they've been trained to do, and that's teach the young people of our province?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I would certainly agree with the member opposite — we don't agree on everything — but I would agree with her that teachers today are faced with many, many more tasks than what they used to have. I know that from my own experiences that there have been a lot of changes. We've got some problems in our class-rooms today that we didn't have five years ago. Teachers are being expected to wear more and more hats as time goes on, and to fill more and more roles.

So I understand that, and I know that we have to continue to assure that there is more support there. And we have to look at counselling services, Mr. Speaker. We also have to look at assistance in helping in those cases where there are hungry children in the schools, Mr. Speaker. We also have to take a look at the fact that many of our social workers are overworked. And that type of support is needed, Mr. Speaker.

But at the same time, we are going to have to ensure that all of the needs of our boys and girls are met in the best way that we can. I know that they need that support, and we have to continue to work together in trying to provide that support.

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

### Teachers' Superannuation Fund

**Mr. Tchorzewski:** — Thank you, Mr. Speaker. I too have a question to the Minister of Education. Mr. Minister, my question deals with a very serious issue of the alleged misuse of pension money.

While you are giving a commitment to Cargill Grain of \$370 million, Mr. Minister, you've taken money out of the Teachers' Superannuation Fund for other expenditures of the government. Teachers are worried about the security of their future pensions, and they have good reason to be. I ask you then, Mr. Minister: how do you justify this breach of trust in the use of the Teachers' Superannuation Fund?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, we've just seen another prime example of a member in the opposition trying to mislead. When he stands in his place, Mr. Speaker, and suggests that money from teachers' pension fund has been used for other things. That is totally inaccurate, totally inaccurate.

It's also something, I think, Mr. Speaker, for a member on that side of the House and the member who was in government back in 1980 when the pension plan was changed, it's also something, Mr. Speaker, for that member to stand in his place and talk about teacher pensions when in fact the practice that is going on today is the same practice that was followed when that party was in power with regard to taking money over and above the 7 per cent interest, Mr. Speaker.

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

**Mr. Tchorzewski:** — A new question to the same minister, Mr. Speaker. Mr. Minister, the practice you speak of began in 1985 under your administration.

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

**Mr. Tchorzewski:** — As the result of your actions in this budget, teachers have been forced to go to court over the breach of trust by your government. They don't want litigation, they want negotiation. And so I say to you, Mr. Minister, will you assure teachers today in this Assembly that you're going to put a stop to this; that you will speak to your officials in the Teachers' Superannuation Commission and that you will make sure that they begin to talk to the Saskatchewan Teachers' Federation and settle this thing once and for all, and will you give that assurance today?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, maybe we have to go back and review who was the minister of Finance back in the 1970s and back during the time when this new legislation was brought in.

Mr. Speaker, this is the same member who was minister of Finance who's asking these questions. What did they do with pensions? We are following the same rules that they did. We are bound by law, Mr. Speaker, to be making contributions into the Teachers' Superannuation Fund.

Mr. Speaker, let me assure you, let me assure this House and any of the teachers that are in the galleries today and any who are outside this particular legislature today: no one is in danger of missing out on their pension. No one is in danger of that, Mr. Speaker.

We are committed to ensure that we put money into the teachers fund every year as we have done in the past. Not only have we done that, Mr. Speaker, and met the minimum contribution that was necessary, but over the last eight years this government has contributed in excess of \$120 million in overpayment to the teachers' fund, Mr. Speaker.

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

**Mr. Kowalsky:** — Thank you, Mr. Speaker. A question to the Minister of Education. Mr. Minister, when you talk about the superannuation fund earnings, you are wrong in law and you are wrong morally.

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

**Mr. Kowalsky:** — Mr. Minister, in 1985 your government started taking earnings over and above 7 per cent from the Teachers' Superannuation Fund, and since then you took \$250 million in earnings from the Teachers' Superannuation Fund. That's why the fund is at risk; that is why the teachers in this gallery, Mr. Speaker, are concerned about the security of their pension fund.

Mr. Minister, can you table, can you document any authority that you have for this? What right did you have to take those funds?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, it's interesting to listen to the members of the opposition talk about pensions. I think the bigger question that we should be asking is what about the \$1.5 billion unfunded liability that was left behind by that government? If there's going to be any concern . . .

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

**Hon. Mr. Meiklejohn:** — We talk about rights, Mr. Speaker. If there's going to be any concern about teachers' pensions in the future, it's going to be as a result of the unfunded liability that was left behind by them.

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

**Hon. Mr. Meiklejohn:** — What gave them the right to withdraw any of the interest over and above 7 per cent when they were in power, Mr. Speaker? As I indicated earlier this government, during the eight years that we have been in power, have contributed in excess of \$120 million over and above the minimum that we were required to contribute by law.

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

### The Professions Act

**Mr. Romanow:** — Thank you. Mr. Speaker, I have a new question through you, sir, to the Minister of Education. And may I say to preface it that if anybody would believe the answers given by the Minister of Education today on any of the issues raised here, would believe that that government opposite would balance the budget, something they haven't done for eight years. They haven't been able to do that. That's how factual and credible they are.

My question to you, sir, pertains to the professions Act. Now you just sit tight and listen to the question because you might learn something, Mr. Minister, although I doubt it.

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

**Mr. Romanow:** — My question to you, Mr. Minister of Education . . .

**The Speaker:** — Order, order.

**Mr. Romanow:** — Mr. Speaker, my question to the Minister of Education is simple and important. Yesterday the teachers were shocked, I would say, and dismayed to hear that your government has been drafting for quite some time now, something called the new professions Bill, an omnibus Bill which would encompass control, regulatory control from Regina, Big Brother doing it all, including the teachers' federation and The Teachers' Federation Act. Yes, you have that omnibus Bill drafted.

Tell me whether it's been drafted and whether or not that's the intention of the omnibus Bill, and when are you going to table the Bill in this House?

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

**Hon. Mr. Meiklejohn:** — Mr. Speaker, I don't have to stand here and defend my record in education to anybody on that side of the House. Let's make that very clear.

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

**Hon. Mr. Meiklejohn:** — Secondly, Mr. Speaker, I would wonder if the member opposite was not at the same function I was at last night because I made it quite clear to all of these people who are visiting us this afternoon that with regard to the professions Act, that the teachers' federation will be exempt from any changes that are going to be coming into that Act.

That is an Act, Mr. Speaker, that is very necessary, as it applies to many associations and groups within this province. But as I assured the members last night, and I will assure them here again today, that under no circumstances will there be any changes that are going to affect the Saskatchewan Teachers' Federation when the new professions Act is tabled in this House.

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

**The Speaker:** — Order, order. Hon. members, question period is over.

**Hon. Mr. Hodgins:** — Mr. Speaker, before orders of the day, I would seek leave of the members to move a motion respecting the estimates of the Legislative Assembly.

Leave granted.

## MOTIONS

### Referral of Estimates and Supplementary Estimates to the Standing Committee on Estimates

**Hon. Mr. Hodgins:** — Mr. Speaker, I would like to move, seconded by the Deputy House Leader, that is the member for Rosthern, by leave of the Assembly:

That the *Estimates and Supplementary Estimates*

for the Legislative Assembly, being subvotes 1 to 3, 5 to 7, 17, 20 to 23, and 26 of vote 21 be withdrawn from the Committee of Finance and referred to the Standing Committee on Estimates.

Motion agreed to.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

#### COMMITTEE OF FINANCE

#### Consolidated Fund Budgetary Expenditure Rural Development Ordinary Expenditure — Vote 43

#### Item 1 (continued)

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, yesterday I spoke to you in some lengths about the very major concern that I have and the responsibility that you have as an integral part of the cabinet and as representing rural Saskatchewan. And I come back, before I get into some of the specifics, to reiterate that major concern that I have, and I don't think it can be taken lightly.

There is a history in this province, Mr. Minister, and the history of that province, when it started to turn around was in 1944 under the late Tommy Douglas. At the time that he came to office . . . and I want to go through the histories of the priorities of then and the priorities today. And I want to challenge what is happening in rural Saskatchewan today versus the history of the development of this province in working with the people of this province.

I take you back, Mr. Minister, when the late premier took over this province, Tommy Douglas, that this province was in decimation, disintegration, and it had the highest per capita debt of any province in the Dominion of Canada. There was virtually no infrastructure whatsoever. And through almost 20 years under the late premier we saw this province and rural Saskatchewan be developed. We saw power taken to our farms, and telephones, and highway built in grid roads, and hospitals and schools. And we saw the premier at that time, as the farmers came out of the Great Depression, alleviate the debt of farmers that were ridden with debt at that time, Mr. Minister. And he was able to do it on a very restricted base, a base of agriculture, small family farms at that time, particularly small, and he also had small business, but virtually no development of the resource sector of the province.

And as I said, during all of those years, he built the infrastructure of rural Saskatchewan which today we see being destroyed. Almost 20 years he worked with the people of this province, and with only the agricultural community base of taxation and small business, he was able to balance the budget. And that was carried on by successive governments under the late premier Thatcher and indeed by the last premier of this province of the New Democratic Party, Allan Blakeney.

And I want to say that Saskatchewan became the social

laboratory of all North America. There was a pride of the achievements and the accomplishments that we brought to all of the people of Saskatchewan. And I want to say that indeed Saskatchewan became a leader of North America.

And to mention only a few, hospitalization, the first hospitalization plan in North America.

Medicare, founded here in Saskatchewan by the people of Saskatchewan and taking health care to whether you could afford the expense of health care or not, it became available to all peoples across this province, and subsequently was adopted as a medicare for all people of Canada.

The prescription drug program, first program of its type and one of the best in North America.

Children's dental program which went out to our rural communities, into our schools and provided preventative dental decay. Those were services that were taken into every nook and corner of this province. And you know what you did in respect to that, and you stood by and watched that service be taken from the rural schools, from the rural children of this province. And you call yourself a Rural Development Minister.

Other great accomplishments were made. Instituted the set up of the government insurance corporation that set up a network of small-business men serving people throughout rural Saskatchewan. And today, under your administration, what looms is the privatization and the sell off of the general aspect of the insurance company, government insurance.

Yes, those were some of the achievements. We also instituted the first program of its type for low income people that were working and having difficulty in raising a family. And the first program in Canada was the family income program instituted here by our government to help the working poor. Labour legislation that was introduced became a model to North America.

And under the late premier Douglas, the Public Service Commission was established to take out and give an independence to the appointments through the Public Service Commission.

And during the period, there was economic development. And I want to say that during, primarily during the latter stages of Mr. Douglas's tenure, some under the late Ross Thatcher, some under Woodrow Lloyd, and more recently under Allan Blakeney, economic development and the development of our raw materials became evident. And I want to say that we built and did economic development in this province, Mr. Minister, by using all methods available to us. We used the co-operative movement; we used private investment; we used public, and we also used joint venture. None were condemned to the back rooms because of ideology. We fought and we worked for the development for the people of this province. And the records will show that during the years of Douglas and Lloyd and Thatcher and Blakeney, never had a legacy of debt and mismanagement to the extent, to the disgusting extent of

your government, Mr. Minister.

(1445)

And I want to say that there was economic development. Today because of the actions of the Blakeney government, the Potash Corporation of Saskatchewan is situated in Saskatoon, head office. Otherwise there was no head office for potash even though we're one of the world's largest producers. And working in that head office were a lot of Saskatchewan and Canadian people.

And the profits of that corporation, and I want to tell you, were very substantial during our tenure — \$413 million into the coffers for the people of Saskatchewan. And only under your mismanagement, as with the affairs of the operation of the government, did we see a decrease in the operation of the potash corporation.

Saskoil was founded and today, although being privatized, Mr. Minister, head office is being built here, a new one, in Regina — a direct result of the efforts in the founding of Saskoil.

Uranium development, we had major uranium development. And here in respect to uranium development we had joint ventures with companies from throughout the world. And I want to say that throughout the 11 years under Allan Blakeney, prior to this administration taking over, there was 11 balance budgets. The net debt position of this province when you took over was over \$1 billion to the good, and today, today if you take all the assets of the province, subtract the liabilities, you've got over \$3.4 billion in the hole. That's performance, Mr. Minister.

And I want to say that during those years under the previous administration, prior to this government taking over, the economic growth in Saskatchewan, as confirmed in a booklet that you put out right after you assumed office, indicating that economic development in Saskatchewan was outstripping all of Canada.

Private and public investment was higher than any other province in Canada. Taxation was the lowest in the country. The per capita debt was the lowest in all of Canada. Those were the . . . That is part of what you took over. A province that was on its way to prosperity and the provision of programs for both urban and rural people.

And they come to the area of agriculture. During those periods we saw the introduction of a program for hog stabilization, stabilization of hog prices under the SHARP (Saskatchewan hog assured returns program) program. We saw the introduction of the beef stabilization program which has become now a Canadian-wide beef stabilization program. We saw the support of poultry and dairy and to supply management. We saw the introduction of farmstart for the increase of diversification in hogs and poultry and dairy herds across the province. And I'll tell you, the people of Saskatchewan had some hope then. The people of Saskatchewan were indeed making money during those years.

And in respect to small business, I can tell you, Mr. Minister, there were grants for research and

development. There was grants for the improvement of small businesses in small towns and communities throughout Saskatchewan.

There was diversification. And I can go through the list of diversification of manufacturing in my constituency. And I'll tell you, it didn't happen under a Tory administration and it never will. Because they are fixed on the multinational corporations, the great megaprojects, the Cargills of the world. That's where their bread and butter is.

And I'll tell you that SEDCO was also used to help small business. And I remember when they took over, we looked at the expenditure of SEDCO, and you know what? — 75 per cent of it was given to MacMillan Bloedel. MacMillan Bloedel got 75 per cent in one given year from SEDCO.

And so what have we seen? What have we seen in contrast, Mr. Minister? What is your priorities in respect to the people of Saskatchewan and to rural Saskatchewan? Well I'll tell you.

There have been a lot of promises made. And you promised rural Saskatchewan, and you were part of it, that in the first term of office that you would cut all E&H tax — in the first term of office. That's what the Minister of Agriculture said; that's what your Premier said. That's what you campaigned on. And you broke the promise, Mr. Minister. You broke it. But you not only broke it, you increased it by 40 per cent — from 5 per cent to 7 per cent.

Oh, they had another promise. They said to the people of this province, we'll reduce the income tax 10 per cent across the board. You put that on your campaign leaflets also, Mr. Minister. And you broke that promise, because today we have the highest personal income tax rate in all of Canada. And instead of cutting income tax, Mr. Minister, you know how you helped the people of rural Saskatchewan? You put on a flat tax of 2 per cent — increased it in a very significant way.

Ah, another election promise: you're going to help all people, rural people and farmers, and so you said, well we're going to get rid of that gas tax. At the time it was 29 per cent, and you told the people it was 42 per cent . . . 42 cents, rather. Not quite the truth, but what does that matter? It doesn't really matter, does it, Mr. Minister?

And the Premier said in this House, in a commitment to people across this province: never again as long as I am Premier of this province will you be saddled with a gas tax. And so he starts setting up a rebate of that gas tax. And you know the other day, not long ago, before the House, he said, well I have to break that promise too. And so what he did now is: instead of 29 cents or 26 cents as it was when he took over, the tax is now 45 cents per gallon. That's a help to the hard-pressed rural communities of Saskatchewan, Mr. Minister.

And what has been your obsession? Has your obsession been with the struggle of the farmers and the small-business men of this province? That hasn't been your priorities. And you're part of it, because in the last

session, what did we do? Bill after Bill that was introduced in this House was on privatization, and the total House was dominated by that issue. And let's face it, you're the ones that control the business of the House, and privatization was indeed your priority, not the concern of your report on farm financing. That was not the concern. The concern was not the exodus of people from the province. It was not the concern about business men closing their doors or farmers being foreclosed on. Privatization was the sole priority of this government.

And do you realize that last session the only way we could get you to introduce the agricultural Bills was to embarrass the Premier into presenting them to this House. And that's what happened.

And I want to say that you have done privatization. You privatized a number of them — Saskoil and Sask Minerals and potash and Sask computer. You tried on SaskPower, and you're going to try after the next election, if you get elected again. But that's not likely to come.

You also have SGI (Saskatchewan Government Insurance) on the slate. There's no doubt about it. The only thing is that you were so far gone in respect to SGI that you had already made up the signs and all of the stationery. And now what you're doing over there is shredding it so that the evidence isn't there that you may be privatizing.

And what you have done, and let us not debate the issue of privatization as such, but let's take a look at what your government has done. You have disposed of those assets of over a billion dollars. Over a billion dollars of assets have been disposed of — a billion dollars you have received from the privatization of those assets to date.

And I want to say, Mr. Minister, we have in contrast to what I have outlined was developed under Tommy Douglas and Allan Blakeney — your legacy.

The massiveness of the debt of this province of \$4.4 billion in the Consolidated Fund; \$13.2 billion collectively. To pay interest alone, \$493 million annually. As I read, it's \$1.35 a day for each man, woman, and child.

Poverty — statistics indicate that we have the second highest incidence of poverty in all of Canada, second only to Newfoundland. Taxes, I've indicated. Every conceivable tax and fee schedule and licences have been massively increased under your jurisdiction. So we have debt, increased taxes, services cut, assets disposed of, depopulation of the province.

And basically what is happening is that the few rich are indeed getting richer, but the poor are getting poorer, and the numbers of poor are increasing. The basic erosion of a middle class in Saskatchewan is in hand under this administration.

And I want to say that during the years of our administration that I saw that . . . tried to espouse a philosophy, a philosophy of having people work together. And I can remember so many times the late Tommy Douglas saying to the crowds that came to hear



him, that we can't operate a society on human greed and rugged individualism where you run over your neighbour. And he used to say, we have to be our brother's keeper. We have to have a share of compassion. And through that share of compassion and co-operation, what we were able to do, Mr. Minister, is to build a pretty proud province here in Saskatchewan. And that's what you have not only attacked, but you espoused. Your slogans were: go out and get it. Your slogans were: forget the next guy; you can be so much more; and give 'er snooze, Bruce.

But I want to say, Mr. Minister, that the results are staggering as a result of the philosophy of your government. And I guess worst of all and the biggest con game that I have ever seen is to this rural Saskatchewan and to the farmers of rural Saskatchewan, as I mentioned yesterday.

And I really thought, Mr. Minister, that you wouldn't try to deceive the House in misrepresenting what our policies are in respect to agriculture. And we have outlined precisely and concisely in a document in Saskatchewan agriculture the case for government action.

(1500)

And we set out very clearly and I'm going to outline to the House and to the people of Saskatchewan what we have made public to the people and what we espouse for. And I'll tell you this, that there is indeed a definite policy which we would ask you to consider, to adopt, and to help all of the farmers who I say are going to be driven from office.

And I say to you, Mr. Minister, our program calls for a family farm stabilization program which I have alluded to before, based on the first 8,000 bushels at the U.S. target price, which would guarantee price and production shortfalls on delivery.

Our policy also calls for the strengthening of farm marketing boards and supply management, a revision of the mandate of the Farm Credit Corporation so that it becomes indeed a primary provider of loans, long-term financing at reasonable interest rate to the farmers, rather than a lender of last resort.

We have joined here in the House with you, asking for the desperate need for a \$500 million pay-out by the federal government at springtime, spring seeding time, to help cover the cost of farmers, to help them through this difficult time. We have asked also for a spring seeding operating loan, guaranteed from the provincial government.

And we also indicated — and I want you to listen to this, Mr. Minister — a moratorium on Saskatchewan farm foreclosures until July 1, 1990. And that moratorium is called for, Mr. Minister, solely on the condition as follows: that the federal and provincial governments set a deadline of July 1, 1990 to develop and implement a national farm income stabilization program which would guarantee production and price shortfalls by delivery; a moratorium tied to addressing it with an income stabilization program and only in that consideration.

And that the Government of Saskatchewan introduce . . . and that the federal and provincial governments set a deadline of July 1, 1990 to implement, as I said, the national farm income stabilization program. And secondly, that the Government of Saskatchewan introduce a program to assist with intergenerational transfer. And secondly, that the federal and provincial governments set a deadline of July 1, 1990 by which to develop a national consensus with the farm groups for the restructure of farm debt.

This is what we're saying, Mr. Minister, that there is a way. If there is indeed a will and a determination and a commitment to address the crisis in rural Saskatchewan, if indeed there is, and I say if you do the individual steps that we have advocated within our program, you get the \$500 million from the federal government . . . also loan guarantee to help with seeding. We've got part of those. You put in a moratorium, but to July 1 and you set a deadline to introduce a long-term income stabilization program. Without it, if you go to just put a moratorium on without a solution, then there's no use of putting a moratorium on. That's the purpose of our presentation and that's why we have indicated so clearly.

And I was surprised that the minister saw fit to come into the House and in his own version of the truth to try to indicate that we had advocated a five-year term for moratorium. And in any event, Mr. Minister, Farm Credit Corporation in 1986, which is a Crown corporation, instituted a moratorium. That's a Crown corporation.

Over half of the debt by farmers are held, not by banks or credit unions, but by Farm Credit Corporation and also by ACS (Agricultural Credit Corporation of Saskatchewan) and it wouldn't, as you allude, to make it a problem with the financial institutions if ACS and Farm Credit Corporation were indeed to restructure the debt and put a moratorium subject to restructuring the debt.

And so I say to you, Mr. Minister, the terrible legacy of what is happening in rural Saskatchewan. And that's why I turn to it and I guess I feel so strongly as to what is happening there and the human misery and the broken homes and the suicides and the loss of losing a farm.

And I guess it's perhaps best put in a way by the *Leader-Post* article by a well-known editorialist, Dale Eisler. And I just want to read a couple of things, and this is how I feel, and I talked to people in rural Saskatchewan. He said:

To make it even more cruel . . . (and he's talking about the crisis in agriculture in rural Saskatchewan) To make it even more cruel, those bearing the brunt of the economic decline in agriculture are often the young generation of farmers. They tend to be the people 30-45 age category . . . who got into farming in the last 10-15 years . . .

In the last part of his article he said:

"When you lose a farm . . . (he's quoting one lady that had gone through the experience of

losing a farm) "When you lose a farm it's different than losing a job. It changes you. That's discovered by anyone whose been through it," she says.

We're different people now, more embittered. Our dreams are gone. When you farm it becomes your soul, your life, your pension plan. There wasn't a day when we didn't work on the farm, whether it was Christmas or any other holiday.

And I guess what I'm saying to you as rural affairs minister, and I will not be unkind because I think you do care, and I hope you do, and I hope that you would share the concern that we have on this side as well.

I can't possibly understand a rich country like Canada, with one of the great agricultural communities in the world — and I see a headline in respect to the program that you introduced in the last budget, and it says, 4,000 farms may just be written off. But you realize there's a cynicism when you read the article. That's only an estimate they picked up somewhere along the line. It says: during the news conference Thursday, the Premier refused to speculate on how many loan applications will be turned down.

Can you possibly feature going into a program and instituting a program that you wouldn't calculate how many you're going to leave out? Do you really mean to say that the Premier doesn't know, on the basis of the criteria that he set out in that program?

And you know, Mr. Minister, you have to know, you couldn't possibly go into a cabinet meeting, develop a program and the criteria that will exclude some, and not know the consequences. Or . . . I give up — I give up. Because if it happens that way, then we have no hope, and perhaps that's the way the business is done over there.

But I think you're a fairer person than that, Mr. Minister. I think you know how many. There's other estimates. I read . . . what I was going on yesterday, I was saying somewhere in the neighbourhood of 20,000 because your statistics indicated that 1987, 11 per cent were insolvent and 28 per cent were in serious financial trouble in 1978. And I didn't see any buoyancy in the agricultural community since then.

And the Premier has said 20,000 are in desperate plight. And what do we get today? Well, he can't speculate. He wouldn't speculate as to how many are going to be excluded. Well, Mr. Minister, in fairness to the people of this province, don't try to play funny games with their lives. And I know you're not administering the Act, but you are representing rural Saskatchewan and you have a responsibility to be fair with the people.

And don't say you can set up a phoney appeal board for they can go to after they've been rejected. It's not going to work, because you've got the criteria set down. That's what you have. If they have arrears, if they have a demand note, if they have a foreclosure, if they have a bankruptcy, what are they going to appeal? They're excluded by the criteria. Or are you going to challenge whether they were really in bankruptcy or not, or whether they were really

being foreclosed or not.

So what I'm asking, Mr. Minister, I guess what I'm saying is there's a massive crisis, and I would hope that you would be fair enough to the people of Saskatchewan, and I think you'd be fair enough that . . . I don't know how any government can tolerate that's 4 or 10,000 people are going to be forced off the land and do nothing about it.

And what do we get from your federal counterparts — and these are supposed to be the parties that have their support in rural Saskatchewan. Higher interest rates, says the Bank of Canada. It's going up to unprecedented level, back to '82 almost — 13.75 per cent this morning they're predicting it'll jump to, from 13.61. Farm Credit Corporation is doing exactly the same thing — upping the rates.

Another headline: "Farmers deep in debt won't get seeding loans." And I want to draw your attention to one other concern that I have, and that is the priorities of your government. And I ask you, Mr. Minister, take to your colleagues in representing Saskatchewan rural people. Change your priorities, because even the Leader-Post says in their article, cancel Cargill fertilizer deal. That's what the Leader-Post says. And I'll tell you, the Leader-Post is not a spokesman for the New Democratic Party, but even the Leader-Post advises you to do that.

And so in winding this up, Mr. Minister, I guess what I've tried to do is to bring to you some sense of understanding of what exactly is happening and the callousness of really what is happening — 4 to 10,000, I don't know; you do know. You know.

And so I ask you, Mr. Minister, will you ask and go to your cabinet colleagues and to the Minister of Agriculture and relay and join with us in meeting a major crisis and that is in rural Saskatchewan. Will you get away from your fixation with megaprojects at least for the time, at least for the time being, and take a priority in rural Saskatchewan.

Will you give up your multimillion dollar advertising annual budget that this government tries to run its affairs on. Will you give that up and press on with the concern of so many farm families who are losing their livelihood.

And will you at least for the time being stop the waste and the mismanagement that has been so characteristic, and the patronage of your government.

(1515)

These are the things that I've been asked to address to you as a spokesman for rural Saskatchewan. And I know you meet with many of the rural councillors and farmers and communities. And I believe you have a feeling as deep as I do that this has to be addressed. And so basically, Mr. Minister, what I want to know, are you going to continue to support blindly the priorities of privatization, of hand-outs to multinational corporations, the priorities of megaprojects, high powered advertising, or are you prepared to speak here on behalf of rural people of Saskatchewan and the farmers of Saskatchewan who are going to be left stranded without any recourse, without any support.

Those are the questions I ask you, Mr. Minister, and I'd appreciate if you could be as brief as possible because I have a lot to cover, and I doubt if you'll change your mind.

**Hon. Mr. Hardy:** — Thank you, Mr. Chairman. If the member from Quill Lakes will let me answer his questions. I was very quiet while he was speaking; I didn't say anything at all.

I want to start where he started from just briefly, and I'm not going to take very long because I do believe there's some real questions to ask about lands branch, about rural service centres, about all the things that we do in Department of Rural Development. And I'm sure he has some questions he'd like to ask on those.

I want to just go back a little bit. He talked about Mr. Douglas in his days back in the '40s and the '50s and then on. He talked all the way up into the early '80s, and then after that too.

I live and always have lived in a small area up in sort of the bush country of the world, we called it then, Hudson Bay area. And he talked about all the things that Mr. Douglas brought to Saskatchewan. And I'm sure he did a lot of good, but where I come from we got very little of those good things that went on.

I lived on the farm all my life up in the Hudson Bay area. We never got power up there until the '60s, till the 1960s before we had power up in our area in the rural. We never got the telephones until the '70s. We never got private phones; in fact we're just getting them now. We got the natural gas a few years ago into the rural part of our constituency.

But I want to talk about roads. You know, we lived up there and until 1964, until 1964, Mr. Chairman, we never had a reasonable road to drive any place. We almost had to take the railroad if we had medical needs. That is a fact, Mr. Chairman. And we did build a lot of roads. There was a lot of roads built from '64 to '71 — a great deal of roads were built in our area, good roads.

New industries came to our town. Two new industries, one he talked about a few minutes ago. He was kicking, kicking it, called MacMillan Bloedel. MacMillan Bloedel come into our town, bought up a company called Wisewood, which was a new . . . which was a little company set up by some of the local people making poplar, a weed, into a board. They bought it up and expanded it to almost 300 employees under the IWA (International Woodworkers of America); reasonably, I say, good wages. They're still there, Mr. Chairman. They've been there for 25-odd years and they've been a great asset to our community.

He talked about them getting a loan back in 1982, I believe he said, or '84 — I don't remember what year he said — taking 75 per cent of SEDCO's money. What he didn't . . . of their financing. What he didn't tell you, Mr. Chairman, is that two years later they remodelled that mill. It was down to a point of needed to be rebuilt. They remodelled it and within two years they paid us all back

plus interest. He didn't say that, Mr. Chairman. And that's the way SEDCO should work, is when we get our money back, it creates job opportunities and lets the people continue to work in my town. And in my town that was very, very important.

I want to just mention also the talk about industries. We never had an industry in our town. We had the railroad; that's all we had till 1964 till we got two industries. Two new industries creating about 500 jobs in our community, and one of them being MacMillan Bloedel, the other being Simpson Timber. Those were important to our community — have been on a short term and a long term. I'm not saying they didn't get anything in the South, but I'm telling you, we never got anything in the North. Nothing, nothing at all until we got in '64 when we started to get industries and we started to get some roads.

So I just want to make that clear that although lots of things were done . . . And Mr. Douglas did bring in medicare, and I don't think anybody says that isn't true. It is true. And he maybe did a lot of things in the South for us.

And we had a very fine gentleman whose son sits in the legislature here now, Mr. Brockelbank. And I'm talking about Mr. Brockelbank Sr., who was the MLA for many years. He was a fine gentleman but we just didn't get very much in our area, and that's a fact. I just want to tell you that those are true facts.

I want to go on a little . . . I just want to mention one other thing because sometimes they say things that aren't — or we all say things at different times, I suppose, have different interpretations. But from 1971 to 1981 under the former administration, the NDP government, we had a rural depopulation by Stats Canada of 46,179 people. That was under the best economic times this world has ever known — the world has ever known, never mind Saskatchewan and the rest. And we lost 46,000 people by . . . that's Stats Canada. Now let's just make that clear. And we lost almost 13,000 farms.

That, Mr. Chairman, tells me that there's changes out there. Not necessarily because it was anybody's fault. Those are changes; people want different needs, different ways, different transportation. And I think the member opposite knows quite well that that's true.

He talk about multinationals, and I'm going to answer a couple of his other questions. He talked about multinationals, and I believe there's one multinational right now going into his constituency at Wynyard called Vis-A-Vis. They're going to put up a plastic bottling plant. They're Japanese, and they're working with SEDCO for assistance, and they're working with the RMs out there for assistance, and they are coming into there.

They are a good . . . I believe it to be a really good industry. It's going to be good for that community. It's going to make plastic bottles, which is a demand in this province. But they are coming in. They are a multinational company coming into this here province.

He talks about multinationals. We have the wheat pool now becoming a multinational company.

So, Mr. Chairman, there's many things going on out there, and don't take it all out of content and don't say everybody's bad or everybody's good. But certainly there's opportunities there.

I want to just make mention about some of the things that's been going on out there before I get into the farm end of it, just to touch on some of the comments he made about their policies on the farm agricultural end of it.

Under the . . . he talked about small or multinationals, but what he didn't talk about is all the little industries that are starting to come out there in rural Saskatchewan, due in lot, due in part and in a lot to the RDC (Rural Development Corporation) program we put into place, and also to the municipal economic development grant that we have available for municipalities. Municipalities, both rural and urban, have become involved now in looking at industries, and that means jobs for the young people. It keeps them at home.

We have 23 rural development corporations set up now and they are . . . in fact have accomplished already a great deal of new industry in this province. And a good example would be the Dana radar base that was taken over. It was closed down, taken over by some municipalities on an RDC called Sagehill's RDC. They made the first fire truck. They're now making fire trucks, making fire trucks, Mr. Chairman, right here in Saskatchewan and they're going to be selling them across Canada. They've already sold a few.

They've also been on a national defence program where they're going to make fire trucks for the army. And we have every reason to believe that they will get that. That will be a real asset to that area of jobs, job creation.

Focus on inputs are going into there, and I mentioned yesterday I believe, making a generic Roundup which will certainly be beneficial to our farmers, a cost-saving to our farmers. And we're involved. ADF (Agriculture Development Fund) and others have been helping fund those people so they can bring it forward and have it available for our farmers.

We have done many other things. We have a couple dehy plants, in fact three really, now being looked at in this province and some have already been partially funded.

We have a tannery going into Tisdale, Saskatchewan, where we have an Indian native band now involved in an RDC program and it's called the Kinistino Indian Band. Chief Albert Scott was at an opening or a signing the other day and he's very, very happy and proud to be part of a big community and looking at it on a broader scale. I want to say to him and to his band, very progressive thinking, very . . . a lot of foresight and how they can build and make their band and the area in the community just a lot better place to be and to live. And it's great to see people with that kind of foresight. I told them that personally and I tell the Legislative Assembly that, that that is what the kind of thinking and the opportunities that we need out there.

We have all the way from a peola chip plant going in at Kelvington to we have eviscerating plant going in that

we're funding now. We've expanded the one at Wynyard, as the member well knows from Quill Lakes. That one was expanded here a while ago, dramatically. They now go through about 30,000 chickens a day there. Kentucky Fried Chicken, Mr. Chairman, Kentucky Fried Chicken is a major holder in that company. They are a multinational. Good, good for the area. Extremely good for the area.

We have a company, a small company set up, and certainly the members would know about him. They make sandwiches now for Federated Co-op. They started just in the basement and they've expanded now and set up a reasonably decent manufacturing of sandwiches for Federated Co-op.

We have a furniture board plant going in south. It's going to be made out of flax board and that is well along the way to being built. We have a furniture plant at Cupar . . . or at Dysart, not Cupar . . . (inaudible interjection) . . . That's right, because it is important. It's people working. It's really important that you have people in the community and expanding opportunities there. And they're looking at another thing right there now that is still confidential, but they're looking at an expansion there.

We've been working with Kalium and we've done some pilot projects on it and that's in the Wood Mountain RDC. We've set up a ready-mix plant. And I've got a whole list of them. I could spend quite a bit of time.

And what I'm saying, Mr. Chairman, is we are doing the small industries, the one that will create job opportunities. The education is also available in those rural areas now that wasn't there before. We have come a long ways. But I'll tell you, Mr. Chairman, we've got a long ways to go if we want to really build and restructure rural Saskatchewan, and we have to do it.

Times have changed, I said a moment ago, the way we travel, how we do things, the way we do things, and the need of our young people. They demand and want a different way of life than some of us in the past have needed or wanted. And that's the way it is and we have to accept that. But we also have to help structure that so it'll be there for them. And that is very, very important if we're going to maintain Saskatchewan as we know it today and certainly have it here for many years in the future.

I want to just touch a moment or so, and I didn't want to take too long here — I'm sure he's got some questions otherwise — but I want to touch just a little bit . . . He talked about their policy on agriculture. And certainly I alluded yesterday to a moratorium where there . . . and he has again said today that they would want a moratorium, and he did say till July 1, 1990.

But he put the hedge to it, or with it, by saying that it must be . . . (inaudible interjection) . . . Just a moment; let me finish what you said. They wanted a moratorium, and he did say July 1, 1990. But he also said that before the moratorium comes off, as I understand it, there must be a national farm income program put in place. Now he said again, July 1 — and that I don't want to misquote him in any way — 1990, realizing that you cannot . . . in two months you couldn't put one in place.

They were in government, Mr. Chairman, for 13 years and I never once saw a national farm income plan even proposed by them, not even proposed by them. And to put one of these in place . . .

I agree that we need to have a stable income for our farming industry. And whether we have a target price as they have in the United States, guaranteed up there for a certain amount of dollars; whether we have a way of putting out a guaranteed fixed price. But I agree on that part.

I totally disagree with a moratorium. It would break every credit union in this province if you put it into place and left it for any length of time. I believe it's wrong and I believe we shouldn't do it.

Now I don't disagree with having a target price for our grains. I don't disagree with it so the farmer can plan around what they're going to have to grow and how they would grow it and how they would be able to manage their farm. If we did that, I believe it would stabilize our community a great deal. Now if that is what he's talking about, then I agree with him.

If he's talking about a moratorium and saying a guaranteed income no matter how you farm, I say no. That's not what any farmer needs out there. They need a target price, a price for . . . And yesterday, Mr. Chairman, I told them what our policy was and it's in **Hansard** if he wants to read it.

(1530)

Let me see what else. Certainly he mentioned about the \$500 pay-out from the federal government. I mean, I think we had a unanimous decision of this Legislative Assembly to do exactly that. It's been sent to the Minister of Agriculture, and certainly we have conveyed many, many times in many, many ways our concern that it's not being paid. And the Premier has been up front in this legislature, saying exactly that.

Farm credit, long-term, reasonable interest rates, well I said that in my farm finance tour, when I come back and report. Certainly we need a reasonable interest rate. I went after that and I went to . . . I went and appeared before the Standing Committee on Agriculture, the House of Commons Standing Committee on Agriculture, and said exactly that. And if I remember right, there was two or three members from the NDP there, and they, at that time, questioned what the interest rates should be, and I suggested at that time 8 per cent would be one that the farmers at that time could live with, if it was fixed for some long term, so they knew exactly where they were going.

So I've made that presentation. It's public. Again it's in the standing committee report on agriculture from the House of Commons.

With that, Mr. Chairman, I think I answered most of the questions or comments that he had, and I'll sit down. And if he has any other questions he'd like to ask me, in particular with the department in general, I would sure be pleased to answer them.

**Mr. Koskie:** — Thank you, Mr. Chairman. Mr. Minister, I want to move on. I saw the obvious omission in respect to the number of farmers that are likely to be excluded in respect to seed program. I saw you try again one more time to distort the policy that I introduced to you here as our policy. And clearly and unequivocally, I indicated to you, that if we call for a moratorium it would be set for a fixed date, time, for July 1, 1990, providing that we would address agriculture and it would be addressed by that deadline of restructuring of debt and income stabilization. So don't misrepresent the facts and don't try to twist them.

You didn't address, obviously, whether a moratorium could be imposed by the Farm Credit Corporation and the ACS, which is not a financial institution.

But I want to go on in respect to the Rural Development estimates, Mr. Minister. I think in your answer you clearly indicated that what has been cast in the budget is what the farmers can expect. And maybe something from the federal government, but we don't know.

And we're sure that a number of farmers are going to be excluded and I think that has to be on your head, Mr. Minister, because we gave you the opportunity, and I would give our co-operation, to bring in programs which would alleviate the exodus of so many farmers from the land.

But turning directly to the estimates here, I again see the problems that the government is having — and I don't make light of these, Mr. Chairman — in funding programs. But if you look at revenue sharing grants to the RMs they went down in 1987-88, as indicated in the estimates, by almost a half a million dollars. And since then, since '87-88, even though there has been significant inflation rate, there has been no increase.

In '86-87 estimates there was, for revenue sharing with all the RMs conditional and unconditional grants, there was \$48,547,420. In 1987-88 it was reduced to \$48,062,000 and that has continued to be the amount in revenue sharing.

So in 1985-86 rural revenue sharing stayed the same as it had between '84-85, but otherwise revenue-sharing grants to the RMs (rural municipalities) has gone up every other year.

And I guess the question in respect to the revenue-sharing item is why the drop from '86-87 and then the freeze continuing since then. And how do you expect the RMs with exactly the same budget or the frozen amount of revenue sharing to continue to operate and to expand the services in the municipalities?

I take a look at, and I'd like you to address those particular items in respect to revenue sharing, and we can get into more details, but take a look also at the ferry service, after years of steady but small increases in funding for the operation of the provincial ferry crossing services and 44 employees. Your government began to make cuts in '84-85, and this year it's down again.

And we take a look there at the budgetary record in respect to that. In '82-83 there was 44.3 in staffing. In budget estimate it was 1.405 million, and then it went up to 1.569 million, and it dropped to 1.131 million in '89-90, and there's a slight increase this year from 1.131 million to 1.139 million.

But staffing has been almost cut in half since you've taken over, and the funding is a little over two-thirds. Funding is only two-thirds of what it was five years ago, and that is of some concern.

We take a look at another area in the budget, Mr. Minister, and that's the road services branch which provides engineering and supervisory services to the district engineers and municipalities for all road programs. Road services have been cut significantly in recent years, very significantly. If you take a look at the '83-84, you find in respect to staffing there were 60.5 person years with a budget of 2. — almost \$3 million — \$2.966 million.

This year, 1990-91, staffing has decreased to 44.4 and the budget is decreased to 1.943 million. That's a cut of about \$1.2 million since 1983. And certainly not only is this not a priority, the provincial highway system is clearly not a priority with your government also. It now appears that the grid roads and the farm access and other road services are going to be denied the services.

We can take a look at the bridge services branch. The branch provides financial and technical services to rural municipalities and urban centres in construction and maintenance of bridge structures. Bridge services have been cut in recent years too, although there's a slight increase this year, which I acknowledge. But it was cut from '83-84 from 293,000-plus to 281,000 for this year.

Another significant cut was, the RM secretaries association grant was discontinued completely in '86-87. And also in respect to roads on Indian reserves, this may be incorporated into the general road construction, but in '81 up until '86-87, there was a budget set aside for construction of Indian reserve roads, and that specific item has been deleted.

I guess what I would like you to answer in respect to the items that I have sort of raised with you, Mr. Minister, is sort of the rationale for freezing the operating grants and some of the major cuts that I've alluded to.

I may indicate to you that there are a number of articles here. That cuts may mean a rough ride on the roadways, both in respect to the highway cuts but it also indicates here that the problems earlier announced, the funding levels for other rural programs such as revenue sharing, transportation services, municipal economic development and rural development would remain at current levels. And those are some of the concerns that are expressed out there.

And not only are the grants, the revenue sharing grants represents about 60, 62 per cent of the total budget of your department and a very integral part. And I wonder if you can explain at least the rationale and how you expect them to be able to operate and continue the increase in

services to the rural communities with a frozen budget in the areas that I have sort of set out?

**Mr. Chairman:** — Why is the member on his feet?

**An Hon. Member:** — I ask permission to introduce some guests, Mr. Chairman.

Leave granted.

## INTRODUCTION OF GUESTS

**Hon. Mr. Martin:** — Mr. Speaker, I would like to introduce to you, and through you to all the members of the House, the University Park 83rd Cubs and those with them. I would like to mention the names of those who are supervising, the teachers, etc. David Claude, Jim Rudack, Delores LaBrecht, Joyce Sadlemey, Bill Dodge, Brenda Wagman, and Rick Claffey.

This is a fine group of 24 of them, Mr. Speaker, and it's always a pleasure to have Cubs or Scouts or Girl Guides or whoever come into our House and have an opportunity to speak with them. I will have an opportunity shortly to explain to them downstairs just what is going on in here. I'll just say very briefly this is what we call estimates, and I'll explain that to you when we have a chance to talk in a few minutes.

I'll be joining them for pictures and for drinks, Mr. Speaker . . . Mr. Chairman, rather. So I'd ask all members to please join me in welcoming them to the House.

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

**Hon. Mr. Klein:** — Mr. Chairman, I too wish to welcome the entire Cub pack and their leaders. But there is one little guy I have a special welcome for. I know he happens to be a fifth generation Polish boy. I know too that he has a real special interest in the role that the Speaker plays in this Assembly, and he gets that from occasionally watching the Assembly on television. So with all due respect to you, Mr. Chairman, and the important role that you play, we will have to explain the difference between your role and that of the Speaker's.

In our recent budget debate, as I spoke, Mr. Chairman, I referred to the great future that this wonderful province of ours has and that it holds for my children and for theirs. I love them all dearly. And I am proud to welcome one of my five grandsons, Nathan Lebioda, who is part of that Cub pack, to our Assembly today. Welcome, Nathan.

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

## COMMITTEE OF FINANCE

### Consolidated Fund Budgetary Expenditure Rural Development Ordinary Expenditure — Vote 43

#### Item 1 (continued)

**Hon. Mr. Hardy:** — Mr. Chairman, I'll try to give him an overview. I think the question really was, why holding the line on revenue sharing and how does it affect RMs.

We have been holding the line basically on the amount of revenue sharing for the last three or four years, in total consultation with SARM (Saskatchewan Association of Rural Municipalities) executive, and certainly with all RM councils. We have had a lot of discussion with them. We have worked out where a council has had a special problem; we've worked it out with them, one on one, to be sure that that problem is looked after. We have made those kind of conditional type of agreements that we have been able to do that.

Some of the areas that he mentioned, revenue sharing, we have done things with revenue sharing, I believe, that are really, really important. We know that there was a definite amount or just a set amount of money that we had available. It's something in the neighbourhood of 48 millions of dollars. And what we did with that is we worked with SARM executive and many of the RMs. We asked them, how would you spend it the best way and how the most wisely. And certainly we got a lot of direction from them.

One of the areas they asked us to bring in was the regravelling program. The regravelling program is a 50-50 cost sharing for those RMs who regravelled the designated road systems in the RMs. And those would be grid, main farm access, primary grid, oil or gravel, industrial routes; those kinds of roads would be under the designated road system.

(1545)

And it's helped the RMs greatly and been able to help them maintain . . . almost every RM has been able to maintain their mill rate at zero or very, very close to it over the last four or five years. Done an excellent job along with working with us. And like I said, where they had a special problem, we managed to work that out with them to help them maintain that kind of a base.

And I'd like to say thank you to the RMs and to SARM especially for being able to give us the kind of direction that I believe is needed if you're going to be successful and spend the dollars as wisely as we possibly can.

He asked about, I believe, one thing about ferry services and the number of employees. And I don't have the estimates right here in front me or what it was until 1982, but I can say this, that the — I'd better say this carefully — the management that we have out there under the ferry services certainly do a good job. They are out there . . . we have, in some cases, there has been some . . . there has, as he knows, there's been one ferry service — three ferry services that has been discontinued, two of them because new bridges were put in, and that certainly was important to the people because they have access continuous. The other one was discontinued because of very few people using it, and that was up in the North.

The rest of the services, particularly the maintenance has been done, part of it, been contracted out by the ferry operator where it needs to be done. And it has saved us a great deal of dollars in that area and still give us the same quality of service because we've let the ferry operator make those kinds of decisions.

In regards to . . . oh, he's talking about just less staff in general. Been a lot of things happen in Rural Development. We've had lands branch come into there. We've had extension services into there. We've had crop insurance where we've incorporated them all in the same office. We may have some less staff, and I don't know if we do or we don't, but a lot of that staff is now out in rural Saskatchewan in our rural service centres, right where the people are.

And we've done it, I believe, working with the employees. A lot of times an employee requests to go out to there, not because we said they should go. Never once did we move an employee that he didn't or she didn't want to move, and it's been worked out really, really well. And I want to say thank you to the employees because they have been part of that to make it a success.

And we may have less, I don't know. But I'll tell you, we got a lot of good people out there, doing a lot more work than they used to have to do and they're doing it very, very well. And I say that sincerely.

I opened a rural service centre in Davidson yesterday and I think just what the staff there said. They'd say, oh, that it's just important for we are a part of the community; this is just a great place to work; we're right next to the two RMs; we all can work together; it's about time we did that. And I think that just says it all.

So I don't know if I missed any of the other comments that he wanted me to make in general, but I guess . . . in revenue sharing, like I said, we've worked with SARM. The revenue sharing — we have held the line but we haven't cut it.

We've done other things within that. In fact, last year under road construction, more roads were built last year — 1,400 kilometres of roads. We helped, as a department, build . . . or helped fund, not build, helped fund 1,400 kilometres of roads last year. So a lot of roads were built in rural Saskatchewan last year, and I assume there would be a lot more built this year.

**Mr. Koskie:** — Well I'm glad to hear, Mr. Minister, that they asked you to freeze their revenue sharing. I doubt very much if that's a fact, but if you say so, I will accept that.

Mr. Minister, I want to go through a number of positions that SARM had put in their resolutions and to get your reaction in respect to them and where you stand, representing and working with SARM.

And, Mr. Minister, at their convention last fall, SARM passed a resolution calling for a one-year moratorium on farm debt, and as you know, SARM is made up of farmers from across the province. And I would think most of them, not all, but many of them tend to be the established farmers, pretty careful thinking and frugal people. But they analysed it, and they did ask for a moratorium during their annual convention last fall.

And I don't know whether SARM was in fact thinking back to a similar position as was out of the very . . . depression in the economy in '69-70 into '71. When we

formed the government in 1971, one of the actions that we took at that time under the Blakeney administration was the family farm protection Act that was passed in 1971, which basically was set in place to halt the foreclosure or the land seizures and farm assets and equipment as well, and to halt the interest charges and payment if a farmer couldn't afford it. It was done for a short period of time, but indeed it was enacted, and all hell did not break out when it was instituted during '71.

What I'm saying, and I'm not advocating, but I'm asking you, Mr. Minister, here is a very responsible group groping with the problem that they see in rural Saskatchewan. And they came forward, because I talked to councillors that attended the convention, and they said it was unanimous; they had no dissenting votes in respect to it. At least that's what they related to me at that convention.

I want to ask you again, just in respect now to SARM's position of calling for a one-year moratorium, have you had further discussions in respect to them as to what in fact was behind their thinking in calling for that particular action? And as I say, this is not a fly-by-night group. This is a pretty responsible group of people representing all areas of the province. And they called for the moratorium.

And I was wondering, Mr. Minister, have you had any further discussion with them in respect to it? Were you able to find the reason why they, indeed, unanimously passed the resolution calling for a moratorium? Perhaps, seeing similar protection that was afforded in 1971 under the Blakeney administration. So I'd like you to perhaps indicate whether you have any further information, and what was your position specifically in respect to this resolution?

**Hon. Mr. Hardy:** — Mr. Chairman, I was fully aware of the SARM motion last fall at their mid-term convention and again at the spring convention this spring.

Last fall there was a motion that passed, that was put forward that passed a one-year moratorium on debt, and I don't remember how it was worded exactly. This spring there was a motion . . . there was two motions, one about a moratorium which lost, and one about which said, therefore be it resolved that the office of the Attorney General review all farm foreclosure and method of transactions. And that was carried.

So just so we have it clear what SARM did or did not pass at their convention. Now I don't speak for SARM or their delegates. I only refer to the resolution manuals and what passed and what didn't pass. So just so it's clear.

I don't know . . . First of all, before I get into the last, I want to make it clear that I have talked to SARM. I talk to them at least every two weeks, and with the executive I meet with them once a month. I was out last night to a ratepayers' meeting at Calder — at Rosthern it was at; it was the RM of Calder. It was brought up at that time, the comments from the floor, whatever that's worth, was a moratorium. Don't have one, it would just wreck us. It would do us no favours at all.

When I met with SARM executive, they don't propose to

tell me what their direction would be to their meetings they're going to be holding in spring. Spring meetings, spring district meetings, they're being hold right away. But certainly we've had a lot of discussion about it. They do have some concern about what it would do to . . . or a lot of concern, I think it's fair to say, what it would do to our local credit unions to access to credit; what it would do to the 80 per cent out there who do have access to credit, who really could be hurt. They have a lot of concern about that. I don't know how it's going to be addressed, like I say, at their district meetings which I will be attending, so I'll certainly know how they respond to that.

I don't know, Mr. Chairman, if . . . and I don't know if the member said or not, whether he is saying that we should go forward with the one-year moratorium or are we just asking if he's proposing that or not because that would be again a concern of mine. Because I only go . . . because he said that they passed it — they didn't. I read what they passed.

So I guess in fairness to the member, I'll answer the question this way. This government, the Government of Saskatchewan, is not prepared, is not prepared to bring in a moratorium. I believe it would be detrimental, detrimental to our farmers out there, the 80 per cent who have access to credit, basically as they need it. You can't do that. We have to deal with the other 20 per cent, and certainly he knows that we have to do that, but bringing a moratorium in and putting everybody else in jeopardy and putting every small business in this province in jeopardy would not be the way to go.

**Mr. Chairman:** — Order, order. Why is the member from Biggar on his feet?

**Mr. Baker:** — Mr. Chairman, I was wondering if I could have leave to introduce some guests.

Leave granted.

## INTRODUCTION OF GUESTS

**Mr. Baker:** — Mr. Chairman, I'd like to introduce today 41 students from Perdue high school; they're grade 11 and 12. They're accompanied by Marilyn Donahue and Joyce Turgeon, their teachers and, I believe, the bus driver, Harold Hand. I would like all members to welcome them, and I hope they have a good tour of the building and a safe trip home.

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

**Mr. Calvert:** — I'd like to join in bringing greetings to the group of students from the Perdue High School, if I may, from this side of the House. Perdue High School, I'd like to bring greetings and to say that some years ago I served as the student minister in Perdue and happened to meet my wife at the Perdue High School. So I have some very, very fond memories of Perdue and the Perdue High School. So welcome to the legislature, welcome to Regina, and have an enjoyable visit.

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



COMMITTEE OF FINANCE

Consolidated Fund Budgetary Expenditure  
Rural Development  
Ordinary Expenditure — Vote 43

Item 1 (continued)

**Mr. Koskie:** — Thank you, Mr. Speaker. Mr. Minister, just in respect to that question, have you pursued the possibility in respect just to ACS and Farm Credit Corporation, the possibility in respect to that portion of the debt until such time as restructuring can be done of the moratorium in respect to foreclosure actions continuing, that is, in respect to the two Crown corporations?

I know there are concerns in respect to the financial institutions, the powerful banks that help you get financed in your campaigns. I know there is concern. And I know there are also concerns in respect to the credit unions. That's not what I'm asking you. I'm asking you, have you analysed and could you comment in respect to the implementation of a moratorium to help hard-pressed farmers in respect to the debt that is held by ACS and Farm Credit Corporation?

Indeed in 1986, in election year in 1986, the Farm Credit Corporation indeed did put on a moratorium. And I wonder whether you did an analysis at that time, whether that was so devastating as what you're saying.

**Hon. Mr. Hardy:** — Mr. Chairman, in regards to ACS, the Premier at the SARM convention asked them to work with him to bring forward what should be done and could be done with the agriculture credit of Saskatchewan. We're waiting for them, and we'll be working with them in regards to what they believe how we could restructure or structure ACS to serve the farming needs out there.

A moratorium on ACS I'm not sure would be of great benefit to very, very few, if any. I don't know where that would take you. When FCC (Farm Credit Corporation) put it on, and at that time it certainly changed the foreclosures, but what it did afterwards was just accelerate them because they got further and further behind. We have to have a way of restructuring it, restructuring debt. A moratorium without a restructuring will do absolutely nothing at all to help our farmers out there, and I think the member knows that.

(1600)

So what I'm saying . . . and Farm Credit Corporation is certainly a federal lending institute and I agree that they can do some things. One of the things they can do, and could do right away, is extend all their leasebacks that they have; that they give three-year leasebacks on land that they have been given back or taken back, whatever, from three years to six years. And they can do that within their legislation and within their regulations without changing it.

That would be very easily done, absolutely no more cost to them at all. I think they should do that, like, immediately. Because as you know and I know, come

about this fall or next spring, there's going to be . . . some of those are going to be up, their three years is going to be up. I think they should give them that extra time. It should go to 10, but could they go to six automatically under their regulations and that would give them some benefits.

ACS, I would like to see what SARM proposes, and the farm organizations that's working with SARM, how they would like to see that structured. If that's what their decision was, I'm sure the Premier would give it consideration, a lot of consideration. But I would like to have them come forward with their direction on how we should do that.

We do have intergenerational transfer. We have loan guarantees now, or mortgage guarantees not loan guarantees, mortgage guarantees, which would let, as I said yesterday, let it transfer from one generation to the next. That certainly is there for the retiring farmer who can guarantee his principal and set the rate, particularly when it's sold within the family, let them set the interest rate at what he or she believed that one can, that whoever is taking over the land, can reasonably carry. And still in most cases, in most cases that would allow the farmer to retire very, very, in safety knowing that the principal is safe and that's certainly . . . As a retiring farmer, if I was doing that, that's what I'd want to know, and that would certainly allow me to allow some younger farmer to be into there. So there is an intergenerational mortgage guarantee in place. It has been for almost a year now. So that has been in place.

In regards to ACS again, I'd like to see what . . . we want to wait till SARM comes back and the organizations, of how they would like to see it put together, and then we'll deal with it.

**Mr. Koskie:** — Why the House is going to be burnt down before you finish up your consultation.

In '87 you went out and marched around and got all the statistics, and the crisis was on, and now you're still consulting. This is the problem that we have. And I agree with you, and totally agree that unless you're going to deal with it, that is a restructuring of debt, there is no use talking about a moratorium. And if you're not going to have an income stabilization program instead of *ad hoc*-ery and *ad hoc* programs, and if you're prepared to see the farmers lose their land, then of course, forget about it.

You know, you talk about a . . . The thing is, Mr. Minister, I think what the federal and the provincial government really have to take a look at, and I want to ask in respect to that, and you alluded to the need for the restructuring: has any discussions gone on, and at what stage has it gone on in respect to the restructuring of debt? Or is that in the infancy and not in the near future, because it seems to me what's happening anyway is there's a write-down? Many of the Farm Credit Corporation is writing down. The only thing is that there's no mechanism for those who are losing the land to have an opportunity to buy it back at the reduced and the current market price, which is probably more realistic in respect to the cost of production and the price they receive from their commodities. So there is a restructuring going on.

But what I'm asking you is, is there really developing, and how soon do you expect it to be in place, a mechanism of restructuring debt so that if any of the farmers who are in deep trouble can in fact have an opportunity to recover? Could you indicate whether any discussions that you know of, and have you been able to advise SARM in respect to what progress is being made?

You allude to the term of lease, that is, farmers lose land to farm debt or Farm Credit Corporation and/or to a financial institution, increasing the term of the lease. I think that would help and give some security to farmers that have been dispossessed of the land. And that would be useful.

But if it operates as some of the farmers are telling me . . . They get a leaseback, but within that lease, and it may be for three years now, from the Royal Bank say, they have the option to sell that land any time during that term of that lease. And there's no security, because the guy has lost the land. He's not in a position at that time; he needs some time leasing it to try to re-establish himself and an opportunity to purchase. And so that's the problem that many of the farmers are facing.

While I agree with you, if they could get a longer term of lease, it would be useful, but I think also the farmers have to be given some security, that if they lose their land and if there's a likelihood that they can continue farming, that they should be given the longer-term lease.

But they shouldn't be under the constant gun that the bank can suddenly go forward and sell that land during that term of that lease and they are not in the position to buy. And so increasing the term of lease wouldn't help unless you have the other factor; that the lease will go for that term without the threat constantly of being sold. Are you looking at that aspect of it also?

**Hon. Mr. Hardy:** — Mr. Chairman, there's been a lot of meetings going on. I haven't been to all of them; the member may or may not know, because the Associate Minister of Agriculture, the member from Morse, has been attending every one of them, and the Premier's been attending a lot of them.

I have attended some of them. They're going on looking at ACS, looking at restructuring of debt, working and suggesting to the federal government and trying to work with the federal government to bring in some of the things that are necessary. In regards to bank that's . . . all we can do is give a directive. Hopefully, it would be carried out to the federal government and what needs to be done.

Again I'd like to say that SARM as part of those negotiations most of the organizations involved in the farming industry are certainly involved in it. I think that's about all I could say.

I'm sure when we have Agriculture estimates up, the member from Morse, the Associate Minister of Agriculture, has done a great deal of work on it. And he'd be more, certainly more in tune with what's been going on in that detailed area and could bring a lot more . . . give a lot fuller answers than I can here today.

He talked about an income stabilization program and it's been mentioned a few times. And I guess how you put it together, how you structure it, who pays, does the provincial government have to go against and fund it if the federal government don't; if so, is that fair to ask us to go against national, foreign national treasuries. I mean, I don't think any province or state could do that.

Those are the kind of things that we need federal assistance on if you're going to come into that level of a program. We've had western grain stabilization. It has paid out at times; other times it doesn't pay out maybe when it should, but they made changes to it and every time they've changed it seems to . . . the next year doesn't fit the situation.

We have crop insurance which is a guaranteed production, and we have western grain stabilization which is supposed to be assistance in price or helping in the price of the commodity. So we have price stabilization, we have production stabilization in place, and they both don't do the job. But as I said yesterday, a lot of money has been put out between those two programs into our economy over the last three or four years so we can't totally knock them.

But if you talk about an income stabilization program, how it's structured, whether it's a target price and that's the income stabilization, who pays, what treasury has to pay? Does provincial treasuries have to go against national treasuries, foreign national treasuries? Those are all questions that have to be answered before anybody, I believe, anybody in this province or anybody in this legislature, can make a reasonable decision on how to do it.

**Mr. Koskie:** — Well, Mr. Minister, you certainly can analyse the problems, and we know them all, and you've done a great job.

But I'll tell you, you sure haven't marched very far forward in respect to the problems that exist out there. We're going to study and we got a problem; we got to decide who does it. And we got two Tory governments, so I guess one of them do it, eh? That's what we should expect at least. I mean your cousins in Ottawa, certainly you should be able to go down and discuss this and come with answers.

Mr. Minister, I want to turn to another concern of SARM at their mid-March convention. This year the delegates made it, I think, pretty obvious where they stand in respect to the question of method of payment, or some people call it the Crow benefit.

The SARM convention strongly endorsed the resolution favouring the continuation of the present system of paying the \$700 million or so annually, directly to the railways. The delegates also voted down the resolution proposing a payment to the producers be passed on to the railways.

I want to ask you, Mr. Minister, what is the basic position that you have taken in respect to this resolution as passed by SARM, indicating that they want the Crow benefit paid directly to the railways rather than to the producers.

**Hon. Mr. Hardy:** — Mr. Chairman, we're getting into agricultural estimates, but I'll certainly, I'll try one more time here.

Because it is a SARM resolution I will say this: that I think it's been said many times in this legislature and certainly outside of this legislature that when the farmers of Saskatchewan come to the Government of Saskatchewan with certainly a unanimous decision of what they want done, of what they want done — and that's all the associations, not just one — all the associations come forward with what they want done, then I guess the Government of Saskatchewan will act that way. But until such time as you have mixed reactions out there, all the way from the Canadian wheat growers to SARM, and if you were at the SARM convention, you know that there was a mixed vote.

So there is mixed feelings across the floor. And certainly as a government we're guided by those because those are the farmers who have to make their living and it's part of their living. So when they come to us and say to us . . . at least so we know that it is what at least a great number of the farmers want, then we can sit down and work with them towards a solution. Otherwise I guess the Crow benefit stays as it is. And that's where it is. And we have no intentions of making any changes until such time as we get total support or at least nearly total support from our farming communities.

**Mr. Koskie:** — Well that's a great position again. Real direction. Do nothing; sit on your hands.

The other concern that the RM had in respect, in their resolution, as they indicated, the SARM convention in March took a strong stand on the method of payment, as I indicated, the Crow benefit issue. And one of the reasons that they indicated is because the delegates are also aware that what would happen is that their RM road systems, with large hopper bottom semi-trailer trucks, would be running over them. And they know that pay the producer, which so many of the Tories support, would mean more rail line abandonment and the result; some of the communities dying and closing.

And I guess I wonder if you don't think that it is time you and your government told the PC government in Ottawa that you are against a change in the method of payment because of the basic concerns that have been alluded to. Or have you done any consultation with your cousins in Ottawa in respect to the concerns that the RMs face if indeed you change the method of payment: that there would be rail line abandonment; that there would be heavy usage of municipal roads, and as a consequence the cost . . . the transportation would be transferred over to the supporting of the roadways to the RMs.

Have you had any basic discussions in respect, or at least advising the concerns that are expressed by representatives of rural Saskatchewan, the RM councillors and reeves, that is expressed in so far as the upkeep of roads and the further rail line abandonment? Have those concerns been passed on to your brothers and cousins in Ottawa?

(1615)

**Hon. Mr. Hardy:** — Mr. Chairman, in regards to the Crow benefit, or how we pay the Crow benefit, certainly I said a few moments ago that it would be up to the farmers to decide. And I just want to make mention, at the SARM convention, although it passed to maintain the Crow benefits as they are, it was a fairly close vote. I can't remember what it was, but it was something like about 52 or 53 per cent in favour and something like 47 per cent against.

So I mean . . . There is mixed out there, is what I'm saying. It's about half and half, and it has been that way. And until somebody, a group of them decide which way they want to go, I don't think it's up to government to decide which way they want to go when it affects the farmer. And we're waiting . . . And it's up to them to decide, in certainly larger numbers than 52 per cent one way or 47 per cent the other way.

We have done some things . . . Quite a while ago we realized that rail abandonment has certainly been taking place, that companies like Saskatchewan Wheat Pool had been certainly downgrading the amount — or not downgrading — eliminating the amount of elevators they have around the province, the amount of depots they have.

At one time they were up nearly 1,400; they were down around 550 when we talked to them in '85 and '86, asked them what their plans were. They told us their plans, which we're certainly not going to . . . they asked us not to make public. But certainly their plans are less and less elevators.

We looked at that and then we looked at how we could redesign our road system. The road system, the grid road system as brought back in the '60s was good. There was nothing wrong with it; it was done for the time.

We realize that now we're getting to A and B trains, that the trucks are hauling long distances. They're not only hauling to the local elevator 10 miles away — or most of it's around 20 or 25 miles now — they're hauling to Moose Jaw, which is now owned by the wheat pool, but it was owned by Elders; they haul to Weyburn Inland Terminal; they haul beyond, even, to a wheat pool or to another company, right past other elevators. They use big trains wherever they get the A and B trains, which is the trucking system now.

So the trucking systems went from the old one-tons with a hundred bushels of grain on to a semi now hauling 14 or 1,500 bushels of grain.

We knew that so we tried to . . . we went to the RMs, we went to all the major service companies and said, what's your plans? Can you tell us, at least give us a general idea?

Then we looked at saying how should we design the road system for tomorrow? And we went to every RM in this province with a proposal. And sometimes the RM said, hey, this isn't the way we see our services now. We see them — they're different, you're not quite right. We made changes, we continue to make changes, because no matter how good you planned it, there will be something

that just doesn't fit into the . . . An elevator closes here that wasn't anticipated, a service centre leaves from there you didn't anticipate, another one is built over on the other corner.

Foam Lake's a good example where we're building other roads into there now. The RMs have to because the wheat pool are in the process of building a large terminal there. It's going to need some different road systems. And they've been in to meet with us.

Those are the kind of things we did. We did the entire province on road rationalization, changed the funding, so we put more funding into the longer, the heavier anticipated haul routes. We brought in what we call the heavy-haul program.

And we brought that in, and we brought that in, I believe, in 1984. Since 1985 we have built 1,053 kilometres of roads, or assisted in building it up to 90 per cent. They're built to primary grid standards, in fact heavier than that. Compaction is put in to take the heavy traffic. They're built wider so there's room to pass on the roads, so you're not squeezing, and it prevents accidents.

So we have spent, especially spent on heavy-haul roads, in excess of \$7 million provincial share in just designing those roads to take it to the nearest . . . to the service. And we know that if you've got a major centre in Foam Lake, where the wheat pool is building one now, that it becomes sort of an artery and all of them lead into the centre like a wheel with the spokes out. So the further you get out, the less the roads may have to be to a standard. And we realize that and try to design our roads that way. So we've done a lot of those things.

We've also worked for the Department of Highways in regards to where they come onto the highway system, the plans to upgrade them to meet that heavy-haul standard. So we've done a lot of those things over the last three or four years to increase and be aware that many companies are taking elevators out on a continuous basis, and we know they're going to truck further and further. And certainly . . . I used the example of the wheat pool because they're a very, very aggressive company lately, and they now have bought out a terminal in Saskatoon and they will be trucking much of their specialty grains to there.

They have bought out Elders in Moose Jaw, and they'll be doing the same thing. They've been doing it already where they have . . . buying the grain, going out and picking up the grain, and trucking it to their nearest elevator. They've been doing it with canola now in my area and trucking it to Nipawin to the processing plant there. So they have been doing it themselves already, and other companies are doing the same thing.

So it's there; you can't turn back the clock. So we're trying to prepare and make sure that the RMs are in a position to manage the heavy-haul that's going to occur on some of the roads, in particular the through roads that go right through their municipalities or into their municipalities.

**Mr. Koskie:** — You know, Mr. Minister, you do a lot of consulting, and I fear that it's really an excuse for

inaction. Your government had no problem forging ahead without asking the people, in fact with the privatization of SaskPower. In fact in your own documents you indicated that you wouldn't attack and privatize a public corporation, a monopoly utility corporation.

Why didn't you consult then? Now you're consulting as an excuse for inaction. That's really what's happening here.

The federal government, did they consult with the farmers in Saskatchewan in respect to taking oats out of . . . under the jurisdiction of the wheat board? Seventy to 75 per cent of the farmers in Saskatchewan voted to retain oats under the wheat board, and they marched ahead. Privatization of SaskPower, you had no problem in surging ahead until the people of Saskatchewan rallied and said, that's enough. And you had to back off.

And so now you have as a hidden agenda until a possible another election. You listen all right, Mr. Minister. You only listen when you want to, when you don't want to take action to save many of the farms; that's why you're consulting.

I want to ask you also, Mr. Minister, another concern with the RMs is the issue of tax loss as the result of Indian claim settlements is a concern to a number of RMs. And I want to ask you whether you have looked into that concern as expressed by the RM, and can you tell me if your government with its special relationship with the federal government, the Mulroney government, has it managed to get Ottawa to pay a grant to the RMs to replace lost property taxes? Has there been any progress made in respect to that concern of the RMs?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, in regards to tax loss, it's always a concern to every RM. I don't think it matters which RM it is. Some of the Indian bands have been looking at how it could be resolved with the RMs, but I don't think there's any doubt in anybody's mind that that's a federal responsibility, not a provincial responsibility. And we have been discussing with both the Indian bands and with those who are responsible for the native FSIN (Federation of Saskatchewan Indian Nations), as well as the federal government, more than once — in fact four or five or six times. The federal government would like to off-load it on to either the provincial government or the municipalities. They have suggested such things as pay for the first 10 years taxes in advance and then that's it. In my view, the RM would take a licking because about the year five when you take escalating costs and everything else and assessments and change roll-over, they would be getting nothing beyond the first five years. And that land and those RMs and those tax base will be there for a long, long time.

So in my view that is not a solution and should not be considered a solution. But it is a federal responsibility. They have said and haven't accepted that, and it's fair to say. And we've been working with the Indian band, the White Bear Indian Band particularly, where they are looking at a considerable amount of land, looking at, under the 1976 formula, has created us some problems. The agreement there has certainly created some

problems with us.

The amount of land that was allocated at that time made available and certainly is going to create some problems in regard to settlement of Indian land claims. So we are looking at the tax base. We've been working with and on behalf of the RMs.

In fact I even told the RM — I can't think of the one out there with the White Bear Indian Band — are taking over some land in it. I can't think of the name of the RM right offhand, but we've been working with . . . I was working with them, met with them once or twice to even say that we would help them financially, and to either working with the native band and the native band and then going to the federal government saying, this is your responsibility. If you're going to put it into reserve status, make sure that it remains a tax base for a long . . . and if you move taxes, that's fine. But we need that as a guaranteed income for the future.

**Mr. Koskie:** — Mr. Minister, you know, I think what you should do is listen to the RM officials a little more. That's what you should do, Mr. Minister. Because also the RM officials called on your government to cancel that birthday celebration. I wonder who you consulted with when you dreamed up, celebrate 85th birthday of Saskatchewan. Who was your great consultation process at that time? And who dreamed that up and endorsed it, Mr. Minister?

Here are the RMs indicating that the Future Corporation cancel that program. And I believe some action due to the pressure of Saskatchewan people are in fact bringing this Future Corporation to a halt earlier than intended.

I just wonder, Mr. Minister, you talk about being close with the RMs. Do you not take back some of the recommendations and some of the resolutions that they passed back to your cabinet colleagues? Or do you have no influence in the direction that they are asking this government to take?

And so I ask you here: who dreamed this gem up and did you consult with the RMs, because obviously there was no consultation because they said, quit wasting the money and get on and deal with the crisis that's in rural Saskatchewan? And so I ask you in respect to that: the headline says, "RM officials call on government to cancel birthday celebration." I guess I ask you whether you can confirm that they asked you to do it, and whether, prior to the invention of it, whether they had any input into the creation of this here ill-fated Future Corporation?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I won't spend too much time on this, but just in regards to the Future Corporation which he was talking about. At the SARM convention, on behalf of the Future Corporation, we helped fund, through the Future Corporation, estate planning and transfer, intergenerational transfer of land done by SARM through a consultant that they hired.

And they put together on video — and that video is available at all rural service centres at all RM offices. And it's put together extremely well. It was put together, I believe, at a cost of 200-and-some thousands of dollars

by SARM, which the Future Corporation helped fund. I believe it has a lot of benefits to our farmers. And those that saw it at SARM — it would be about 1,500 delegates were still there, I think . . . themselves said it was really well done and would help them greatly in planning their own estate planning and also planning for the future for their future generations.

Another area that the Future Corporation that just comes to mind that I was involved with is at Redvers where we were putting in a flax straw plant. They were also funding that in regards to the study of putting it together, putting together the plans and all the drawings for that flax straw plant that would make board, flax straw board out there — it's a furniture board — which is going to create about anywhere up to 50 jobs directly in the area.

So I know those two come to mind right off. That it was in fact . . . and a lot of the money that I know as sitting and looking through all the things where they funded, much of the money went to educational purposes, into schools; one went into the science centre down here; quite a bit of the money went into the science centre here in Regina. And I think everybody would agree that's one of the finest science centres in this country. Done extremely well. And I think everybody in this province is very proud of it. So a large amount of the money went into that. I think it was a good expenditure. Those kinds of things that come to mind right off.

So what he calls it is one thing; what it really did, Mr. Chairman, is so important. And it was important because it helped. Both educational, science centre, I can think of estate planning for SARM, I can think of a fibre board plant out in Redvers, and I'm sure there's many more if I wanted to get the list that were very, very beneficial to our province.

So it had nothing to do with whether a birthday party, as he puts it . . . that's what they had back in 1980; they had one, and it was very successful at that time. And that's what we had and I was part of it. I helped put it together, some of the things that happened in our community. So we did have that.

This wasn't this. This was bringing business and expertise; it was bringing job opportunities, Mr. Chairman, to our province.

(1630)

**Mr. Koskie:** — You are right; RMs are wrong. I agree with you. Only 37 of them here in the Regina district association of rural municipalities passed a unanimous resolution asking the government to postpone the spending until Saskatchewan centennial of 2005. At the very least, they say, the government should wait until the provincial economy is buoyant. There's other priorities, they're saying. But they're wrong. You're right. Let's go on.

Another issue that the RMs raised with you, Mr. Minister, the delegates slammed the GST (goods and services tax) being imposed by your federal counterparts. And they oppose the institution of this here regressive tax, the GST, as being implemented against the will of the people of this

country by the Mulroney government. And the delegates to the Saskatchewan Association of Rural Municipalities, SARM, joined the long list of those organizations opposed to the federal government's proposed goods and services tax. And there's no doubt that this is a regressive tax because all pay it, regardless of whether you're rich or poor.

Normally you have a tax system that is fair that those that have, that can afford to pay, should be prepared to pay. But not under the Tory regime. They say, let's go the one step closer to Margaret Thatcher, her right-wing philosophy that she imposed in Great Britain where she's had riots and is about as low in the polls — not quite as low as the Tories in Ottawa and Saskatchewan. The recent poll, Mr. Chairman, indicate that the federal Tories are at 16 per cent, the lowest in recorded history of any governing party in the democratic system — 16 per cent.

But they must march on. And this government has stood, in spite of the fact that organization after organization have opposed the GST, and the SARM, the very institution that this minister represents, have literally sat by and have condoned and acquiesced and are going to join in with the implementation of this very vicious, right-wing, regressive tax that's going to be imposed on the people of Saskatchewan.

The Tories said they are bringing in tax reform, Mr. Minister. They brought it in all right. They brought it on their philosophy that you tax the rich less and you tax the ordinary citizen a heck of a lot more.

I guess this is another concern by a very major agricultural organization — SARM. And the minister does his dealing with SARM and I wonder whether the minister has made the position of the organization that represent all of rural Saskatchewan — SARM — whether you made representations to your federal cousins that were opposed to this tax. Or are we going to sit and let it be imposed against the will of people right across this nation? You should go another step further and put on a head tax or a poll tax like Margaret Thatcher did.

I ask you, Mr. Minister, do you take the resolutions of the delegates to SARM seriously? Do you take them back to your cabinet, to your Premier? Do you intend to forward it on to the federal party?

And I ask you, Mr. Minister, you have an obligation to express your support against this regressive tax. And I want to know why your government has been essentially silent on it, speaking one thing here and another thing when they go down east meeting with the Prime Minister.

But more importantly, have the representations of SARM been made known to your cabinet and to the federal counterparts that are imposing this regressive tax?

**Hon. Mr. Hardy:** — Mr. Chairman, just before I go into the . . . talking about the GST, and I'm going to say a few things about it because I don't agree with it either — totally don't agree with it. Never did and never will.

I want to talk about . . . just a moment about the Future Corporation, and I was just asking my officials here if any

way we had assisted RMs other than through the estate planning. And I understand that \$50,000 was given to the RM of Spalding, to the RM of Spalding, I believe, in the member from Quill Lakes' riding, to look at a special dust sealing on two miles of road, called paraseal, and they're doing a test pilot project out of it. So there was \$50,000, I know, that come from the Future Corporation that directly went into his constituency to help with a road, a test pilot, a pilot project on a road in his area.

I also understand that Vis-A-Vis got some for looking at their plans for developing the bottling plant which I think was really good for the area, and I understand that they also got some dollars there.

So what I'm saying, Mr. Chairman, is that it really was spread around in a lot of ways, and I think most of them the member would have to agree, that both of those were areas that were important to him and important to all of us.

In regards to the GST, the department did a bit of analysis on how it would affect municipalities. And because of the vagueness of knowing or not knowing what is all . . . might be available and how it would affect, it was hard to say when you just came down to the purchase of equipment. Because if they take off the 13 per cent sales tax and add 7 per cent and nobody eats up the differences — I think they may do — there would probably be little or no difference, the cost of them.

But when we looked at GST on road construction, then we really have a problem, and that's where our problem shows up for municipalities. According to the information available to . . . municipalities that builds a road with its own equipment will only pay the GST on supplies used in the construction, i.e., gravel, fence posts, etc.

However, a municipality that tenders out the construction of a road will pay the GST on the total amount of the contract. And just think what that does to all the municipalities, that most of them do tender it out, or for one municipality that's tendering out or doing the work for another municipality. And just realize that's going to be an additional 7 per cent cost added directly on the total cost of construction, because services are included.

That to us is not right and it can't be there. And if it does, it just increases the cost of road construction in this province by 7 per cent to all municipalities — increases it by 7 per cent. And that is a great deal of increased costs if you bring in the GST.

And that's a cost directly to this provincial government. And there's no way around it because if it comes in we are cost sharing up to 90 per cent on all road construction. So you can just realize what it's going to cost us as a government if that happens.

If you talk about the GST in rural Saskatchewan, you talk about the GST in regards to small business, I probably should know as well as anybody what it will do to small businesses in rural Saskatchewan and how it would affect my small business. I run two of them. I've run one for 28

years now, and I believe I know business, retail business in rural Saskatchewan.

I had my accountant do an analysis of what it would cost me in my two businesses that I operate in the town of Hudson Bay. He estimated that I will have to have an additional \$20,000 in carrying money just to carry the additional amount of stock that I'm carrying and the roll-over that it affects.

Now if you take \$20,000 annualized yearly, times it by whatever interest rate you want, you know what it's going to cost me as an individual, extra above. Never mind the collection, now when you get the collection. If you talk about cash registers and if anybody in small business, and everybody does know in small business, that cash registers don't come cheap. They don't come cheap particularly if they're programmed and computered into your product. And there's not one cash register that I own anyway that can be changed over to take both taxes. So that means you either have to go to a new cash register, and I don't know if anybody even makes one now to take both taxes. And that becomes terribly expensive.

Then on top of that you've got all the bookkeeping. You pay the GST when you buy it, you carry it all the way through, all the way through to the end and then you've got to deduct as you send it in. Let me tell you something, it'll be a bookkeeper's dream because they will be the benefactors from it.

So if you want to ask me, do I agree with the GST? No, I don't agree with the GST. And I have said it extremely clearly here today and any other time. And if you . . . (inaudible interjection) . . . Mr. Chairman, I'm sure if the member would like to get in on . . .

I'll just conclude by saying this in the GST: I believe the GST will be a great hurt to this province. I believe the GST can do nothing to benefit us individually out here.

And if you look at the GST other than maybe on a half-ton truck, and I would like to know what company in the next year won't take up the slack before the GST comes in. And although they'll give you back thirteen and a half per cent, the price will go up and we'll all be eat up anyway. I believe that sincerely. I believe we're going to pay an additional 7 per cent on every product that we buy out here because of the GST.

Let me end by saying this: if the GST is going to come, and I don't know how you're ever going to stop them from bringing it in, because as you know, as you know, they intend to bring it in. They brought closure in, in the House of Commons. I believe it's going to come, and I don't think you're ever going to stop it from coming. And that doesn't make anybody here in this whole province happy.

If they do that, there should be an obligation to set at least 1 to 2 per cent aside for export enhancement for our farm communities, and then rural Saskatchewan and all of Saskatchewan. Because if you set the total amount across the country aside, that's 3 to 4 billions of dollars, and our farmers and our small business will not only be good, they'll do a lot better.

So I believe they have a commitment. It they're going to bring it in, set that aside for export enhancement and let us have for once in a long, long time, let us be equal east and west and let us be part of a country I call Canada which makes it a great country to live in. And we can all play a major role as Canadians, as consumers across this province and across this country to make not only Saskatchewan, not only Manitoba or Alberta, but all the Canadian farmers better. And if they do, our rural communities will be there for many, many years to come.

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

**Mr. Koskie:** — Well boy, the Saskatchewan people must be really convinced that you're a fighter. What a stand you took against that GST. I'll tell you, Mr. Minister, you know, you say what we have to do is some modifications. That's what you said. And I'm going to tell you, you can't make a meat pie out of barn manure. And you can't make anything good out of something that is no good. And that's your position and that's the Premier's position. That's exactly what you're saying. It's coming in; give up; let 'em go; let 'em have it; and let's start making some modifications.

And what a hypocrisy that you stand here and pretend that you're against the GST and that you're a small-business man and you know the importance of it.

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

**Mr. Koskie:** — Don't give us that rubbish any longer. We put a motion and we asked the House . . . a motion in this House asking the House to endorse opposition totally, unanimously, objecting to the imposition of the GST. And we could have had that.

But across the way you have your agenda, Mr. Minister, because you quietly support it. That's the problem. And the people of Saskatchewan know it. And the people of Saskatchewan, come the next provincial election, are going to know that the GST is part and parcel of your government's imposition of it. And that's what they'll be deciding. That's hanging on your neck, Mr. Minister, and let it not be denied.

Mr. Minister, I challenge you today, or this evening. I'll bring in a resolution, and I'll do it and I'll get one drafted right now. And you say that you're totally and unequivocally opposed to the imposition of the GST. Now maybe you have changed your mind, because we tried it previously.

And I'm going to ask you, Mr. Minister, if we introduce in this House right now, can we in fact get your unqualified support and leave to introduce an emergency motion with leave, in order that in fact we can indicate to all of Canada and to particularly Saskatchewan people, that at last this House comes to its senses and are going to give one message, and the message is that GST is no good for the people of Canada, is no good for the people of Saskatchewan, and it must be stopped.

(1645)

I'm asking you, Mr. Minister, are you prepared to do it? And I'll tell you, I'll do it in the following terms. I'm going to ask you — this will be what it says, that:

Moved that this Assembly condemn unqualifiedly the GST and urge the Government of Canada to withdraw it because of its impact on rural Saskatchewan.

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

**Mr. Koskie:** — Here is an opportunity, Mr. Minister, and accordingly I ask you: will you give us leave? In fact what I'm going to move, I'm going to move that resolution to see the sincerity of the members opposite in whether or not . . . And I'm going to move, seconded by the member from Humboldt, Mr. Upshall — I shouldn't use his name, but I will — from the constituency of Humboldt. And what I . . . I so move, Mr. Chairman, and I'd ask the page to get this to the chairman. And I'd like the minister to join with us in respect to this.

**Mr. Chairman:** — Order. I refer members to page two of the appendix on rules:

That the practice of permitting substantive motions in the Committee of the Whole and Committee of Finance be discontinued. (Adopted December 10, 1980)

So I find the motion not in order. State your point of order.

**Mr. Koskie:** — Mr. Chairman, I just want to make one point. I accept what you have indicated in respect to the rule, but the House governs as to overriding any rule and the House has an opportunity here today, the House has . . .

**Mr. Chairman:** — Order, order. Allow the member to state his point of order . . . (inaudible interjection) . . . Yes he did. Order. Allow the member from Quill Lakes . . .

**Mr. Koskie:** — Yes, Mr. Chairman, I appreciate the ruling that you have given, but I want to make a point that by the unanimous consent of the House that we can proceed in respect to the motion. And all that has to be asked is whether or not we can get the consent of the government to indicate whether or not they are indeed prepared to support what the minister indicated.

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

**Mr. Chairman:** — That the point of order is not well taken in committee because we're in committee. We're not in the House. It can be done in the House, but there is a motion, Item 1, before the committee and that's why we cannot do it in committee.

**Mr. Koskie:** — Yes, Mr. Chairman, I understand that and I know that the members of the House are indeed with unanimous consent can do exactly what the committee — can do exactly what it wants. And so what I would like . . .

**Mr. Chairman:** — Order, order. There is a motion before the committee that has to be dealt with, and it is Item 1 of

Rural Development Estimates.

**Mr. Koskie:** — Well, I wonder whether, Mr. Chairman, whether you'd accept an amendment to the motion on GST.

**Mr. Chairman:** — Order. An amendment can be made to Item 1 of the Rural Development Estimates. Yes.

**Mr. Koskie:** — Yes, what I want to ask the Minister, then, in light of the ruling of the Chair, if the properly worded amendment is prepared then along the lines as indicated in the main motion, whether the Minister in fact is prepared at this time to give consent to the amended motion, and will you be prepared to proceed with unanimous opinion, support of your colleagues in respect to the opposition of GST?

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

**Mr. Chairman:** — Order.

Amendments are allowed in committee but no amendments can be moved which are not relevant to the vote under consideration. Each resolution for a vote forms a distinct motion which can only be dealt with by being agreed to, reduced, negated, superseded or withdrawn. The committee may reduce the amount of a vote by the omission or a reduction of the items of expenditure of which the vote is composed. Here the power of the committee ceases.

**Mr. Koskie:** — We bring it into the House, a motion in respect to it, in order to give the members opposite an opportunity to support a motion rejecting GST, and what did they do? They refused leave to discuss it. That's what they did. We come into this House today and the minister says, oh, I'm against GST. And we said, let's join together and indicate it together. Build a consensus, you're talking about.

And you know what they do? Now they hide it behind the rules again. Mr. Minister, the people of Saskatchewan know that you're being . . .

**Mr. Chairman:** — Order, order. Why is the member from Biggar on his feet?

**Mr. Baker:** — We never refused leave; you ruled that out of order. We never refused leave . . . (inaudible interjection) . . . Yes he did.

**Mr. Chairman:** — Order. The member's point of order is not well taken. The member from Quill Lakes is making reference to rule 39.

**Mr. Koskie:** — In fact you can go back to sleep there, someone said. Mr. Chairman, I want to indicate to the minister here because I'm talking in respect to the Saskatchewan Association of Rural Municipalities delegates slamming GST. He's representing rural Saskatchewan, and it's going to massively affect small business, going to affect farmers, going to affect ordinary people across the province.



And you know what? He says, oh I'm kind of opposed to it but we can't stop it, he said, we'll have to try to fix it. That's his position.

I'll tell you, Mr. Chairman, just to demonstrate the hypocrisy of the opposition, the government side. This is the resolution that we offered before the House recently. It says:

Before orders of the day, I rise pursuant to rule 39 to move a motion. I shall read the motion, which I shall actually move at the end of my comments. The motion which I would ask for leave to move . . .

And this was what we asked the government to demonstrate in respect to GST:

That this Assembly condemns the Government of Canada for its proposed goods and services tax, which is regressive, unsound, unfair, and which will impose unjustifiable financial hardship on the Saskatchewan people.

That was the resolution that we asked the government to join with us, to give us leave, and they refused.

People of Saskatchewan will know. But they're opposed to it. That's what the minister of rural affairs says: I'm opposed to it, but we can't stop it.

I'd like to ask you, Mr. Minister, what basic steps did you take in respect to your portfolio as it affects all of the farmers and small-business men that you talk about, that having your accountant take a look at the impact on yourself. I wonder what actions have you taken and what can you table in this House in respect to the opposition that you as minister of rural Saskatchewan, who should be defending the rights of rural Saskatchewan people — can you file and demonstrate what efforts you took in respect to opposing the GST?

**Hon. Mr. Hardy:** — Well I don't want to give him a long sermon, so I'll just say simply this: as a government and as cabinet, we've had a lot of discussion at federal-provincial levels. We've had the Department of Finance has been working for the last six to eight months, practically a year, with the federal Department of Finance, telling them the problems that we would face if they bring it in. And that's where we should be working with them at it.

We have publicly said, both in this legislature the Premier has said it, and at many, many meetings that in fact it would impose a lot of hardships on this province in particular, I laid some of them out.

I'll tell you, what I can say only is that we have been working for the last year on many, many things. And if they bring in the GST and it affects our industry in this province that we are putting together, it would be detrimental to everyone in this province. And I'll say that.

I suppose the question we all face is that as you deal with any federal government, and there's 10 provincial governments across the province have to deal with the

federal government, I don't know if any of them had any success in regards to getting them to change their minds.

In fact, I would think that we have a lot of members from this province sitting in the federal House of Commons, 10 of them being from the Opposition, from the NDP, and other than once in a while down there you hear the odd grumble, I haven't heard much from them at all.

And I believe that they could . . . (inaudible interjection) . . . no. And if you look through all the House of Commons questions, you would know that they haven't put up much of a debate in regards to the GST.

So therefore, Mr. Chairman, I would say that from this province we have taken a firm stand. We have told them unequivocally that we're against it. We have told them that to go . . . that it needs to be scrapped, that it needs to be . . . whatever is brought in and however they're going to fix their taxation in Canada, they need to do two or three things.

One of the things they need to do is bring down the interest rates; two, they need to let the dollar fall where it should be; and three, they need to reduce the size of the federal bureaucracy before they come to us, before they come to us as taxpayers for any additional money. And we have done that at a provincial level and it's time the federal government did it too.

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

**Mr. Chairman:** — Being near 5 o'clock, this committee is recessed until 7 p.m.

The Assembly recessed until 7 p.m.