

The Assembly met at 10 a.m.

Prayers

## ROUTINE PROCEEDINGS

### NOTICES OF MOTIONS AND QUESTIONS

**Mr. Upshall:** — Thank you, Mr. Speaker. Mr. Speaker, I give notice that on Tuesday next I will move a motion which reads:

This Assembly recognizes and regrets the failure on the part of the provincial and federal government to provide a \$500 million agricultural deficiency payment to halt the tremendous human tragedy caused by the crisis of farm foreclosures.

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

### INTRODUCTION OF GUESTS

**Mr. Muller:** — Thank you very much, Mr. Speaker. It's my pleasure today to introduce to you, and through you to the Assembly, three guests in your gallery. And they're here and I met with them this morning between 8 and 9 o'clock, a number of us did.

They're here on . . . it's a new association — the Provincial Association of Resort Communities of Saskatchewan — and I'd like to introduce them to you, Mr. Speaker. Mr. Bob Carter from the rural municipality of Lakeland which is in some of the most beautiful country north of Prince Albert; also Dorothy Hovdebo from Candle Lake, another resident of some of the most beautiful country just north of Prince Albert; and, of course, there's Karen Keuler from Regina.

I'd like all members to welcome them here and I hope they enjoy their visit and I hope they learn something from question period.

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

**Mr. Kowalsky:** — Mr. Speaker, I would join with my colleague, the member from Shell-Torch, to welcome visitors, particularly visitors from the resort village association, particularly the visitors from Candle Lake and from the Lakeland area. Residents from my constituency have a lot of contact with people and lot of them take the opportunity to visit that area, and we're very pleased that representatives from area north of Prince Albert have come to the legislature, and we welcome them on behalf of everybody from this side of the House.

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

**Mr. Muirhead:** — Thank you. Mr. Speaker, it's a pleasure to introduce to you and to members of the Assembly this morning a group of Wolf Cubs sitting in your gallery, Mr. Speaker. I'm doing this this morning on behalf of the Minister of Justice, the member from Qu'Appelle, and I wish to say to them that your MLA apologizes for not being here this morning. He's out of the province and so I'm filling in for him.

Mr. Speaker, they are called the McLean Cub Pack. There are nine in number, and their chaperons are Glenda Ashdown, Doug Spencer, Myrna Ashdown and Weddell Gillert. And I'll be meeting with them, Mr. Speaker, at 11 o'clock for drinks and pictures and questions.

And I ask all members of the Assembly to join with me in welcoming this group to the legislature today, and wishing them a good day in Regina and a safe journey home. Thank you, Mr. Speaker.

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

## ORAL QUESTIONS

### Contract of President of Potash Corporation of Saskatchewan

**Mr. Lingenfelter:** — Mr. Speaker, in the absence of the Premier and the minister responsible for the potash corporation, I have a question for the Minister of Finance.

My question, Mr. Minister, deals with a very unfair and incredible contract you have signed with the president of the potash corporation, Chuck Childers. I have here a copy of the full contract signed last July between PCS (Potash Corporation of Saskatchewan, Inc.) and Mr. Childers that provides Mr. Childers with a salary and bonus of more than \$700 a year for the next . . . \$700,000 a year for the next five years.

Mr. Minister, that's a commitment of more than \$3.5 million in salaries and bonuses for Mr. Childers. More than that, Mr. Minister, this incredible contract is also a no-cut contract. If Mr. Childers dies, is fired, or is incapacitated for any reason, he or his estate will still receive the full five year pay-out.

How is this, Mr. Minister, justified in these tough economic times, a \$3.5 million, no-cut contract for Mr. Chuck Childers? How do you justify that?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, this morning I see in the Saskatoon *Star-Phoenix* that Statistics Canada has calculated that unless something is done different in Saskatchewan, unless there is a western economic boom, unless we do business in Saskatchewan instead of politics and rhetoric, that the population of Saskatchewan will go under 1 million by June of 1991, and according to Statistics Canada, our population will stay under 1 million until the year 2010. Clearly, Mr. Speaker, we're going to have to do something different in this province now.

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

**Hon. Mr. Schmidt:** — I am pleased, Mr. Speaker, that the members opposite agree we're going to do something different. I just wish they would have some policy that would be different. Our policy is this: we have to bring in business; we have to bring in small business and we have to have big business. In order to do big business, you have

to have big-time managers, and in order to have big-time managers you have to pay them world salaries. And the small-mindedness of the NDP will mean this province will amount to nothing for years and years unless we do business with the world under world conditions.

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

**Mr. Lingenfelter:** — Well, Mr. Minister and Mr. Speaker, I can assure you that things will be different in the very near future.

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

**Mr. Lingenfelter:** — Now getting back to the business at hand, Mr. Minister, I have here the contract of Mr. Chuck Childers and it is indeed truly a no-cut contract. Mr. Childers cannot be dismissed for general incompetence, in the agreement. If he is, the corporation, ultimately the taxpayers of Saskatchewan who still own most of the corporation, will have to pay out the remainder of \$3.5 million contract.

Now the only grounds for dismissal are very narrowly defined as illegal acts which bring Mr. Childers material gain, have to be illegal acts, for example, theft or fraud. How can you justify this kind of a no-cut contract at a time when the people of the province are being asked to cut back and sacrifice and kids are going hungry. How do you justify that?

**Hon. Mr. Schmidt:** — Mr. Speaker, is there no end to the small-mindedness of the NDP. The NDP say, let's change the government and all will be well in Saskatchewan. This province will not be saved by any changes of government. This province will be saved by a certain fact of world economics that we have no choice but to follow through with, and that is this: the people of Saskatchewan will only prosper if they compete and participate in a world-wide economy, and that world-wide economy is a free market economy based on business, big and small. That is the only hope for the . . . Mr. Speaker, the NDP are yelling so loud I can't even hear myself.

**The Speaker:** — Order, order.

**Hon. Mr. Schmidt:** — Mr. Speaker, now that we have quiet, I can explain this logically. Changing government in Saskatchewan will change nothing unless we as a people in Saskatchewan decide to participate in the world economy, and the members opposite have no new ideas on how we can participate in the world economy. Their examples would be Jack Messer and David Dombowsky going out and getting another potash mine built in Manitoba and getting paid big money to do that. And they have accomplished nothing.

Now on the other hand they criticize a man who ran a corporation in this province last year that made a profit of \$100 million last year. Why would anybody consider firing this man for making a profit of \$100 million, unless of course, Mr. Speaker, you didn't philosophically believe in profit? And if there is no profit, there's only poverty.

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

**Mr. Lingenfelter:** — Well, Mr. Speaker, and Mr. Minister, there's one thing no one will accuse you people of, is being small-minded when it comes to the salary of Chuck Childers.

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

**Mr. Lingenfelter:** — Mr. Minister, this contract, this no-cut contract goes on to stipulate that if Mr. Childers should die tomorrow, his estate would be paid out in full for the duration of the contract, or \$3.5 million. Or if he were incapacitated or hospitalized tomorrow, he would still be paid in full.

I want to ask you, Mr. Minister, who in the world made this contract up? Was it you as the minister, or was it the minister in charge at the time, the member from Qu'Appelle-Lumsden, or was it a wish list of Mr. Childers when he came here to run the Potash Corporation of Saskatchewan?

**Hon. Mr. Schmidt:** — Mr. Speaker, members opposite don't understand that in a free market world you have to compete. You have to also compete with salaries and that the competitors are paying much more per year for their management. Mr. Childers was drawn away by competition from IMC (International Minerals and Chemical Corporation (Canada) Ltd.) to work for PCS to turn that company around and make a profit.

That company is a private company. The shareholders get to vote. The shareholders can change the management if they wish. Mr. Speaker, my son got a letter the other day.

**The Speaker:** — Order, order. Hon. members will have their opportunity to ask their questions or make their remarks at appropriate times. It is the minister's opportunity now, and he has been asked to give an answer and he's doing that.

**Hon. Mr. Schmidt:** — In conclusion, Mr. Speaker, my son got a letter the other day because he is a bond holder and a voting member of that company and he's 11 years old. He bought his limit. He got a letter. He wanted to know what it was. I explained to him that he got to vote. Even my son and thousands of other people in Saskatchewan can vote on the board of directors and they can decide. They can directly decide how that company will be run. So my son and thousands of other people in Saskatchewan, if they're not happy with how that company is run, can vote and change the management.

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

**The Speaker:** — Before the hon. member rises for his question, I would just like to once more bring to your attention that I have been listening for the past few days really to question period, and it's generally a good question period. But unfortunately we're getting into a situation where we're moving more towards debate than to good, succinct question and answers.

Questions have been getting a little long. Answers have been getting a little long, and therefore we're having debate and it creates its own problem. So I would like to

ask the members of both sides to try to shorten their role in question period.

**Mr. Mitchell:** — Thank you, Mr. Speaker. In the minister's version of a free market economy, there are a small handful of winners and many, many losers, and Mr. Childers is most definitely a winner. The contract that we're talking about, Minister, that you seem to refuse to discuss, also stipulates that if Childers is terminated for any reason, including for just cause — for any reason — the company will pay his relocation expenses and let him participate in what's called the corporation's home purchase plan. So if you fire the man, even for cause, you're going to pay his expenses to move to another community and help him with a house purchase.

Can you tell this Assembly, Minister, what the corporation's home purchase plan is, and why a man who is making the kind of money that Chuck Childers is making needs the help of Saskatchewan farmers and small-business people and workers to pay for a new home?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, what we have to consider here is the alternatives to the suggestions of the NDP. And what are their alternatives? Their alternative is: put us in power and our old policies will create miracles in Saskatchewan.

Well if they have any new policies, I challenge them to bring them forward. But their old policies are not working anywhere else; their old policies don't work in the U.S.S.R. The manager of the communist potash company is not paid that kind of money, and it doesn't work.

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

**Mr. Mitchell:** — Mr. Speaker, the minister simply refuses to discuss the terms of this contract, and I'm not the least bit surprised.

What I would like to know is if you can tell us whether this kind of a sweetheart, virtual no-cut contract was also made available to other top PCS officials, other top PCS officials like Bill Doyle or John Gugulyn? Is this kind of sweetheart contract in effect as far as they're concerned?

And what about other Crown corporation heads such as George Hill of SaskPower, or Oscar Hanson of SaskEnergy, or the deputy minister to the Premier, Stan Sojonyk? Are these kind of sweetheart deals in effect as far as they're concerned? Which of your friends in high places get this kind of deal, Mr. Minister? And will you table those agreements in this House so we can have a look at how you're safeguarding the public purse?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, it's disgusting to see the negative attitude . . .

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

**Hon. Mr. Schmidt:** — It's disgusting to see the negative

attitude . . . Mr. Speaker, it's disgusting to see the negative attitude of the members opposite.

**The Speaker:** — Order, order.

**Hon. Mr. Schmidt:** — Mr. Speaker, thank you for bringing the members opposite to order so that I can explain in our democratic forum that it is disgusting to have the negative attitude of the NDP attack all of the senior management in Saskatchewan. Next they'll be on Gunnar Pedersen and next they'll be on Milt Fair of the wheat pool. Who are they going to attack next?

They attack everybody that is successful in this province. And for generations successful people have left because of their negative attitude. How are we going to build this province with that kind of an attitude? Who, with any brains or ability, is going to stay here with people like that constantly harassing them? It is disgusting.

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

**Mr. Mitchell:** — A new question to the minister, Mr. Speaker. It's not the . . .

**The Speaker:** — Order, order.

**Mr. Mitchell:** — Mr. Speaker, Mr. Minister, it is not the senior managers of the public service that we're attacking. It's the incompetence and banality of the people across the floor that we're attacking.

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

**Mr. Mitchell:** — This contract, if you ever take the time to read it, is an appalling document. It doesn't appear to be a case where the company and the employees sit down and negotiate what's in the best interests of each, but seems to be a case where Mr. Childers draws up a wish list and your Mr. Schoenhals, presumably with the full compliance of the minister, signs the wish list.

Yesterday in this House there were hundreds of angry school teachers who were telling your government that its spending priorities are all wrong. Will you stand in your place today and explain to teachers why it is that our schools have to fire teachers while Chuck Childers can get a sweetheart deal like this out of you people? Will you explain that?

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

**Hon. Mr. Schmidt:** — Mr. Speaker, the members opposite insult — insult — you, the Speaker, and this House by saying they're not attacking civil servants. I just heard that member attack the deputy minister to the Premier. I heard him attack him by name. I heard him attack an individual who's a chief civil servant, who was an employee of the city of Saskatoon, who worked for Federated Co-op. I heard him personally attack that man and then he says, we're not attacking civil servants.

That is the continuation of their negative attitude. I don't see how negativism is ever going to build Saskatchewan. It is more disgusting.

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

### Hiring of Consulting Groups

**Ms. Simard:** — My question is to the Minister of Health, Mr. Speaker. Mr. Minister, last week my colleague from Regina Centre asked about the \$1 million that was spent by your department, the Department of Education, and the Premier's office on image making through the Corporate Strategy Group and Decima Research. We found out that the money in the Department of Education was probably spent for selling Saskatchewan people on core curriculum, but we did not find out on what sales job the money was spent in your department, Mr. Minister.

Could you tell us what it was used for and also what other projects your department has paid Decima or Nancy McLean to take on since that time?

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

**Hon. Mr. McLeod:** — Well first of all, you know, the member will use her term of image making and all of that which is, I suppose, it's their right, but it is not the fact, what they're doing.

What we have, Mr. Speaker, within the Department of Health and the use of Corporate Strategy Group, it was to develop the strategy as it relates to the new health card that was introduced across this province, and also for the Everyone Wins program, which is a program which has been widely regarded across the province, but not only across this province, which is now being looked and which has been widely regarded by Health departments across Canada.

Our Everyone Wins program, our health prevention program, is without question, without question the best of its kind in this country, and the Corporate Strategy Group was very involved with our department in development of Everyone Wins and in the development of the health card technology.

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

**Ms. Simard:** — New question, Mr. Speaker. Mr. Minister, I have here a study by the Corporate Strategy Group prepared for you last January and presumably paid for in the '89-90 fiscal year. It concerns your attempts to sell to the people of Saskatchewan through the mass distribution of this material, Mr. Minister, your changes to the drug plan and your plastic health card. And it's costed out at \$288,000.

Can the minister explain his department's decision to spend \$288,000 on that sort of self-serving advertising to try and convince the people of Saskatchewan that you know what you're doing, rather than spending the money to do the right thing?

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

**Hon. Mr. McLeod:** — Mr. Speaker, another example of a very negative attitude. The member uses the term "self-serving," and she says that it's self-serving as it relates to the government, the Department of Health. I'm

not sure who she says it's self-serving for. I would say to you, Mr. Speaker, to the public of Saskatchewan that the mailing that she refers to which . . . one mailing across all of the province costs in the neighbourhood of \$200,000. There's no question that that's the cost of it, and that's a lot of money.

But, Mr. Speaker, the only people that have been served very well, and if you want to use the term self-serving, are every citizen of this province as it relates to the individual life-style changes, the attitudes towards individual responsibility for their own health which is the very essence of what Everyone Wins, the Everyone Wins program is about. That's a well regarded program, as I said earlier, all through this province. It's a well regarded program throughout this country. People of this province are very well served by the Everyone Wins program. And, Mr. Speaker, judging by the responses that came from the very mailing that the member refers to, in the thousands, in the tens of thousands, responses back asking for more information and more responses. Mr. Speaker, that's a very successful program and Corporate Strategy Group had a good deal to do with it.

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

**Ms. Simard:** — Mr. Minister, let me just quote to you from the Executive Summary of this corporate strategy document which deals with promoting your changes, your decimation of the drug plan, and the plastic health card. This strategy with respect to advertising will allow the government to, and I quote: "position itself as open, consultative, and interested."

Position itself, Mr. Minister, not be open, consultative, and interested. But to look as if you are open, consultative, and interested. Instead of trying to look like you were doing your job, you could have spent that money, Mr. Minister, actually doing your job.

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

**Ms. Simard:** — Mr. Minister, how many more spaces in the early childhood intervention program would that \$288,000 have paid for?

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

**Hon. Mr. McLeod:** — Mr. Speaker, notice in 1990, Mr. Speaker, notice that in 1990 we have a member of the NDP, supposedly their leading spokesman in the health care world, stands here and says . . . stands here in this House in front of all of the people of Saskatchewan and says . . . and equates the terms change and decimate. If there's change suggested, that's a decimation to her and to the NDP.

Mr. Speaker, the drug plan changes, while they were difficult changes to make because they were change and because those people didn't like them and they went on and on and on for ever, Mr. Speaker, not many people in Saskatchewan today would suggest that there should be any change back to the system that was there before, which frankly was an unhealthy circumstance for individual citizens in this province.

The drug plan changes have been successful, despite all of their rhetoric, number one. And, Mr. Speaker, the health card, the technological advance of the health card introduced in this province and which is now being marketed by a Saskatchewan company, Co-operators Data Services of Regina, around the world, is a successful change, not a decimation of the health system as would be portrayed by that member.

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

**Ms. Simard:** — New question, Mr. Speaker. Mr. Minister, your changes to the drug plan were cruel and caused all sorts of hardship on the people in Saskatchewan.

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

**Ms. Simard:** — And, Mr. Minister, I'm still writing you letters about your changes to the prescription drug plan. The entire purpose of this study, Mr. Speaker, is to try and polish up the government's image, not address problems. In fact, the study says its purpose is, and I quote:

... to take a first step in aligning the government's/department's actions on health care with the public interest.

Now we have a government, Mr. Speaker, that's so out of touch that it's got to get a hold of Nancy McLean to try and tell them ways to get on side with the public.

Mr. Minister, I'm sure the final report on the responses has been tabulated by your Toronto consultant, a Dave Tkachuk. Will you today lay on the Table the results of this expensive, politically motivated PR campaign?

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

**Hon. Mr. McLeod:** — The members of the NDP opposition can portray everything that goes on in a very large department like Health, or in fact everything that goes on in government, in a political term if they like. That's what they do; that's what they always do. Everything is politically motivated, according to the NDP members, Mr. Speaker.

Mr. Speaker, I say to the member opposite who stands in her place today and talks about the ... it's almost the rhetoric of 1987. If you close your eyes and think about it, nothing's changed from 1987 when she was talking about the drug plan changes at that time or 1988.

Mr. Speaker, I challenge those members over there, today, to stand in their place and say that they would return the drug plan to its former condition; that they would return the drug plan to the situation that it was in before; before the advent of the health card; before the advent of that card which has been so very useful and so very good at ferreting out abuse in the prescription drug system — all of those things.

I challenge them to stand and say that change was not good — which they do say — but stand in their place and say that they would return the drug plan to its former state. They will not do it.

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

**The Speaker:** — Order. The hon. member from Regina Centre hollers loudly from his seat with frustration. Well let me just bring to the attention of the hon. members once more what I said earlier.

Questions are getting too long and introducing large materials, many topics into their preambles. That will provoke similar answers, and here's the problem. We don't need members hollering from their desks that the answer is too long or they don't like it. Just stick to the rules and everything will be fine.

### Cancellation of Home Improvement Program

**Ms. Smart:** — Mr. Speaker, I had a question for the minister responsible for the Saskatchewan Housing Corporation, but I'll direct it to the Minister of Finance.

Mr. Minister, when your government cancelled the home improvement grant program, you gave Saskatchewan people an unreasonable deadline. On March 5 you told them that they had until April 30 to complete work that was already approved if they wanted to get it paid for. Since the grants were already approved, Mr. Minister, and presumably budgeted for, why did you need this artificially short deadline?

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

**Hon. Mr. Hepworth:** — Well, Mr. Speaker, in winding down the home program, consideration was given to a number of scenarios that might present themselves. They were all reviewed. There's probably no easy or perfect way to wind-down programs, but consideration was given to the pros and cons and short periods of time and long periods of time. The other day, I think, the 45 to 60 days was chosen. I'm not suggesting for a minute that everyone is going to be happy with it.

But I just remind you again, Mr. Speaker, that we didn't expect that any of these cuts would be easy ones or that there wouldn't be some pain. But the thrust in the budget, once I again I reiterate for the hon. member, is yes, we know these are difficult and they're not going to be perfect winding-downs, but the thrust in this budget, Mr. Speaker, was to cut expenditures and not raise taxes. And we stand by that, Mr. Speaker.

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

### MINISTERIAL STATEMENTS

#### Earth Day Anniversary

**Hon. Mr. Hodgins:** — Thank you, Mr. Speaker. Mr. Speaker, this morning I would like to make a statement respecting Earth Day and I have a copy here for the opposition's perusal. And I'd like to at this time send it over to them.

Mr. Speaker, this Sunday, April 22, 1990 is Earth Day. I believe, Mr. Speaker, that this is a historic occasion as it represents the 20th anniversary of Earth Day. On that first Earth Day 20 years ago, a small number of far-sighted

Saskatchewan individuals joined together to demonstrate their concern about the deteriorating quality of our water and air and about the detrimental effect that increasing levels of pollution were having on our environment.

Since that time, a generation has grown up, and with them we have also come to learn and accept the fact that the planet upon which we live can no longer be exploited irresponsibly. Mr. Speaker, I'm sure that all members of this Assembly will agree that it is our responsibility to take a leadership role to aggressively pursue the protection of our environment, to ensure that the public will at all times be informed about the quality of their environment and the impacts of specific environmental problems; to promote public input and public consultation in environmental decision making; to promote individual and community participation in the protection of the environment and to ensure that the cost of environmental protection from pollution will be born primarily by the polluter.

Mr. Speaker, Earth Day's 20th anniversary provides us with a special opportunity to reflect upon the way we relate to each other and to the environment; to recognize that as a society we can no longer treat the environment as a free economic good; to recognize that it does not make economic sense to abuse the environment; to recognize that wealth generation and the protection of the environment are not mutually exclusive objects; to recognize that we must put into practice the concept of sustainable development here in Saskatchewan and finally to recognize that as individuals we can take action to protect the environment and that such action really does make a difference.

I am sure all members of this Assembly will join with me today to make the commitment to get involved in Earth Day activities; to make the commitment to take responsible, individual actions to protect the environment; to make the commitment to increase environmental awareness amongst our families, amongst our friends and our neighbours, and finally, Mr. Speaker, to make the commitment to do our part as the elected representatives of the people of Saskatchewan to take responsible actions to protect and enhance the environment.

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

**Mr. Calvert:** — Thank you, Mr. Speaker. I want to join the minister in congratulating those who have brought the concept of an earth day to Saskatchewan. I want to join with the minister and all members and certainly all citizens of Saskatchewan in joining with the activities that are planned for Earth Day this weekend. It is a good opportunity for us all, I think, to recognize again how beautiful and how precious and how fragile is this prairie environment of which we are a part.

It's an opportunity for us all in our individual ways to look at our own life-styles and how we as individuals may be part of protecting and enhancing the environment. And it is obviously an opportunity for we who are involved in public life in this province to be considering the broader issues of protection and enhancement of the environment. Now, Mr. Speaker, I'm pleased to see that

the minister would stand in the House today and recognize Earth Day.

What we have seen, Mr. Speaker, in the last few months is what I would describe as the "greening" of the Tory party. And while that's a welcome development, Mr. Speaker, one needs, I guess, to question some of the motivations here. It seems that the blue Tory party is growing greener as we come closer to the election. And while that's a welcome development, one wonders about the motivations.

And, Mr. Speaker, one has to question the commitments of this particular group of men and women in government to the enhancement and protection of the Saskatchewan environment. Mr. Speaker, we have seen this government work trade-offs between licences for dam projects and natural parks, national parks. We've seen this government in the courts, Mr. Minister, brought to the courts because of its irresponsibility in maintaining environmental laws and protection.

But more currently, Mr. Speaker, we see this government refusing to do an environmental impact study on a major industrial development in our province not 20 miles from my own community, the development being put up by Cargill Grain. No environmental impact study; no environmental impact study for Millar Western; no seeming concern about the clear-cutting that's going on with Weyerhaeuser; no real concern about the kind of spills that we've seen in the North. Mr. Minister, one begins to question . . . and no real commitment, Mr. Speaker, I might add, to a recycling program; lots of rhetoric, but very little commitment to really see that program established in our province.

And so, Mr. Speaker, while we on this side of the House, and I think all Saskatchewan people, welcome the kind of announcement we've heard from the minister today, and the kind of rhetorical support, at least this side of the House, members of this caucus and the people of Saskatchewan want to see some more real commitment to the Saskatchewan environment. I thank you, Mr. Speaker.

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

## INTRODUCTION OF BILLS

### Bill No. 13 — An Act to Provide Access by the Public to Government Information

**Mr. Pringle:** — Thank you very much, Mr. Speaker. Mr. Speaker, I wish to move first reading of a Bill, to provide Access by the Public to Government Information.

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

Motion agreed to and the Bill ordered to be read a second time at the next sitting.

## ORDERS OF THE DAY

### GOVERNMENT ORDERS

### COMMITTEE OF FINANCE

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

**Item 1 (continued)**

**Mr. Calvert:** — Thank you, Mr. Chairman.

Mr. Minister, I heard you last night in the course of your estimates and the course of the debate imply that you were looking forward to some questions on land branch and I am more than happy to discuss some of those issues with you today.

Mr. Minister, I have here in my hand an advertisement that you placed in *The Western Producer* on May 11, 1989. I know you did that, sir, because your name is right here at the bottom of the ad. It was an ad advertising the sale of a piece of land on the north shore of Buffalo Pound Lake. If you need the land description it's SW20-20-26, west of the second.

Mr. Minister, you will be familiar with this piece of land and the arrangements for its sale because we've corresponded on this piece of land. And so, Mr. Minister, I have some very specific questions about this sale by tender.

Mr. Minister, will you confirm for the House that this piece of land had been leased by a farmer from the Marquis district for some years prior to 1989; that in fact his lease was not renewed in 1989, and that then you, sir, decided to sell this piece of land through this ad that appeared in *The Western Producer*.

I ask, Mr. Minister, if it's true that that land was leased to an individual for some seven or eight years before last year? I ask you, sir, if that individual was informed that his lease was not renewed; that this piece of land would be sold?

**Hon. Mr. Hardy:** — Just so I have it clear, there was no lease on it at the time. There had been no lease the previous year at least in the department . . . haven't got that information with me but we could find out for you how long since there had been a lease.

Previous to that they believe it was only on a permit basis, not on a lease basis, and so therefore it hadn't been leased at least, or hadn't been permitted at least the year previous to that, and previous to that or a year or two before that, had been under a permit year over year lease basis only.

**Mr. Calvert:** — Mr. Minister, when was the decision made that this piece of land would be put up for sale? When did you make that decision?

(1045)

**Hon. Mr. Hardy:** — Probably some time previous to that advertisement. Probably a month or two previous to that. I'm not sure, but probably in early '89.

**Mr. Calvert:** — Mr. Minister, why was the decision made

to put this piece of land up for sale?

**Hon. Mr. Hardy:** — Mr. Chairman, we had identified that as a piece that could be commercial property and bring a higher tax base to the area and to the municipality. We also had other pieces of property, I believe two others at the time, listed for sale — one in North Battleford, and it escapes me where the other one was that was listed for sale — because we didn't believe they had much or any agriculture value but had some commercial values to it which would allow some development of the area and create some jobs.

**Mr. Calvert:** — So, Mr. Minister, then it was the decision of yourself that this particular piece of land on the north shore of Buffalo Lake would be better used for commercial purposes and therefore you decided to sell.

Mr. Minister, did you not feel it at least incumbent upon yourself to acquaint the person whether he had a lease or a permit or whatever it was? Obviously an individual had paid rent for that piece of land for some years. Did you not feel it incumbent on yourself, first of all, to contact that individual to say that the land was going up for sale?

Now, sir, you indicate that you were selling the land because you thought it should be used for commercial purposes. And I take it from that, you mean that it should be used for lake shore developments, cottage developments, or some other commercial purpose. Well I gathered that, sir, from the ad that you ran in *The Western Producer* because you entitled the ad, "Sale by tender, non-agricultural Crown land." That's how you entitled the ad in *The Western Producer*. And then as you read the ad, sir, it reads:

All lands listed for tender are currently approved for use under provincial and municipal land use regulations solely for the purposes of agriculture.

Sir, did you acquaint the RM 190, the RM of Bethune that in fact you were putting this land up for sale for commercial purposes before contacting the RM?

**Hon. Mr. Hardy:** — First of all, I'm not sure if the RM was contacted prior to the advertisement for sale, but the reason it was advertised the way it was is the RM has final say on the land use.

**Mr. Calvert:** — Well, Mr. Minister, why would your run an ad that says, "Sale by tender, non-agricultural Crown land," when in the body of the ad it says it's for the purposes of agriculture solely, when the RM of Bethune, to my knowledge, had no indication from your department the land was going up for sale, and particularly that it was going up for sale for commercial purposes.

Why would you run an ad that says, "sale by tender, non-agricultural Crown land"?

**Hon. Mr. Hardy:** — Because the land was listed under lands branch as agricultural land, and because it was deemed to be of very low agricultural value, if any, then we left it to the RM to decide whether they deemed it to have agricultural use, and if they did, then they could

refuse to allow the sale as a commercial property.

**Mr. Calvert:** — Mr. Minister, people put bids in on this land in good faith that it was actually for sale for non-agricultural Crown land. You're telling me this morning that it's the practice of your department to go around offering pieces of land for sale for commercial purposes, but not to acquaint the local RM that that's what you're doing?

**Hon. Mr. Hardy:** — Well just so it's clear, any land that's zoned and any RM where they have community planning by-laws if you'd be aware of it, the RM has final say how it would be zoned. So therefore they have final say over the use of that land. We are just an owner and in this case a seller of lands and we put that out believing it had some opportunities to be commercial value. We didn't know if anybody else believed that to be true: we believed that to be true.

So we put that out and therefore it was listed that way. Now we did run into some other complications. The shore line, we didn't have the right title to it, the shore line defined by water corporation was different. We went through a whole series of problems with that piece of property over the last while in regards to identifying even what was the shore line out there and surveys and other things that would have to be done.

**Mr. Calvert:** — Well, Mr. Minister, you may . . . please excuse my scepticism but I think the problem that had happened here is that it didn't go to the party. It didn't go where it was intended to. Mr. Minister, you put up a piece of land for sale that's zoned solely for agricultural purposes. You advertise it as non-agricultural Crown land. You do not inform the individual farmer who obviously has a vested interest in this piece of land having leased it for many years.

Let's move along then, Mr. Minister. I understand, correct me if I'm wrong, when this tender was out last year, two bids were received. One from the individual who in fact had leased that land for some time, and another from a group called North Shore Developments. Now, Mr. Minister, I also understand that the individual who had the vested interest in that piece of land placed a bid that was exactly 180 per cent, sir, of the asking sale price, the asking price, which you advertise as \$8,400. I understand that bid was put in at \$15,000. I understand that the tenders were opened from the two bidders on June 4. I understand his was the high bid of the two. Are those facts true, Mr. Minister?

**Hon. Mr. Hardy:** — Just so we have it clear. First of all, I believe the member is somewhat misleading the people here, or the public, in saying that the person who had it previously or had it that time was not notified. I want to make it absolutely clear. Nobody, nobody, had had even a permit on that for at least a year previous to that and maybe longer.

Now he did go back and say, had an invested interest. Well a lot of people have invested interests in a lot of things, number one.

Number two is that when we advertised that for sale, we

advertised it as non-agriculture land so that everybody in the province who may be interested in that, looking at a commercial development, could bid on it. If we advertised it only as agriculture land, then under the regulations that exist in this legislature, under this legislative system, nobody else could bid other than a farmer. So because we looked at it as possible commercial land, we advertised it as non-agriculture land.

Now when the bids came in, and whatever date they were — and I can't confirm the date; lots of stuff comes and goes, but I assume you're correct — therefore when the bids come in we went to look for titles, search for titles. The title that we had, we done two things wrong. One, we had the wrong acres on it, because shown on the piece of property, we advertised incorrect acres because the shore line, what we had defined as the shore line previously, was not correct according to Sask Water. There was some problems with it.

And second, that we didn't really have title to that piece of property the way it worked out. We couldn't achieve title because of this shore line need so we couldn't sell it if we wanted to. So we were forced then to not to sell it to anybody.

**Mr. Calvert:** — Mr. Minister, I find this amazing that your department would put up a piece of land, advertise its sale. After the tenders are all received and open, then you begin to find out, oh, we can't put this piece of land up for sale because of problems.

Mr. Minister, when did you do the survey on this piece of land? When was the survey done?

**Hon. Mr. Hardy:** — Well when you say you wonder why we advertised it for sale, we have a lot of land even under time leases and they want to pick up time sales, but this previous government had the same thing.

We find now that many of those titles, we have to have them resurveyed again, because they are, for one reason or another, they don't even, they just don't match the properties that are out there. In fact we found one title out in the east side of the province that actually angled through another piece of property and that was the way it had to be surveyed out.

Any time you're doing land that doesn't have . . . has been surveyed a long time ago, we run into a lot of problems, particularly the water has . . . the water, the high water level has receded. A lot of those things has created us a lot of problems and we just advertised it believing we had the right to go ahead with the survey for title. I believe we were doing it after it was advertised, as we normally do it, as we normally do it and as it normally would be done in the past, but at this time it just didn't work out because of the . . . because the water-table is higher than we thought, the property we advertised was not the right size — a whole series of things that says we couldn't sell it because of those problems.

**Mr. Calvert:** — Mr. Minister, I asked when then . . . I mean now the piece has been readvertised again, retendered, and it's been sold in very recent days. Mr. Minister, when



did you have the survey done upon which you now base the new tender?

**Hon. Mr. Hardy:** — We did the survey some time in '89, and I don't have the exact date, but during '89. After the tender went out we found out we didn't have the right amount of lands listed. In fact when the title survey was completed, they went from 24 acres approximately, with a piece across the lake even that we didn't even know was part of the little chunk of land, back to I believe about 11 acres, 4.6 hectares of land. So it reduced more than half in size because of the shore line that was not defined properly and that piece across the lake that we didn't even know existed as that part of the title.

**Mr. Calvert:** — Well, Mr. Minister, perhaps I can inform you of the activities that you are responsible for.

Mr. Minister, you've said to the House this morning that there was something wrong with the survey. And when the tenders were opened — they were opened on June 4 — someone who bid 180 per cent of the value was turned down on that land because there's something wrong with the survey.

I asked you this morning when a survey was done. You say it was done some time in 1989. Well I want to tell you, sir . . . and then, Mr. Minister, in some of my questioning through letters, you say to me, when I ask why this individual was not granted the sale, you say to me in your letter, "Upon attempting to raise title, several problems arose, including the need to do a survey."

That was dated July 18, 1989. You're telling me on July 18, 1989 that you need to do a survey on this piece of land and that's why the tender was pulled. Well how is it, Mr. Minister, then in the most recent ad for this same piece of land, it is indicated right in your own ad, signed by yourself, sir, "acreage is based on survey plan dated May 24, 1989" — on the survey plan dated May 24, 1989, two weeks before the tenders and the first tender were even opened.

Could you explain that to the committee, sir?

(1100)

**Hon. Mr. Hardy:** — Mr. Chairman, that's exactly what I told him. When we advertised it for sale we went out and had a survey done, which you have to do, when it was brought to our attention of some of the problems. And I don't know what the date of plan of survey was, but whatever date it was, if it was after we put up the tender or announced the tender of the land, certainly that's appropriate. Because then when we got it back and it told us that this is a different piece of property altogether to what you had advertised, you sure couldn't sell that piece of property in all fairness to anybody. And you would have to then readvertise. You have no choice because you've changed the size of the piece of the property.

**Mr. Calvert:** — Well, Mr. Minister, why then are you writing a letter to me on July 18 of last year telling me that, oh well, now we need to do a survey, when just a moment ago you tell me that you did the survey in May? Why are you writing to me in July telling me that oh, well, we need

to do a survey and that's why we pulled this tender; that's why we didn't award this piece of land to the highest bidder, to someone who has a long-term interest in that piece of land?

I tell you, Mr. Minister, there is something very peculiar, to say the least, about this whole deal. When the other — and I remind you, Mr. Minister, that the person who has had the lease on this piece of property for many years intended to use it again for agricultural purposes, as he has — the other group, I take it from their title, intended to use this piece of property for commercial purposes. They were entitled North Shore Developments, I believe.

What happened here is that it didn't go to North Shore Developments because they didn't bid enough. My speculation is, sir, that that's why the tender was pulled.

Mr. Minister, may I ask this question about the events of last year? When the ads were run for this piece of land, why was this ad not run in the *Moose Jaw Times Herald*?

**Hon. Mr. Hardy:** — I was just making sure that I had the correct answer. It was advertised, I understand . . . (inaudible interjection) . . . Try and listen for a second. I was saying that . . . I was just making sure how we do it. We went through the normal process of advertising which is *The Western Producer*, the weekly papers in the area; that's in regards to the area where the properties may be involved in that area. My understanding was it wasn't in the *Moose Jaw Herald*, but I believe there was a request for this time to put it into the *Moose Jaw Herald*. And I asked him if it was in there; I'm not sure if it was.

**An Hon. Member:** — Why wasn't it in the first time?

**Hon. Mr. Hardy:** — Somebody over there said, why wasn't it in the first time? I think I explained that. Because the normal process is to put it in *The Western Producer*, in the weekly papers, because that's basically the area it goes into. This time somebody requested it to be put into the *Moose Jaw Herald* paper, which I believe it was done for the first time. Normally we don't put it into daily papers. It's not a normal procedure.

**Mr. Calvert:** — Mr. Minister, by your own admission this morning you took the position that this land was better suited for commercial purposes than agricultural purposes. Buffalo Lake has some obvious connections — the land at Buffalo Lake has some obvious connections to the people in the city of Moose Jaw, particularly if it's going to be used for lake lot developments or commercial purposes.

Then you say, well, we decided we're not going to advertise it in the daily Moose Jaw paper. Well, Mr. Minister, you will be aware that there is a weekly paper in the city of Moose Jaw called *Moose Jaw This Week*. Did you advertise it in *Moose Jaw This Week*?

**Hon. Mr. Hardy:** — Just so you understand, Mr. Chairman, we still don't advertise in daily papers without a special request because it's only one day old and then it's gone. You'd have to advertise it a lot of times; there'd be seven times in a week or something. So therefore we do it in the weekly paper which, as you know, is read and

kept around for the whole week or two. And we do it in *The Western Producer*, and I think it's a Saskatchewan-wide read paper that it's in that.

If we have a request for some area to put it into a daily paper, we do that, otherwise it is not the normal process; we haven't used it. Now if it wants to be changed, it can be done.

**Mr. Calvert:** — Mr. Minister, we have a weekly paper in the city of Moose Jaw called *Moose Jaw This Week*. It is distributed to every household in the city of Moose Jaw and to a wide geographic area surrounding the city of Moose Jaw.

Mr. Minister, if you had wanted to get the widest possible advertisement for this particular piece of land which holds specific interest to the people of Moose Jaw, why did you not advertise it then in, I would argue, both the daily and the weekly paper in the city of Moose Jaw?

**Hon. Mr. Hardy:** — Well first of all, the daily paper, I explained. I won't do that a fifth time for the member.

The weekly paper, I didn't even know there was a weekly paper in Moose Jaw, particularly right in the Moose Jaw . . . and I suppose it would be fair to say the same as he, as the member from Moose Jaw South wouldn't know there's a weekly paper in Hudson Bay either. So it's probably a fair criticism, but I didn't know there was one . . . (inaudible interjection) . . . Do you want to get in it? Why don't you get up and ask some questions then?

**Mr. Calvert:** — Well, Mr. Minister, I think you had better have a discussion with Dome Advertising or whoever it is that places all your advertising, if you don't know, sir, as the person responsible for advertising Crown lands in this province, that there is a weekly paper with wide circulation in the city of Moose Jaw. And, Mr. Minister, you need to apologize to that particular newspaper.

Mr. Minister, this morning, by your own admission, you said you decided that this land was better suited for commercial purposes and that's why you're selling it. Now, Mr. Minister, in the *Moose Jaw Times-Herald* — I guess at the special request of members from this side of the House, and perhaps others — on March 10 of this year the same piece of land was retendered with a new survey of 11.4 acres, Mr. Minister. You said in this House this morning that this land was destined for commercial purposes because that's why you're selling it. Let me now quote to you, Mr. Minister, the ad that you ran in the *Moose Jaw Times-Herald* on March 10, 1990:

Tenders will only be accepted from individuals able to declare they are or intend to be actively farming, and the land which they own, rent, or lease in their own name or proportionately as a part of partnership or company does not exceed a municipal assessment of \$60,000.

Now a few minutes ago you told us that you're selling this land because it should be in for commercial purposes. Now you retender it and say that only those, only those who are in active farming need submit a bid. Now can you explain that, Mr. Minister?

**Hon. Mr. Hardy:** — The member's correct. It was advertised as agricultural land on the second sale because the RM had some concerns that we were preceding their rights to decide whether it should be commercial properties or not. So we advertised it as agricultural land, us believing it had commercial values, advertised it that way so that the RM then could make the decision whether they want developments in the area or not, and it would be back at the local authority to make all those decisions.

**Mr. Calvert:** — Minister, the tenders have been opened. Again, the individual who had the long-term interest in this piece of land put in a tender. Again he has received a letter from you, sir, your department, saying that he is not the successful bidder. Will you tell the House, this morning, who in fact is the successful bidder on this piece of land?

**Hon. Mr. Hardy:** — First of all, we never do give out the names of either the bidders or the successful bidder. We do notify those who didn't have the highest bid. We also notify those who were the successful bidders. And on transfer of titles of land, then we will release the name of the person that got that property. But until transfer of land takes place, we're never sure; we haven't got our money, we haven't transferred the land, so it is not in anybody's name except the Crown. So it still belongs to the Crown until such time as the land title transfer is completed.

**Mr. Calvert:** — Mr. Minister, will you tell me how long it will take for the land title transfer to be completed?

**Hon. Mr. Hardy:** — My understanding is the normal procedure is anywhere from three to six weeks.

**Mr. Calvert:** — Mr. Minister, when were these tenders open, and can you tell me, was there present at the opening of the tenders any of those who had a tender in, to observe the opening? Or was there present at the opening of the tenders an independent lawyer, and if so, who was that? And, Mr. Minister, is it the role of that independent observer, if one was there, to see that the tender was given to the highest bidder? And would it be possible, sir, for myself or any of those who have a direct interest in this process to contact that independent lawyer and receive from him the information about the tenders?

**Hon. Mr. Hardy:** — First of all, no, it's not a public process as *per se* but what we do . . . The tenders comes to the lands branch. They're then held, the tenders are held, not opened. A lawyer is then brought in and is present and the lawyer opens and records all the tenders. Now the lawyer is bound, I think, by the legal system to keep the records there, and that's why we bring a lawyer in. So there is no changing of anything. It's all done in proper form. But no, it's not done as a public tender, but I'd be very pleased . . .

**An Hon. Member:** — Why not?

**Hon. Mr. Hardy:** — It is a public tender, not a public opening. I would be very pleased as soon as the title has been transferred to transmit to you the amount of tender that was received for the properties.

**Mr. Calvert:** — Mr. Minister, I'm not sure that this kind of process . . . We're talking here about public lands owned by the Crown, held by the Crown on behalf of the people of Saskatchewan, public lands. You are selling these public lands, receiving moneys for the public purse. How is it then therefore that the tendering process isn't a public tendering . . . a public opening, sir? And the deals all done now. Letters have gone out to say, you're not successful in your bid. How is it, Mr. Minister, that you will not today tell the people of Saskatchewan who purchased this piece of land and how much they paid for it?

(1115)

**Hon. Mr. Hardy:** — Well I hope I don't have to draw the picture too many times for you but I said very clearly . . . (inaudible interjection) . . . Just keep quiet for a moment and I'll give you the answer. I said very clearly that until the title is transferred to the person who has purchased the land, therefore it remains in the name of the Crown, and we do not release the name of the proposed purchaser of the property or the amount that he purchased. At that time, if the land titles office is available, we don't mind disclosing it from the Department of Rural Development. Now those who weren't successful and in receiving the bid are notified that they were unsuccessful. So that process goes through.

The third part I want to make absolutely clear. A couple of members over there are lawyers. They know that when a lawyer is brought in he's bound by both his profession and by his ethics that it must be done properly and it must be done fairly. So those things are there in place to cover that off.

**Mr. Shillington:** — Thank you. Mr. Minister, I hadn't intended to enter into these discussions, but I've listened with growing indignation at your behaviour over the last day and a half.

Mr. Minister, your tendering system is nothing but a fertile bed for corruption. That's all it is. Mr. Minister, nobody, but nobody but you people handle a tendering process in this fashion. Everybody else has tenders. The people who bid tenders are allowed to see them. The names are disclosed. If, by some reason or other, the person can't complete the transaction, you retender it. That's the way everyone does it but you people.

But you people, for the sourest and the crassest of political reasons — because you want to favour your friends — have a private tendering system. Mr. Minister, it's precisely this kind of shenanigans and chicanery which got you into trouble with STC (Saskatchewan Transportation Company).

If you had a public tendering system that was honest, you wouldn't have a tenth of the problems you have. The reason, Mr. Minister, why you have this kind of a tendering system is because this government is rotten to the core.

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

**Hon. Mr. Hardy:** — First of all, I want to make it

absolutely clear that all the tender processes that are tendered on all lands — and we have a lot of land; I believe there was 400 parcels up in one tender bid. Some are bid in blocks and some were bid individually. The people over in the department, after the tenders are all open and recorded, looked through them all in a lot of cases, to be sure that somebody didn't bid one, two, and three, and priorities have bid. All those kinds of things have to be done. The same person — and I won't name the person; he's a very good public servant — was doing the lands branch . . . all the sales of the lands branch land under the former administration and under this administration. He does a good job; I believe he's a very honest person. I have to trust somebody. I believe I trust that person; they trusted him, number one.

Number two is that when the tenders are open we have a lawyer present to record all the tenders that come in. So therefore the highest tender is recorded and kept by the lawyer to be sure that it's all in place. So we do that.

Therefore everything, I think it's fair to say, Mr. Chairman, everything is done according to the most fairest way that we can do it. Now we could bring everybody in, and I would say that in those bids, when we have those 400 pieces of land, if you were to bring them all into here, you would probably have in the neighbourhood of 8 or 900 people trying to sit in one room to look at the opening of the tenders. You would have to have that many people in that room. Some of them bid on two or three different pieces of land. You wouldn't know who was what; you wouldn't know which person. It would be totally impossible.

So that has been a process put there so we have somebody to record it to make sure that the highest tender, the highest bid goes to the highest tender. So therefore, Mr. Chairman . . . (inaudible interjection) . . . Well it's always nice to accuse somebody of being dishonest. It's always easy to do when you sit on the other side and say, well the government is.

Everybody isn't always like the people that ask the questions either. There's a tendency amongst civil servants, amongst most people in this province to be honest. And that is very, very important to recognize, Mr. Chairman.

**Mr. Shillington:** — Mr. Minister, if you had an open tendering system as this province once had, nobody would accuse you of being dishonest because we would know whether or not justice was being done. The reason, Mr. Minister, why you have so many problems with corruption is because you have this tendering system that is not open to public scrutiny.

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

**Mr. Shillington:** — And until you open up your tendering system to public scrutiny, you're going to go on having problems like you do with STC. Mr. Minister, your tendering system is an open invitation to corruption.

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

**Hon. Mr. Hardy:** — Well first of all, to be absolutely

clear, I don't believe the former government had a tender process to sell any lands back at all. They didn't have that kind of . . . they had a lease sale back so therefore they had no tender system at all. Number . . .

**Mr. Chairman:** — Order, order, please. Order. The procedure, I think, has been in the committee to ask a question and for the rest of the members on both sides of the House to allow the minister to consult with his officials and then have the question answered. And if we can continue in that vein, I think we'll probably get through the whole thing a whole lot faster.

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I think I've explained the process and I've given to it as it honestly is. That's the way it has been done. I said a moment ago they didn't have a process for land sales because they didn't have tender sales of land. They were purchasers of land, they had the land bank, and I don't know how they went about purchasing land, but I know in my area where I come from, they competed with me trying to buy land from the same farmer that I was trying to buy it from so they had a different version. I grant you that we're selling land back, and I would agree that it probably can be done better. But to the best of my knowledge it is done honestly, fairly, and up front.

**Mr. Shillington:** — Mr. Minister, prior to '82 all tendering in the government of Saskatchewan was open to public scrutiny. Mr. Minister, the former member from Regina Elphinstone, Mr. Blakeney, led a government which for 11 years was never once tainted with anything that sounded like corruption or patronage, Mr. Minister. And one of the reasons for that, Mr. Minister, was because we had an open tendering system that in all respects public could they look at. If you had an open tendering system, Mr. Minister, you wouldn't have the problems which you have. Mr. Minister, your tendering system is a big part of the problem which you're having with this government.

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

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I'm not going to go into a long rebuttal because I don't think that's the proper forum for it. I will say this, that we have probably sold somewhere at the neighbourhood of 5,000 pieces of land or more, and we have very, very, very little problems with any of it. And it's been open to the public for everybody to purchase it.

I can think in my area where I come from, that some of the land that was purchased was certainly purchased by other than Tories. In fact most of the land in my area, I would say it would be fair to say that.

So I don't believe that's the way it should be. I don't think politics should enter in it. It's the highest bidder. The farmer needs it. The young farmer needs it. That's the way it has to be for now and in the future.

**Mr. Shillington:** — But surely, Mr. Minister, you understand that the problem with your system is there's no assurance that the highest bidder in fact gets it. That's the very problem, Mr. Minister. That's the very problem.

Mr. Minister, I have been a member of the Saskatchewan

bar for some 15, 16 years. I can tell you that having a lawyer on retainer in the room is no guarantee of anything at all, no guarantee of anything at all, Mr. Minister. There's only one effective guarantee, Mr. Minister, that justice has been done, and that is to let the public see what you're doing. If you do that, you won't have any problems. If you don't do that, Mr. Minister, you've all kinds of problems, just like you have right now.

Mr. Minister, my question is: what earthly objection could you have to an open, public tendering system, except that it wouldn't allow your friends to feed at the trough in the way they're doing right now?

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

**Hon. Mr. Hardy:** — Just to satisfy the member. We have no objections to going to an open, public tendering system if that will be better for the public out there. We have no problems with that because it goes to the highest bidder. That's who it goes to. So we don't have no problem with that at all.

I just want to make mention that if anybody's lived out in rural Saskatchewan and bid on a piece of property, whether it be government land or whether it be private land — and certainly the member from Regina Centre there knows this to be true — that within two hours almost after the tender's closed, you know what everybody bid on it because either they're all in the coffee shop, so therefore I don't think there's any secret about what anybody bid for land in any area.

**Mr. Calvert:** — Then I want to go back for just a moment to the events of the tender last year. On June 4 the tenders were open.

**An Hon. Member:** — June '89?

**Mr. Calvert:** — June '89. The individual, who had the interest in the land, had requested to be present at the opening of those tenders and was turned down. The line being that there would be an independent lawyer present to open the tenders.

That night, sir, a representative of the North Shore Developments, who had the other bid in, phoned the individual to say that he had got the tender. Now tell me, Mr. Minister, how that group knew that the tenders had been opened and that the farmer had in fact had the highest tender?

You said a moment ago that you would support open . . . public opening of tenders. Well then why don't we just start today. Why don't you just tell the House who got the tender on this piece of land at Buffalo Pound Lake and for how much?

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

**Hon. Mr. Hardy:** — Well, Mr. Chairman, first of all I want to say that I mentioned a moment ago that in rural Saskatchewan, any place, you know within an hour or two after close what everybody bid on it. I would assume — and I don't know, I asked the department, nobody knows how anybody would know other than the two

bidders that were bidding on it. And if they knew they were both bidding on it I would assume if somebody said I bid "X" dollars and you bid "XY" dollars, you're higher than me, you got the tender. I would assume that would be the case.

From the department or from my office I can tell you we would have no way of knowing how they would know about it at all. So therefore — well you can laugh if you want. So therefore if they knew amongst themselves what each one bid on it I would assume they would know who was the high bidder in that case.

**Mr. Calvert:** — Mr. Minister, in this particular case the individual who had the vested interest in that piece of property, having had the use of it through lease for many years, had no idea that anyone else had bid, or who they were.

Mr. Minister, I want to simply review what has happened around this particular piece of land. An individual farmer from Marquis, Saskatchewan has had investment and involvement in this land for some years. Your department, sir, decides not to renew the lease. Then you, sir, decide that this land is going to be put up for sale as commercial property — not agriculture property, commercial property.

You, sir, then decide that the advertisement on this piece of commercial property, non-agricultural land as you advertised it, was going to be restricted to *The Western Producer*, and I think two weekly newspapers, studiously avoiding a newspaper that would reach the man who has a vested interest in it, studiously avoiding the newspapers that would reach the citizens and people of Moose Jaw who would have interest.

Only by the purest of coincidences did the individual who had the vested interest in this land find out that it was for sale, only through a phone call from a neighbour. This individual then puts in a bid, a tender, for \$15,000 — 180 per cent of the value that you advertised the land at. One other bid is received from something called North Shore Developments.

Mr. Minister, when the bids are open, obviously the \$15,000 bid is the high of the two. What happens then? Is the land sold to the high bidder? No, sir. Then two weeks later you pull the tender on the excuse that we need to do a survey; telling me that in July, when in fact in May the survey had been done, sir, by the admission of your own ad.

Now this year the piece of land is advertised again. The individual with the vested interest in the land puts in a bid. The bid's been opened, not in a public process, and he is not successful. Someone else is successful and you, sir, refuse to tell this House.

Now, Mr. Minister, again, please excuse my scepticism but there is something wrong here. There is something wrong with this particular piece of land and the sale of this particular piece of land, but what's more important, there's something wrong with the process of tendering in your government, sir. It is wide open to abuse. And if the abuse isn't happening, there's going to be speculation

about that kind of abuse.

Mr. Minister, you've committed today that you would change to public opening of tenders. Mr. Minister, I'm giving you an opportunity right now, right now, to start that process. Will you tell this House right now who has been the successful bidder on this piece of land at Buffalo Pound Lake?

(1130)

**Hon. Mr. Hardy:** — Well first of all, let me make it clear what I said. I said I would allow opening as a public tender. And that would only allow those who bid on it to be there — nobody else. I don't think you can have that kind of a public forum; I don't think you should have. The only ones with an interest in would be there.

Any other tender opening that I've been at as a reeve of the RM, just those contractors that bid on whatever — the gravel or whatever it might be — would be in attendance. Anybody else would not be in attendance at the opening of it.

So therefore what I said was, and I want to make clear what I was meaning at least, that those who bid on it could come to the opening of the tender on that parcel of land. And that way it would be a public tender when it was open so they would know that they were high, low, or otherwise.

In regards to who got the pieces of property, I have no problem telling the people who got the property what the price was that got the property, and I have no problem telling those who didn't get it what the price was. But I don't think it's my position, or should be, to stand in the legislature and tell the world what everybody bid on a piece of property. Now I don't believe that to be true because I believe that that would not be the right way to go. That's not the way those people, whoever bid on it, would want their names in this legislature.

And I got a series of tenders down here; I could read names off for hours. But I don't believe I would want to do that. I think that's not right nor should it be done that way. They bid believing it was bid as confidential bids. They've been done that way. But I said to you, and I will do it that way, if that's the wish of this Assembly, to have the bids opened in public with those who would bid on it be in attendance, so therefore they would know if they're high, low, or in between.

**Mr. Calvert:** — Mr. Minister, just two more questions then. Again I go back to the events of the tender of last year when on June 4 those tenders were opened; on the evening of June 4, the successful bidder, the highest bidder, was contacted by the other bidder to say that he had received the bid.

Now, Mr. Minister, you can raise your hands like that and say, I don't know how this happens. Well there is only one way it can happen; that that information came from your office, sir. And this wants to be explained. I will give you another opportunity to do that.

My second question and last question, Mr. Minister, is

this: if today you are committing to the public opening where the bidders may be present, this deal is done. Will you commit today, sir, either yourself or one of your officials will be in personal contact with the unsuccessful bidders this time around, to tell them who got the piece of property and how much it was sold for?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, I can tell the member I won't be in personal contact because I don't know who the bidders were, nor do I intend to deal with that process. They will be notified by letter, as I said earlier. And I want to make it absolutely clear. I think you alluded to the point that my office was probably the way that that person found out whether they were high or low bidder. And if you did, that is totally incorrect and I don't believe that kind of statement should be made in this Assembly, and I take offence to that because my office does not and will not do that kind of stuff.

So I tell you, the openings will be in public to those who bid on it. The ones who weren't successful in this piece of property will be notified and will be notified of the high price — the price, the high bid — and also the ones who got it will be notified that they got it and they know what they bid on it.

**Mr. Anguish:** — Mr. Chairman, Mr. Minister, you will recall last evening we were talking about a gravel pit in the Rural Municipality of Meadow Lake, a gravel pit that I noted as pit number 73K66 and it was located in the south half of 14-61-21 W3. Mr. Minister, you admitted that you're the minister responsible for rural municipalities and you protect their best interests. And I pointed out to you that there's a very strange procedure that happened with this particular gravel pit.

Mr. Minister, the thing that you acknowledged last night also was that when the Department of Highways releases a gravel pit, the rural municipality in which the gravel pit is located always has the first right of refusal. If they want the gravel pit they can have it. In this case the Rural Municipality of Meadow Lake wanted the gravel pit, and yet your government saw fit to award the gravel pit to a private individual.

Now, Mr. Minister, I'm wondering if you could tell us today in this House whether you've gathered a little more information since last night, and the first question I would want to ask you is whether or not you were aware of this situation within the department of rural affairs.

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

**Mr. Van Mulligen:** — Mr. Chairman, I'd like leave to introduce a visitor.

Leave granted.

### INTRODUCTION OF GUESTS

**Mr. Van Mulligen:** — Thank you, Mr. Chairman. Many of my constituents take an avid interest in the proceedings of the Legislative Assembly, and many of them are able to watch it at home over the cable television. But today we have one of those citizens with us, Betty Lewis from my constituency. I'd like members to recognize her and bid

her welcome. Thank you.

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

**Mr. Trew:** — I'd like to ask leave to introduce some guests.

Leave granted.

**Mr. Trew:** — Thank you, Mr. Chairman and colleagues in the Legislative Assembly. It gives me pleasure to introduce to you, and through you, Mr. Chairman, four visitors seated in the opposition gallery. They include my cousin Harold, his wife Lorraine, Darla and Bryce Trew, all from Carrot River. We've had the pleasure of sharing our household with them last night and visiting, having a nice visit.

A little story about Bryce: he happened to catch me on the TV news the one day I was on and he looked at that and he says, that guy lives with Jay — Jay being my number two son who spent some time with the Carrot River Trews. But I'd like to ask all members to join me in giving the Carrot River Trews a welcome.

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

### COMMITTEE OF FINANCE

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

#### Item 1 (continued)

**Hon. Mr. Hardy:** — I've got an information sheet that I'm going to send across to the member here in a few minutes. First I want to outline again one more time to the member what the process is. First I'll say, before that, only that through the process what we do is protect the RMs, or my job is to make sure the RMs are protected through the process.

I wouldn't personally know about many, many things that go on within the department. The total department is almost 400 people, and between everything that goes on, between whether it's lands branch or extension services, which do a great deal of work out there in the province, or whether it's RMs and roads and bridges, I honestly wouldn't know, nor could I know.

But there is a process in place, and when it's drawn to my attention there's a problem, then I find out why and work through the process. I'll read the process off.

In this case the Department of Highways certainly has the right of first refusal on all gravel in this area. Energy and Mines is to contact RM to determine if they require gravel prior to leasing to private contractor. Rural Development's involvement is in two areas: one, issue of a surface lease if property in question is Crown land, and two, approval of subdivisions where title severance is part of the process. Now that's what we're responsible as a department.

Now here is sort of the sequence of events, and I'm going

to send it over to you so you'll have it to look at it. And I had the department put it together in regards to this parcel of land you're talking about, and that's the west half of LSD-6 on the 14-61-21, west of the third.

Department of Highways had quarrying lease on parcels which they determined were no longer required and surrendered their interest in the quarrying lease. Department of Energy and Mines subsequently issued quarrying lease to a Mr. Wagman on subject parcels.

Three, titles in the Crown were in the name of the Department of Highways who were unable to issue surface leases, requiring the title be transferred to lands branch for administration.

Four, in order for title to be raised, subdivision approval under The Planning and Development Act, 1983 was required.

Five, application for subdivisions was made by Saskatchewan Rural Development March 5, 1990. The rural municipality reviewed the proposal and recommended approval of the transaction of the title on April 11, 1990.

Six, the RM approval, subject to the agreement which provides 200,000 cubic yards of gravel to be supplied at no cost to the RM.

Seven, we have no record of any request from the RM suggesting we should not transfer title, nor have they been asked to intervene in the process by the RM.

Eight, we have no record of order in council documents relating to this property.

And nine, subdivision approval by the department April 19, 1990. Surface lease will be issued as soon as title has been properly raised and documentation can be completed.

And I'll send this over to you just so you'll have it for to review it in case you missed some I said.

**Mr. Anguish:** — Mr. Minister, I'm sure that that is the current state of affairs. I just would not question you on that, but there's more than what you've told us.

The proper procedure within government was not followed and I'm surprised that officials in your department would not bring that to your attention if they were aware that the proper process was not being followed in terms of turning over this gravel pit that the Department of Highways no longer required. I still maintain that Highways wanted it. They were told to release the pit, and against their best advice, did release the gravel pit. And that gravel pit should have gone to the Rural Municipality of Meadow Lake.

In fact, there was a notice sent of this but it was sent to the wrong rural municipality. It was sent to the Rural Municipality of Beaver River. Now, Mr. Minister, after the rural municipality approached their own local member of the Legislative Assembly, they found out that the rural municipality was not going to sit back and allow that

gravel to be taken away from them. That's why they ended up getting 200,000 cubic yards of gravel, Mr. Minister.

What has happened in this situation was that when the rural municipality finally applied to the Department of Energy and Mines for a quarry lease, Energy and Mines told them they would not give them the lease because they already had five gravel pits in the Rural Municipality of Meadow Lake.

But what they are not aware of at the Department of Energy and Mines is that three of the pits were completely empty, one was almost totally depleted, so they only had a quarry lease on one good gravel pit. And in a rural municipality the size of the RM of Meadow Lake, you certainly require more than one gravel pit, just because of the geographic size of the rural municipality, Mr. Minister.

So they would not give the quarry lease because I think there was interference from other members — I'm not saying you, but other members of your government. And that's how the rural municipality, when they said no, we're not going to let this gravel go because we need it and the proper procedure is that we should have it, finally someone comes up with the idea, well, we'll give you 200,000 cubic yards to leave this go.

But my question is: why wouldn't you, Mr. Minister, intervene? I'm sure the department must have been aware of the situation, your department. If they weren't, somebody should have been. And I can't expect them to bring every little issue of a bridge or a gravel pit to your attention, because I know you're a busy individual. But it should have been brought to your attention, Mr. Minister, because it was so unusual for the Department of Highways to release the gravel pit and turn it over to a private individual without first offering it to the rural municipality in which the pit is located.

And this process just did not happen with this particular gravel pit in the Rural Municipality of Meadow Lake. So I'm asking, Mr. Minister, was your department aware of it? Did they bring it to your attention, and did you condone the turning over of a gravel pit from the Department of Highways to a private individual without first offering it to the Rural Municipality of Meadow Lake?

(1145)

**Hon. Mr. Hardy:** — Mr. Chairman, I was unaware of this and certainly up to a little while ago that it was brought to my attention. I was at the SARM (Saskatchewan Association of Rural Municipalities) convention and the RM of Meadow Lake was there. In fact I was even standing there talking to a couple of the councillors from there and they didn't raise it at that time with me. I spent the entire time at the SARM convention.

I want to just say again that when it was raised by the RM — and the member's right, it was raised by the RM according to this — the application, just so you understand it and make sure we understand, that the application for subdivision made by Saskatchewan Rural Development, and that's our department, March 5, 1990,

the Rural Municipality of Meadow Lake reviewed the proposal and recommended approval of the transfer of title on April 11, 1990.

Now it was left to them to say yes or no; they had that option. And I don't know, Mr. Chairman, if they wanted it more than that, if they weren't satisfied with what was going on. I'm sure — I know those people very well — they would have said no. They would have said no. So I say the process that we have went through, we followed it right exactly as we're supposed to do, as the department's supposed to do, and myself as a minister.

I want to say one other statement. Around this province, we have many, many RMs, both looking for gravel and in some RMs, have excessive gravel. Some just have the right amount. We have a regravelling program that we brought in about four years ago which we spent \$7 million a year to help RMs haul the gravel to put on their roads. We assist them in that. We're on a 50-50 basis.

I can only say that I don't know how many RMs have come to me over the last five years and said, can you help us find gravel or can we share this gravel with the other RM. This gravel pit's over there in the highways and we could need a part of it. Can we go into the Crown land and the forestry and get gravel. Can we go into the other RM and sign an agreement. I don't know how many times I went through that. I can tell you, Mr. Chairman, it's been many, many, many times. And every time we have sat and worked with every RM, and that's exactly what we did here. And we let the RM, the RM of Meadow Lake make the final decision, not the Department of Rural Development.

**Mr. Anguish:** — Well, Mr. Minister, a number of things that you brought up — the rural municipality were held to ransom for the RM of Meadow Lake because they weren't given the opportunity in the first place. And I would admit to you that yes, they are happy having 200,000 cubic yards of gravel that they didn't have before, but there's a million cubic yards of gravel in that particular gravel pit. That's the estimated amount of gravel in the pit.

Now, Mr. Minister, when they were at the Saskatchewan Association of Rural Municipalities' meeting here, that's correct, they did not meet with you because they wanted to meet with their own member of the Legislative Assembly, who is currently the Minister of Health, a cabinet colleague of yours. And I believe that they likely did meet with him or one of his representatives before they left the association's meeting.

So that's why they didn't come to you. They came to their own member of the Legislative Assembly and asked for his assistance with this inequity that was being foisted upon them. Because if the Rural Municipality of Meadow Lake had not fought for that 200,000 cubic yards of gravel, they wouldn't have got a bloody stone.

Now, Mr. Minister, you may have satisfied the process . . . the legislative or regulatory requirement within your department, but you did not satisfy your responsibility to looking out for the best interests of rural municipalities.

I ask you again, was your department aware that the proper process, not only in your department, but by the

time it got to your department and left your department, was your department aware that proper process was not being followed in regard to this gravel pit?

**Hon. Mr. Hardy:** — Just to make it clear, Mr. Chairman, the process was followed. It was followed by the department. And I read it off and I sent him a copy of the chronological order of events that went on. And it has been followed the way it should be followed. And it's been followed, to the best of my knowledge, to the satisfaction of the RM of Meadow Lake — to the best of my knowledge.

Because they have approved. They approved the subdivision, and they had the right to say no. And as you know, under community planning by-laws that they can say no and it is final. So they had lots of opportunity and they could have come to me. If they wanted, they could have phoned me; they could have come to the department. None of us have representation other than the process that we went through.

So it has been up front; to the best of my knowledge it has been fair, and to the best of my knowledge the RM of Meadow Lake was satisfied with the process and with the gravel that they have received.

Now I can go back again and I could go back to a few years ago when I was reeve when we were trying to get gravel from them, the former administration and some of the comments that was made to our municipality in regards to even trying to go through this kind of a process, and that process wasn't available to us. I think the words were almost root, hog, or die. And so that's about the size of it.

But this here, we've got a process; we go through it; we follow it for every RM and every case we go through the process the way it should be. It's set out; they know the process; the department follows it, and that's the way it should be.

**Mr. Anguish:** — This is not a history class, Mr. Minister, this is current affairs, and you are dead wrong in terms of the process being followed, absolutely wrong.

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

**Mr. Anguish:** — The Rural Municipality of Meadow Lake was held to ransom and of course they're happy with 200,000 yards of gravel because they stood to get nothing if they hadn't complained very loudly — stood to get nothing.

Mr. Minister, why would you stand aside and allow a gravel pit that was much needed by a rural municipality to go a private individual? What could be the motivation for your government to allow the gravel pit to go a private individual, Mr. Minister?

**Hon. Mr. Hardy:** — Well we can go over this a lot of time, Mr. Chairman, but first of all, to the best of my knowledge the RM was satisfied; second of all, RMs have local autonomy. They make their own decision, and it will always be that way as long as I am minister here. They have the right . . . there's a process that they could have



said no to. And if they said no, the subdivision would not have been approved and they know it and I know it and you know it.

Therefore they had the right to say no. They had the right to come and make an appeal on that. If they didn't like that, they could have done many different ways, and we would have worked with them if there was a problem. But to the best of my knowledge, first of all, they were satisfied with whatever the agreement was struck, and I understand it's 200,000 cubic yards; and second, they approved the planning and subdivision of that property which says to me, Mr. Chairman, that it was reasonable; that they were satisfied with it, and they had no problems with it because it fit with what they wanted to do in their RM.

**Mr. Anguish:** — Do you know, Mr. Minister, the first official contact that the Rural Municipality of Meadow Lake got from your government? It wasn't that Highways was releasing the pit. The first official contact that the rural municipality got was from Energy and Mines, asking them to waive their right of first refusal. Are you aware of that, Mr. Minister?

**Hon. Mr. Hardy:** — No, I would have no reason to be aware of that.

**Mr. Anguish:** — Well I would think that if you represent the best interest of rural municipalities, you should be aware of that. Because there must be a process; you're the minister responsible. When Highways releases a gravel pit, what is the formal procedure to let the rural municipality know that that pit is available?

**Hon. Mr. Hardy:** — Mr. Chairman, the RM deals through . . . with the process. They're very capable, intelligent people. The only time they would come to us is when I laid out the two situations. They did come to us at that time. They were contacted at that time. They approved it. I don't know what other process you can go to protect the RM.

There's 299 RMs out there, and I deal with many of them — many of them over a period of a year. For either come in to see me at meetings, come out to their meetings, look at their roads, look at their bridges, look at their irrigation projects — all of those kinds of things I do with them. The gravel, the pits . . . I don't know how many times I've been through the RM, different RMs.

But unless they draw it to our attention they are having a problem, I wouldn't know. I wouldn't know it they're buying a piece of land from a private person or from anybody else unless there was a reason to come to the department for subdivision or that kind of stuff. And then it goes to them back for final approval.

**Mr. Anguish:** — Mr. Minister, watch my lips: you're the minister of rural municipalities, in charge of rural municipalities. I ask you, as the minister responsible, what is the formal procedure when Highways releases a gravel pit to let the rural municipality know that that pit is available? What is the procedure?

**Hon. Mr. Hardy:** — I read the procedure, Mr. Chairman. I

could read just the abbreviated part of it again:

Rural Development involvement is in two areas: One, issue of surface lease if property in question is Crown land; and two, approval of subdivisions where title severance is part of the process.

That's where Rural Development fits in. That's where we come in. And the only other time we'd be aware of any of this is if there is a problem. And the RM, I'm sure, would contact us if there is a problem, because they know my door has always been open to every RM in this province.

**Mr. Anguish:** — Mr. Minister, your door was open. The door of the member of the Legislative Assembly for Meadow Lake, his door was closed I suppose, because that's who they came and saw to try to get this situation rectified. They relied on their local member of the Legislative Assembly.

Instead of getting a million yards of gravel, they get 200,000 yards of gravel. You don't have to read to me what your involvement here is again. I understand that. But surely are you not aware of the procedure when Highways releases a gravel pit? What is the formal mechanism by which the rural municipality is notified that that pit is available to them?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, the RMs deal with it as local government, and they are a local elected government to deal with the different departments on their own. The only time, as I read — and I could read it one more time, but he says he understands it so I won't — that's the only time we get into the process.

The other time that I would become involved in it would be when they phoned me or called me or called the department saying we have a problem. And if they don't do that, we would have to assume that the process that is there, that they're satisfied with it, and whatever is going on, that they're making a local decision, not Big Brother making decision. They're making a local decision on their own to their own best benefits. And I can't emphasize that enough.

If they're building a nursing home, they don't come and see us. If they're building a new store in town, they don't come and see us if they're getting help. If they're building an industry, they don't come to the Department of Rural Development. I mean, there's a lot of things they don't, because those people are very capable people to deal with the different departments on their own. The time they come to us is when they're having a problem that might relate to the department.

**Mr. Anguish:** — Mr. Minister, is there a formal mechanism? How does a rural municipality become aware that a gravel pit is available? That's a very simple and straightforward question. How does the rural municipality become aware that a gravel pit is available to them? Please answer the question.

**Hon. Mr. Hardy:** — Well, three or four ways. One, I suppose, if they find a pit and know it's there. Second, any time . . .

**An Hon. Member:** — Well aren't we smart.

**Hon. Mr. Hardy:** — Well that's the truth. The second part is if somebody, if Department of Highways or Energy and Mines or a piece of gravel comes up, they always contact the local RM, which I understand from the member over there that Energy and Mines did contact the local RM to make them aware of it.

So that is the process that's in place and that's when the RM would become aware of that piece of property being made available, or is going to be made available for use, other than for the Department of Highways.

**Mr. Anguish:** — Well I'll tell you the procedure in this case, Mr. Minister. The RM became aware of it through coffee-row conversation, that the government was giving this gravel pit to a private individual. And Energy and Mines did not contact them to make them aware the pit was available; Energy and Mines contacted them to ask them to sign a waiver of their right of first refusal.

Now that is not proper procedure, Mr. Minister. You'd even have to admit that. Mr. Minister, do you admit that the rural municipality, if they want a gravel pit, they have every right to that full gravel pit, not one-fifth of it?

**Hon. Mr. Hardy:** — I guess it's fair to say that where RMs need the gravel, and they have defined that need, that certainly they should have access to that gravel.

In many RMs, and I can't speak for Meadow Lake because I don't know about the RM in Meadow Lake . . . And you raise they got five pits and you said two of them are out or low on gravel. I don't know if that to be true or not to be true; I have no way of knowing.

But I can say this: that many RMs . . . And I was a reeve in an RM for a long time and I know how it works. I've seen land that we had, that was Crown land that we thought we had access to at that time, the Department of Highways come in and said, you no longer have it; we've just taken it. And that's all — the first notification we got — that was done.

In the RM of Meadow Lake, I can go back through the process again. But like I said, the Department of Energy and Mines contacted the RM of Meadow Lake, and when they contacted us, we said, the right of first refusal. Well how else would they contact them saying, here's the piece of gravel that we're going to sell or let somebody else use?

If you sign off the right of first refusal, we know you have no need for it. Now that makes them aware of it. That's a decision then to be made by the RM. If they have a need for it, they're not going to sign that right of first refusal, say, hey wait a minute, wait a minute, we got some need for that gravel.

(1200)

And I'm sure they did exactly that. According to the letter, the information I got and I sent you a copy of it, it was worked out to the benefit — at least what it says here to me — benefit of both the RM and to those who were

involved in it.

**Mr. Anguish:** — Mr. Minister, if the rural municipality at this point now contacts you instead of trying to deal through their local member of the Legislative Assembly who has obviously bungled this thing up, if they contact you directly, will you intercede? And if they want and need that gravel from that gravel pit, will you give them the entire gravel pit in reverse to the decision that's already been made?

**Hon. Mr. Hardy:** — Well, first of all I don't have the authority. The Energy and Mines have issued the quarrying lease on it. Second, it's went through the process. It went through a whole, complete process as you realize, including the approval of the RM, including the approval of the RM.

Now the RM, if they change their mind afterwards — I've made deals or decisions and afterwards wished that it was made a little bit differently — they may or may not decide to do that. I don't know. But I don't have the authority to cancel the quarrying lease. I don't have that authority. That's why you go through the process. You come to them asking for the right of first refusal; they say, no, we want this or don't want this. They go for the subdivision. They can say yes or no.

When that's all finished my belief is a deal is a deal. It's done. And I think most RMs and most farmers in this province would agree that once you come to a final deal on it, that's the end of it, it's done.

Now the RM, as I said, has not even contacted me to this date in regards to that nor to the department to this date. They went through the process. My understanding is that it's been worked out to their satisfaction, and that was my concern, to make sure it's worked out to their satisfaction. And if they approve the subdivision, I would have to assume that it was worked out to their satisfaction.

**Mr. Anguish:** — It was likely worked out to their current satisfaction because they were hijacked by your government and they were in danger of losing the entire pit, Mr. Minister. That's what happened.

Mr. Minister, you said you have no authority to intervene and reverse the decision that's already been made, if the RM requests it. You said that you look out for the best interests of rural municipalities. You do not look out for the best interests of rural municipalities. This is just one more crooked deal of your government, Mr. Minister — no other explanation of that.

Mr. Minister, can you tell me who the lawyer was who communicated on behalf of the individual who finally got the gravel pit?

**Hon. Mr. Hardy:** — I believe — and I've asked the department; I had no idea — but he says they believe the lawyer out of Meadow Lake called . . . and the last name being Cariou. They don't remember the first name.

**Mr. Anguish:** — Mr. Minister, could you also tell us who the business manager was for the individual who finally ended up getting the gravel pit?

**Hon. Mr. Hardy:** — I don't know why we'd . . . I don't know, and they don't know the business manager's name, nor would I know. We could probably find out who the business manager is but I don't have a clue who he is.

**Mr. Anguish:** — Well I think I likely know but I'm not going to draw his name through the legislature here . . .

**An Hon. Member:** — You wanted me to.

**Mr. Anguish:** — Yes, I wanted you to tell us who the business manager was for the individual who finally got the pit. Because what's happening here, what appears to be happening, Mr. Minister, is that your government tried to take away a gravel pit from the Department of Highways. They refused to give it to the rural municipality until the rural municipality had them dead to rights and knew they had to give access to that gravel.

And, Mr. Minister, it seems to me that your government wanted that gravel pit to go to some private individuals so that those private individuals could in fact sell gravel from that pit in a sweetheart deal with a construction venture in the Meadow Lake area.

Now, Mr. Minister, that's not standing up for rural municipalities in Saskatchewan. That's standing up for the continuation of the pork-barrel that your government has brought to new heights in any government anywhere in Canada.

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

**Mr. Anguish:** — Mr. Minister, the question I have for you is this: if it can be demonstrated by the rural municipality that there was interference by your government and that there was pressure put on them by your government, and that at this point in time they want the entire gravel pit, will you intervene and make sure that justice is done and the Rural Municipality of Meadow Lake has the gravel pit?

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

**Hon. Mr. Hardy:** — Just to be clear, the process I understand . . . we went through the entire process. Energy and Mines issues the quarrying lease, the RM has went through . . . They may want to back up on what they've done. I don't know. They've never contacted me in regards to it. I don't know if the agreement's been signed but it is the process of being signed. I don't know how you would back up on an agreement that's been agreed to by the RM, by Energy and Mines, by the participant that's in question, by whoever else may be involved in it. I don't know how you'd back up on an agreement that has been signed and put together by all these people involved, including the RM. If they had a concern, I'm sure they would have come to me earlier, and they would have come to me and made it out that they wanted more of that, or less of it, whatever the case is.

They made their own decision. I would think it's fair to say . . . and I can't make a decision for them. They have

made the decision, not me, and that's the way it should be.

**Mr. Anguish:** — Mr. Minister, they signed because of undue influence by your government. Your government pressured the rural municipality into the deal they finally accepted. And so, yes, the Rural Municipality of Meadow Lake is happy to have 200,000 cubic yards of gravel. But, Mr. Minister, they have the right to the gravel pit in total. That is standard practice of this government for years, Mr. Minister. Because of the manipulation and the pressure placed by your government, the gravel pit did not go to them.

I'm asking you very simply: if there was undue influence placed on the rural municipality to accept the deal and they would say to you what the trail of that undue influence was and that yesterday they want the gravel pit in total, will you intervene and represent the rural municipality's best interests like you're supposed to, Mr. Minister?

**Hon. Mr. Hardy:** — Well we can keep talking about this as long as they want, and certainly they've got that opportunity, but I want to say this. Number one is, the RM is an elected body of people by the residents of the RM of Meadow Lake. I do not believe now or in the future that anybody can put pressure on an RM to make a decision they don't want to make. I don't buy that.

And I'll tell you one thing that's absolutely for sure. This department does not put pressure on anybody to make a decision an RM council does not want to make. We have worked with them over the years totally, and many times we've had to spend a lot of hours working out a situation.

I heard the member say, crooked deal. You know, that's just flagrant abuse of a system here that I believe this Legislative Assembly does not believe in nor should stand for. And if he's insinuating that the Department of Rural Development is crooked and talking about the residents or about myself, then I take offence to that and I say to that member, he better word his . . . Now I'll put this a little different.

**An Hon. Member:** — Yes, you better.

**Hon. Mr. Hardy:** — That's right, I will too. That he says things that are not both relevant to this here Legislative Assembly, and I say to him that as long as I've dealt in my life and in all the businesses I've been in, the one thing that I do not believe in is those who deal in the illegal systems of doing things. And I tell you this department has never once and will never once put pressure on an RM to do a deal that they do not want to do. And I can tell you that it hasn't gone on in the past and will never go on in the future as long as I'm minister.

**Mr. Anguish:** — The only thing you're guilty of, Mr. Minister, is standing by while others manipulated the rural municipalities. That's what your guilt is.

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

**Mr. Anguish:** — And I suppose you wouldn't say, Mr. Minister, that there's a crooked deal with STC, but you

maintained that too, Mr. Minister.

**Mr. Chairman:** — Order, order. The debate seems to be moving to lower level. I think that members should . . . Order, order. The member from Humboldt is interfering with the Chair and I'd ask him not to; and same with the member from Regina Elphinstone. I would ask members to not use unparliamentary language in this legislature.

**Mr. Lingenfelter:** — On a point of order, can you tell me what language was unparliamentary?

**Mr. Chairman:** — The use of the word crooked going back and forth across the floor, I don't think is parliamentary language, and in the context that it was used, and that is a judgement of the Chair.

**An Hon. Member:** — That's ridiculous. Show us that.

**Mr. Chairman:** — Order, order. Is the member from Regina Elphinstone challenging the Chair?

**Mr. Lingenfelter:** — I'm asking you, would you show us.

**Mr. Chairman:** — Order. If the member wants to challenge the Chair, he can certainly rise at any time and challenge the Chair.

**Mr. Anguish:** — Mr. Minister, this gravel pit, moving from Highways, should have gone to the rural municipality — finally ended up in private individual hands. When the government found out they were in trouble on it, they offered an olive branch to the rural municipality of 200,000 yards of gravel.

I'm asking you, in this trail of manipulation and coercion and interference, if the rural municipality comes to you and asks you to intervene on their behalf as the main minister . . . They did ask the MLA from Meadow Lake to intervene but he hasn't helped them, Mr. Minister. In fact, he's harmed them by giving away four-fifths of the gravel pit to a private individual, when the RM needs the gravel; they can use the gravel.

If they can show you the trail of events — you don't have to take my word for it — if they can show you the trail of events and the manipulation that happened to get this gravel pit from the Department of Highways into a private individual's hands, will you intervene on their behalf, Mr. Minister? Yes or no?

**Hon. Mr. Hardy:** — I've said three times, four or five or 10 times, Mr. Chairman, the process was followed. It was followed out the way the department's supposed to do it, and that's the way it sits.

**Mr. Anguish:** — My last question is, what have you got to hide? What have you got to hide that you won't represent rural municipalities in Saskatchewan on an issue like this where they've been manipulated and cheated and tricked and finally offered an olive branch of one-fifth of a gravel pit. They should have every right to the full access.

**Hon. Mr. Hardy:** — Mr. Chairman, no RM has ever been cheated, tricked, or anything else in this province by this department as long as I've been minister. And I can say

this, as a reeve for many, many years and been at many, many, many SARM conventions, I can tell you something. The quality of those councillors and the qualities of those reeves and the quality of those administrators are such that nobody would either cheat them, trick them, or pressure them, because the quality of them is much above some that I've seen otherwise.

**Mr. Anguish:** — Mr. Minister, we're not making accusations. Mr. Minister, we're not making accusations. Basically the bottom line here is if the rural municipality . . .

**Mr. Chairman:** — Order, order.

**An Hon. Member:** — Did I say something unparliamentary, sir?

**Mr. Chairman:** — Is the member challenging the Chair, I ask? I've called for order and when the Chair calls for order the member is to sit down. I would like to ask the member from Rosthern to rise and apologize to the House for unparliamentary language.

**Hon. Mr. Neudorf:** — I apologize, Mr. Chairman.

**Mr. Anguish:** — Basically the bottom line, Mr. Minister, is if the RM comes to you and shows you that there was political interference, because that's basically what it was. It wasn't the officials of the departments; it was the politicians of your government that interfered in what should have been a very smooth-flowing process for the RM to get the gravel pit. If they come to you and can show you that there was political interference, will you do your job and intervene on behalf of the rural municipality to rectify this situation?

It does your government no good to continue on the path you're continuing on. People see it for what it is. People see political interference, and I would think you, of all ministers, would intervene because you're the one who has responsibility for rural municipalities in the province.

So, Mr. Minister, my final question to you. If the rural municipality comes to you and points out the political interference that happened in the transfer of the gravel pit to a private individual, will you in fact intervene and see that justice is done in this situation for the Rural Municipality of Meadow Lake?

(1215)

**Hon. Mr. Hardy:** — Mr. Chairman, I'm just hard pressed to believe that anybody would believe, that anybody in this province would believe that a reeve and six members of council and an administrator who is a very qualified person, in any way is not capable of running their own affairs.

And they have made a decision. The council has made a decision and I will abide by the council's decision that they have made here in regards to that pit.

**Mr. Lautermilch:** — Thank you very much, Mr. Chairman. I think, Mr. Chairman, it's pretty clear that the minister of rural affairs has had enough of detailed

questions. Yesterday he was complaining that he didn't have any detailed questions in his estimates, so my colleagues attempted to point out some details of some issues in this province which I would want to say the minister, I think, handled very poorly.

In respect of gravel and in respect of tendering of land and this government's tendering process, I would say that the people of Saskatchewan have had very clear indication of what makes this government tick.

They've got a very clear indication of why this government is in the political problems that it is, and why this province is in such economic straits as it is. And it was really clearly shown by the minister of rural affairs in the last hour, in this House especially.

Mr. Minister, you talked, and I've listened very closely to the rural affairs estimates, and my colleague from Quill Lakes was asking you about the benefits of your department to the people of rural Saskatchewan, to the rural communities and the rural municipalities. And he was asking many questions about the effects of your administration on rural Saskatchewan.

And I tell you, I stood in here and I heard, you're putting pressure on in terms of the federal government and federal issues. I've heard that you consult a lot. I've heard that your government makes representations and I've heard that you don't want to be confrontational because you don't want to dry up the good will of the federal government.

Well, Mr. Minister, I want to ask you some questions in respect to the rural post office closures in Saskatchewan and what's happened under your administration, and what your federal cousins in Ottawa have done to rural communities in Saskatchewan.

Mr. Minister, rural Saskatchewan stands to lose many good, high paying jobs. The base and the hub of many of those communities is not only their grocery store and their garage, but it's their post office. And while you've been embarking upon all this pressure and consultation and submissions, we've lost in Saskatchewan some 52 rural post offices, by my figures, which means a lot of hardship on those communities and which means, in all probability, those rural towns will be dying a lot quicker than they would have, had it not been for the post office closure.

Now I ask you, Mr. Minister, if you're comfortable with what your federal cousins have been doing. I ask you if you agree with the privatization of rural post offices, or if that is no longer one of your agenda items since you got beat up severely on your attempt to privatize SaskEnergy.

Now I ask you, Mr. Minister, if you're comfortable with your record and with the results of your consultation and your representation to your federal cousins in Ottawa. And I ask you if your lack of ability, frankly speaking, sir, of this government to stop that rural post office closure, if you're comfortable with what's been happening in the last while.

**Hon. Mr. Hardy:** — Mr. Chairman, rural post offices are

important to the people of Saskatchewan. They've been a process of . . . they've been an area that we have used over the years as a province.

I can go back into the '50s, when our local post offices, where I lived out in the country, three of them all closed. I go back into the early '70s, when my small towns, like the towns of Clemenceau, Veillardville, Erwood, Smoking Tent, Barrows — I could go on — all lost their post offices, all lost them back in the '70s. All the post offices went. And I could get the dates for them all. They've all gone; they've all gone from there.

And now in the '80s we face another problem, Mr. Chairman. A lot of our small towns become . . . there's not even a store left in them in some cases. And I don't know how you . . . nobody goes there any more. And that becomes a problem. Nobody goes to the town if you don't have a store in it. In a lot of cases the elevators, the pool elevator's leaving. Many, many of these towns now don't even have a school in them.

So the use of the post office in some areas is not being used any more. So if it's not being used, you would expect those, as it did in the past, to gradually they will disappear.

But there's many towns and many villages, I believe, needs to maintain a good post office in their communities — a strong post office. And I can think of . . . I could name the same towns that I believe need to maintain that post office. So they're there.

So I can say to the members of the Assembly that two post offices that I thought that needed some more clarification, that the people of the community weren't happy with, that I intervened with the minister responsible for Canada Post is Sifton and Dubuc. Dubuc, eh? Dubuc, okay. Okay, I said it wrong.

I wrote a letter to the minister on both of those and he has now postponed the closure of them and is reviewing with the communities and with the people in the area in regards to what needs to be done.

So where I have been asked to intervene, I have done that. Where there has . . . in some cases I don't even get asked to intervene because there's just nothing left in those small communities, as there was when the former administration was here on our side of the House, because there's nothing left to really keep a post office there.

And the other thing we all realize, that we travel so much further now. We just do. It's just a fact of life and you can't change that. So those two things along, those things along with the times and what went on in the past — not just today, but what went on in the past — certainly make some changes in there.

And as we go through, you'll see that there'll be strong post offices, good post offices left in many, many communities. And some of the ones where there's no town left, you wouldn't expect there to be a post office.

**Mr. Lautermilch:** — Well, Mr. Minister, I can take you

through a list of 50 that are to be closed, and I can tell you that they're not, sir, all dried up and withered-away towns.

You know, what you've just done, sir, is you've stood up, Mr. Minister, and you've talked about rationalizing of the post office service which is one of the little key words that go with privatization. What you're saying is, forget the service, you've got to look at it in terms of dollars and cents. And I would want to say that the member from Assiniboia-Gravelbourg should be listening very closely because there are some post offices in his riding that the people are lobbying very strong and very hard to ensure stay open.

And I want to tell you, Mr. Minister, you can go to Lafleche, Saskatchewan and tell those people that you intend to fight to keep their post office open, but when your federal cousin, Mr. Wilson, the member of parliament for that area stands up a minute later and indicates that he favours the privatization and the eventual closure of the Lafleche post office, I want to say to you, Mr. Minister, you don't have any credibility.

And I want to say that this minister can make excuses and he can talk about fighting for the community of Sifton and Dubuc — Dubuc, a name he can't even pronounce --- which gives me a clear indication of just how interested he is in the rural post offices. I tell you, Mr. Member and Mr. Minister, that you've got little credibility.

I'd like to know, Mr. Minister, how many post offices you expect to see closed within the next year in Saskatchewan, in the year 1990 or '91? And I want to know — I would like a list of those, sir, and I would like a list of how many of those you plan to intervene. I'd like a list to tell me which of those communities you feel are viable and which you want to see go by the wayside.

**Hon. Mr. Hardy:** — Well, I don't have the list with me, that's for sure. I want to say three things. One, back under Tommy Douglas, if he called that privatization when they were closing the post office out there, I would doubt it very much.

Under the former premier of this province, Allan Blakeney, who I believe was a statesman, who had many, many post offices close under his jurisdiction when he was premier of this province — many of them. I can think of one that was sort of transferred at Scout Lake. I was out there; I was out at Scout Lake, and it was done in about 1973 or '74. It was transferred to the co-op store there at Scout Lake. And I talked to the manager, the guy that run the co-op store there, and he said if it wasn't for the post office being here — and it was done many years ago, he said, I think '73 or '74 — he said, we wouldn't even have nothing here at all in Scout Lake.

So I guess what I'm saying is that I don't believe that closing the post office in '50 was privatization. I don't think closing them in '70 was privatization.

**An Hon. Member:** — Well, get out, it is called privatization.

**Hon. Mr. Hardy:** — Oh, it was! All right. Well the

member from Quill Lakes said that they were privatizing them back in the '70s. I don't know if they were or they weren't. That isn't what I was . . .

What I want to say is that we've met with Canada Post and they have assured us that there would be no closures of post offices, first, without working with the community; second, without notifying us; and third, making sure that there was available to them the same type of service or better, in their communities; and that no post office would be closed in any size of communities at all, even to move it to where it would be a different type of service in their community at all if the town was of any size. And they give us a list of towns. I don't have it with us, but it was just the smaller towns and some of the ones that, like I said, don't even have a store any more.

**Mr. Lautermilch:** — Well, Mr. Minister, what I hear is you making excuses for the federal government. So I'm asking you and I ask you again: do you favour rural post office closures?

**Hon. Mr. Hardy:** — No.

**Mr. Lautermilch:** — Well, Mr. Minister, can you tell me what kind of correspondence you may have had with the federal minister? Can you table some documentation to show that you've actively been lobbying?

**Hon. Mr. Hardy:** — I haven't got it with me, but I can certainly table it on Monday when I come back.

**Mr. Lautermilch:** — Mr. Minister, I want to share with you a letter from some people in the riding of Assiniboia-Gravelbourg. There's a group formed there to stop the closure of their post office, and they had a meeting with one of your cabinet colleagues, the Associate Minister of Economic Development, the MLA for Redberry. And I want to quote from part of this . . . or from Redberry. And I want to quote part of this letter for you if I could. It says:

Mr. Gerich indicated that Canada Post is in contact with the provincial government for consultation before any closure or conversion.

The letter goes on to say:

Canada Post had to present four or five authentic reasons for closure and assurance that the closure would present no hardships for the community.

That's a quote from the Associate Minister of Economic Development.

So Canada Post has to present four or five authentic reasons for closure to the community. And she goes on to say:

That indicates to me that you gave approval for Dubuc's closure. What were the authentic reasons and when does hardship occur?

Can you give me those four or five reasons, Mr. Minister?

(1230)

**Hon. Mr. Hardy:** — Well, Mr. Chairman, Dubuc is not closed; it's still open.

**Mr. Lautermilch:** — Mr. Minister, your colleague, the Associate Minister of Economic Development indicated that Canada Post . . . the process is that Canada Post gets in contact with the provincial government, gives them four or five reasons to rationalize the closing. Can you tell me what those four or five reasons are? We've lost 50-some post offices. If this is the process, can you tell me what those — you must have gone through this before — can you tell me what those reasons are?

**Hon. Mr. Hardy:** — I'm not aware of the four or five listed reasons. We did meet with Canada Post. I meet with them about once a year. I meet with them to discuss the areas of concern that might be raised in regard to post office closure, delivery of mails, how it would affect rural Saskatchewan. So we meet with them about once a year to discuss those kinds of things, but I'm unaware of the list of 1, 2, 3, 4 things that they would say to us that'd be a reason for closing, other than the ones that I mentioned earlier.

**Mr. Lautermilch:** — Well, Mr. Minister, you've had ample time to find out what those four or five reasons are. This letter was sent to you early this year, and your colleague, the associate minister of economic development, indicated in his letter, or indicated that you would be getting back to this person prior to February 26. Can you tell me if you've got that correspondence or if you've talked with that minister? And can you tell me if you've responded to this letter?

**Hon. Mr. Hardy:** — I don't know, Mr. Chairman, I don't know if I've responded to the letter or not, or what the response was, if it was. I probably have somewhere in the neighbourhood of about a hundred letters a day that I answer and I respond to, and I just wouldn't . . . I'd have to go back in the files and take a look at the files. That's the only way I would know.

**Mr. Lautermilch:** — Well, Mr. Minister, you've got 1, 2, 3, 4, 5, 6, 7, 8, 9, 10 officials with you today. Surely one of those officials would be able to go through . . . or if you each, if you gave each one of these guys 10 letters a day, they'd be able to brief you as to those hundred letters.

I'm asking you again, do you recall the letter? And could you bring . . . could you tell me if they've briefed you as to what the consultation process is before the closures go on. Surely one of those, one of your officials can help you with that?

**Hon. Mr. Hardy:** — Mr. Chairman, I have a lot of correspondence with a lot of different ministers, federal ministers, provincial ministers, public, all the way from RMs to people who have crop insurance claims and all the things that come to my office, which I do sign and do read and do send back. But I can't mentally remember all the letters that go out. I'd have to go back to the files, as I said earlier.

And if there was one come with four points on it, as he said, I honestly can't remember. And he asked me, have I

answered? And I would have to go back and check my files because, in all fairness, I probably since that time have sent back over maybe 1,000 or 2,000 letters that I've responded to.

**Mr. Lautermilch:** — Well, Mr. Minister, I want to ask you, in terms of consultation, did the federal department consult with you prior to the closing of Aylesbury?

**Hon. Mr. Hardy:** — No, they didn't. That was probably the first time that we had . . . After that, we had requested some meetings to try and see that we would be aware of and the public be aware of what their plans were.

**Mr. Lautermilch:** — Mr. Minister, did they consult with you prior to the closure of Briercrest?

**Hon. Mr. Hardy:** — I'm not aware that Briercrest is closed or if it's been converted. Either one, I wouldn't know. Nobody's made any representation to me, and I wouldn't know particularly on that issue.

**Mr. Lautermilch:** — Mr. Minister, did they consult with you prior to the closure of Candiac?

**Hon. Mr. Hardy:** — I wouldn't know if Candiac is closed. I wouldn't know unless a community came to us and said there is a problem with what they're doing.

When you say closed, do you mean converted or do you mean closed? Now there's two different things. In some communities where the postmistress or master is retiring, they've been moving them into the private stores or into the co-op stores, and they've been run there. In fact one place, I believe, they even run out of the credit union.

And those communities in a lot of cases are pleased with that; in some cases they're not. Usually if they're not, I hear about it. If they're pleased with it, I don't usually hear about it because that's a community decision.

**Mr. Lautermilch:** — Well, Mr. Minister, I know there are two issues. There's total closure, and I know that there's the privatization which will event in closure. And you know that as well as I know that — privatization will result in the loss of service.

I want to ask, Mr. Minister, what have you in writing in terms of a lobby to the federal government to indicate to the people of this province that you in fact do oppose rural post office closure and privatization? What have you got in writing, Mr. Minister?

**Hon. Mr. Hardy:** — Just to be clear on it, I told them I would table the correspondence on Monday when I come in of some of the letters I have written to Harvie Andre, the minister responsible for Canada Post, some of the representations that we made otherwise.

I want to just say only in regards to such things as he said the privatization, as he used the word, the post office going to somebody in the private sector and the co-op or the credit union, it's just deterioration of services and the loss of it.

In my view, Mr. Chairman, in many of those cases they'll

have extended services. It will keep that small store in that town as it does in Scout Lake. It's kept it there for many, many years, done back in the '70s, certainly under not this administration. It's better than losing . . . as the guy said at Scout Lake, we would have just lost it altogether. Much better to have it here in this store there for another 20 years that probably wouldn't have been there.

I think that the credit unions and the co-ops and those who run the private business will give good service. They're good people; they're honest people. And if you have a choice between whether you want an extended service in your community or you want . . . in a lot of cases they only had part-time postal services in a lot of those communities. You know, that's a decision that the community has to make. And if these communities that he's named has made that decision that's in their best interest, I don't believe I should be one to complain about it.

**Mr. Lautermilch:** — Mr. Minister, let's get one thing straight. These people in these communities don't have the option because Post Canada comes in already having made the decision as to what's going to happen with those post offices, as was the case in Aylesbury. And those communities have nothing to do about it.

And I tell you, Mr. Minister, what Post Canada is doing is picking off these communities one by one. And with the rural hardships faced by your . . . that are mostly in a great part caused by your government, they've got their minds on keeping their farms afloat and keeping their businesses afloat. And in a lot of cases those small communities, because of the number of people you've chased off of the land, don't have the numbers to lobby and don't have the time to lobby.

And what I say to you, Mr. Minister, if you're sincere about keeping postal service in rural Saskatchewan, what you should be doing as a representative of this provincial government, you should be lobbying your federal counterparts long and hard, saying, we oppose privatization of rural post offices, we oppose the closure of rural post offices, and we oppose the loss of service to rural Saskatchewan. That's what you should be doing as the minister of rural affairs.

But it's clear where you are. You talk about not making waves with your federal counterparts when we're talking about stabilization programs for agriculture. You talk about not being too confrontational. Well, Mr. Minister, while you are trying to avoid a confrontational mode, these post offices are closing and these services are disappearing.

Now I mean, the good will that you're trying to build with your federal counterparts in Ottawa isn't doing the job. It's not doing the job in terms of developing a long-term agricultural strategy. It's not doing the job in terms of gaining the kind of equalization payments that we should be having here in Saskatchewan. It's not doing the job in terms of federal procurement of government expenditures in this province. And I tell you, Mr. Minister, frankly, it's not doing the job for the people of this province. And I want to say, Mr. Minister, that's why people in this province are very sceptical of you.

I draw you one parallel, and I want to take you to the provincial riding of Assiniboia-Gravelbourg. The newly elected member, the Associate Minister of Health, I believe he is, tells the people in their communities that he opposes the closure of rural post offices. Yes, indeed, he does. His federal cousin, the MP, comes out and says, well you know, we have to do something. We have to make Post Canada accountable, and we have to have this corporation that was developed to deliver a service to all of the people of this country, we have to have that in a profit-making mode. And I mean, we need that \$96 million of profit because we can put that into other places.

And I tell you, Mr. Minister, what they have done is they've made a profit — Post Canada has. But a lot of people in Saskatchewan, 50 communities in Saskatchewan, have lost the service that is a right to theirs as citizens of this country.

And I want to say, Mr. Minister, I don't think you've been doing your job with respect to the lobby in terms of speaking with your federal counterparts and insisting that the federal government stop the closure of Saskatchewan's post offices.

And, Mr. Minister, why I say you're not doing your job is for one very good reason, because if you look at the number of post offices that Manitoba has lost, and if you look at the number of post offices that Alberta has lost, and you compare that to the number Saskatchewan has lost, you've got a pretty dismal record in terms of the lobby.

Are you aware of how Saskatchewan stands in terms of the number of post offices we've lost and the other provinces have lost?

**Hon. Mr. Hardy:** — As you have, I have had probably the same list and it says here that in Saskatchewan there was 66 post offices under review, 39 had been converted of the total, and the rest were under review. They have a list here of the post offices that have been closed over the last years, and the list is on the side of the sheet here. You probably have the same list that I have, such things as Springwater, Weldon, Esk, Forgan, Forget. There's a whole list of them.

I have the same list as you have. I understand in Alberta, by this list — and I don't know when this date was; it was issued 6/10/89, so that would be in June '89 — that Alberta had 31 under review and they had converted 37. So Alberta, that's where they sit as well.

(1245)

**Mr. Lautermilch:** — Mr. Minister, you may not be aware and the member from Assiniboia-Gravelbourg may not be aware, but last night the Palmer post office was closed, and that's another one we can add to our list.

My understanding is that the Cadillac post office is to be converted to an RPO (rural post office) in the next week, is what I'm led to believe. And I want to say, Mr. Minister, there was a meeting out there last week and three people



had applied for that RPO, but when they came to understand what the effects would be on their community, the three people who had applied removed their applications.

Mr. Minister, I don't think there's any doubt where you are in terms of privatization or where this government is in terms of privatization. I don't think that there's any doubt that you will quietly stand by while your federal cousins destroy the post office system in Saskatchewan. I don't think there's any doubt of that.

And these small communities, their postal service is being destroyed one by one as you stand on your hands telling us that your work-load is too heavy and your department can't handle a hundred letters a day. And I think that's pretty clear that you can't handle a hundred letters a day.

And I'm not blaming your officials, sir. I think the officials do the work. I think it's the minister in charge of the corporation who can't handle the information flow that comes to him.

I think, Mr. Minister, you've got a problem when it comes to transfer of gravel pits and how it affects RMs when that gravel pit is privatized. I think, sir, you've got a problem when it comes to the kind of tendering and the tendering process that your government uses. And I think, Mr. Minister, what you are is one of your cabinet, many of them with the same problem that you have — that you're just simply not fit to govern.

And I want to say, Mr. Minister, that there are communities that are starting to lobby and starting to organize in order to protect their communities, because they know you haven't been doing your job here in Regina.

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

**Mr. Lautermilch:** — And I want to say, Mr. Minister, that these groups are going to be asking for your assistance in protecting their post offices. They're going to be asking for assistance to protect their communities, and to protect rural Saskatchewan. And I want to say, Mr. Minister, that they know the hypocrisy of this government. They know that the federal government has made the decision to close them down. And they know that you're putting up a little road show and pretending to care, all the while letting these communities be picked off, one by one.

But I say to you, Mr. Minister, that they're looking for a government that will be able to lobby our federal government; that will be able to come home with the goods. And they're looking for a provincial government that cares about rural Saskatchewan and that cares about working people, which clearly your inaction indicates you don't.

So I say, Mr. Minister, the people see through you. They see through your colleagues and they understand what your government is about. And I ask you, Mr. Minister, would you support action in this House — would you support a motion in this House — condemning the federal government for destroying our rural postal system? I ask you if you would support that kind of a

motion that would tell the federal government that we're not satisfied with the kind of action they're taking with respect to post Canada, and that we condemn them for the privatization and for the closure of post offices in Saskatchewan. Would you do that, Mr. Minister?

**Hon. Mr. Hardy:** — Well, Mr. Chairman, he always used the word condemn. It seems to me I've heard that about a hundred times in the last couple or three days. They never once used the word . . . they don't use the word, do we request, or do we ask for, or do we work with, or those kinds of situations . . . or how do we make . . . how to work with the communities, to work with the federal government, or to lobby the federal government to make things better. They said no, we must condemn.

Well I never got very much in my life by saying negative things about people. I always found out that if you're going to be successful and you're going to do things in a reasonable way, at least your chance of success is much better.

So I say that certainly if you want to put a motion in this House that says that we will work with the people of Saskatchewan and the people of this Legislative Assembly to maintain our postal service in this province and to maintain it in a proper and right way and to maintain the systems that out there where needed, certainly, I'll support that any day.

**Mr. Koskie:** — Mister, you are really standing tall, fighting for rural Saskatchewan. Are you ever working hard. I want to ask you, Mr. Minister, are you aware of the policy of the federal government which clearly indicated that their course of action was the privatization of the postal system across Canada? And in view of the privatization — many are here in Saskatchewan — how can you possibly stand up and be opposed to a principle that your government spent its entire session promoting last time until the people of Saskatchewan got rid of you, or stopped you. It goes further than just the closures, and you're trying to relate it just to the communities that are closing down. It's more insidious than that, Mr. Minister.

Are you aware that Canada Post are going into communities of the size of Watson and Wynyard and other communities and are saying to them, we want to give you not only your post office but we want to set up a complementary additional service so that your postal services will be improved.

Have you heard of those situations? And do you know what the game is there? They want some private business man to take a supplementary postal system, cut back on the volume in the postal system — and doing the same in Watrous, my colleague says — and therefore can come forward and say, well look, you got the private operation. The volume here does not in fact warrant the continuation of a postal system under the jurisdiction of the Crown corporation, Canada Post. That's exactly the process that's going on. And, Mr. Minister, they were in towns like Watson.

And you know what the chamber of commerce has done? The chamber of commerce in Watson rallied the business community and asked them that none of them accept the

privatization, the private facility in conjunction with the postal system, because they know exactly where the federal government is headed. This is privatization in its most blatant form.

And you stand here and say, well the community has only the post office, I guess it has to close; I'm fighting hard but you know we got to co-operate. Mr. Minister, your government has one course of action and that's privatization. Canada Post, by your federal counterparts, is on a course of privatization. Let it not be denied, and the people of Saskatchewan know it. And no amount of your words here that you're fighting will ever convince the people of Saskatchewan.

I want to say, Mr. Minister, you've been out to a community of Dubuc. I want to say that that community rallied to the extent that no community should have to be required to put in. They set up a committee of citizens to keep their postal system. They even sent a representative all the way to Ottawa to get that changed.

And where was the minister of rural affairs? Have you ever heard a statement, Mr. Chairman, a public statement by this man standing up and saying, I condemn the privatization and the withdrawal of postal services from community after community across this province? He's been silent. That's what he is.

I want to ask you, Mr. Minister, are you aware that in fact the postal system, Canada Post, is not only closing out postal systems against the will of the people of this province, just like they're instituting GST (goods and services tax) and you're about as powerful in fighting against the privatization of the postal system as you are fighting the GST. That's where you're at.

I ask you, Mr. Minister: are you aware of this insidious method of privatization that is being invoked by the federal government? That not only are they going out and closing it — hospitals — where mail . . . the postal clerk or post office — What do you call them? — post office master, master, mistress, yes, post mistress.

But not only are they, Mr. Minister, closing in smaller communities . . . (inaudible interjection) . . . Just keep your chatter to yourself because you don't make any sense, the member from Rosthern. I mean you. I went through with the problem that you have and we could relate it again across national television or Saskatchewan television if you want.

What is happening, Mr. Minister, is that exactly the same way as in Saskatchewan when your government tried to privatize SaskPower against the will of the people, you have now the federal government here invoking on exactly the same program and that is the privatization of the postal system across Saskatchewan against the will of the people.

Mr. Minister, you've been found out, you and your government. You aren't fighting for the welfare of the people. The people of Saskatchewan had to stop you from privatization. How can they possibly believe that now you are going to stand up to your big brothers who have the same philosophy and say, well we're going to fight for

rural Saskatchewan and the retention of postal services. Credibility, Mr. Minister. They want honesty. They don't want this here hypocrisy that is being lipped to the people of Saskatchewan.

You indicated, and as my colleague indicated, that you in fact are consulted by the federal government in respect to the closures. That's what you have indicated. You have indicated that reasons have to be given for closing. The question that is clear, that there's many 10's and 20's and 30's and 40's and 50's — post offices closed across rural Saskatchewan. And you have stood by and been about as effective as . . . I don't know. There is a word to describe it, Mr. Minister.

But the big problem that you have is that you believe, exactly like the Tories in Ottawa, that privatization is the way to go, regardless of whether the public want it or not. You have demonstrated it; you've gone overboard with your privatization; you're hooked on it. And it's such a hypocrisy for you to stand up and say, well I will certainly if I'm called on, take a stand.

But the people of Saskatchewan want honesty from you, Mr. Minister. How can you on the one hand support massively privatization on the one hand by your own government, and on the other hand oppose, or pretend to oppose, privatization by the federal government.

This is what they're doing, Mr. Minister. They are putting community after community under the pressure of privatization, whether that postal service is required or whether it is not. All I say to you, Mr. Minister, you have again failed, failed miserably to represent rural Saskatchewan and the needs of the people of rural Saskatchewan, people in Dubuc, as I have indicated to you.

I'll tell you, don't laugh; you think it's a laughing matter. Why don't you go out to Dubuc and see what they say to you, Mr. Minister. Ask them whether they think you've fought the fight for them. Why don't you go out and ask them? I'll tell you, Mr. Minister, what you are doing here is the level of hypocrisy in its highest form.

You believe in privatization. You tried to privatize SaskPower and the people of Saskatchewan rejected that, and you had to back off. The privatization of Canada Post is done by your cousins in Ottawa with the full and total support of the Tory Party here in Saskatchewan. Let the mask and the deception come off.

That's where it stands, Mr. Minister, and you're part and parcel of the erosion of rural Saskatchewan, rather than defending rural Saskatchewan as you should be, which is your duty to do.

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

The committee reported progress.

## TABLING OF REPORTS

**The Speaker:** — Before the House adjourns, I would at this time inform the House that not very long ago the report of the Provincial Auditor has been delivered to me.

A letter accompanying it which reads as follows:

Dear sir: In accordance with Section 14(a) of The Provincial Auditor Act, I present herewith my report to the Legislative Assembly for the year ended March 31, 1989.

In accordance with section 14(b) of the same Act, I request that you table this, my report for the 1989 fiscal year. Yours truly, G.F. Wendel, A/Provincial Auditor.

I now table the report.

It being past 1 o'clock, the House stands adjourned until Monday at 2. I trust you have a pleasant weekend.

The Assembly adjourned at 1:02 p.m.